

Woodbridge Holdings Corp (Formerly Levitt Corp)

Form DEFM14A

August 21, 2009

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

o Preliminary Proxy Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to Section 240.14a-12

**Woodbridge Holdings Corporation**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**JOINT PROXY STATEMENT/PROSPECTUS**

Dear Shareholders:

On July 2, 2009, BFC Financial Corporation and Woodbridge Holdings Corporation entered into a definitive merger agreement. Subject to the terms and conditions of the merger agreement, Woodbridge will be merged with and into a wholly owned subsidiary of BFC, and holders of Woodbridge's Class A Common Stock (other than BFC and holders who exercise and perfect their appraisal rights) will receive, in consideration for each share of such stock they own, 3.47 shares of BFC's Class A Common Stock. BFC will not issue fractional shares of its Class A Common Stock in the merger, but instead, the aggregate number of shares of BFC's Class A Common Stock to which holders of Woodbridge's Class A Common Stock will be entitled to receive will be rounded up to the next largest whole number. BFC's Class A Common Stock is traded on the Pink Sheets Electronic Quotation Service under the symbol BFCF.PK, and Woodbridge's Class A Common Stock is traded on the Pink Sheets Electronic Quotation Service under the symbol WDGH.PK. On August 14, 2009, the last trading day before the date of this joint proxy statement/prospectus, the closing price of BFC's Class A Common Stock was \$0.49 per share, and the closing price of Woodbridge's Class A Common Stock was \$1.45 per share.

The merger is conditioned upon, among other things, the approval of each of BFC's and Woodbridge's shareholders. BFC will hold a special meeting of its shareholders on September 21, 2009 at 11:30 a.m., local time, at the Corporate Center, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309. At the meeting, BFC's shareholders will be asked to consider and vote upon a proposal to approve the merger and the related transactions.

In addition, Woodbridge will hold its annual meeting of shareholders on September 21, 2009 at 12:00 p.m., local time, at the Corporate Center, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309. At the meeting, Woodbridge's shareholders will be asked (i) to approve the merger agreement, (ii) to elect three directors to Woodbridge's board of directors to serve until the earlier of Woodbridge's 2012 annual meeting of shareholders and the consummation of the merger and (iii) to transact such other business as may properly be brought before the meeting or any adjournment or postponement thereof.

**YOUR VOTE IS VERY IMPORTANT.** Whether or not you plan to attend the meeting of the company of which you are a shareholder, please take the time to vote by completing, signing, dating and returning the accompanying proxy card in the enclosed self-addressed stamped envelope or otherwise transmitting your voting instructions as described on the enclosed proxy card as soon as possible. If you hold your shares in street name, you should instruct your broker how to vote in accordance with the voting instruction form to be provided to you by your broker.

This joint proxy statement/prospectus provides detailed information concerning the merger and the merger agreement as well as the director election proposal to be considered at Woodbridge's annual meeting. Additional information regarding BFC and Woodbridge has been filed with the Securities and Exchange Commission and is publicly available. **BFC and Woodbridge encourage you to read carefully this entire joint proxy statement/prospectus, including all annexes.**

The board of directors of BFC determined that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of BFC and its shareholders and, accordingly, has approved the merger agreement and the transactions contemplated thereby and recommends that BFC's shareholders vote **FOR** the approval of the merger and the related transactions.

Following receipt of a recommendation in favor of the merger by a special committee comprised of Woodbridge's independent directors, the board of directors of Woodbridge determined that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of Woodbridge's shareholders and, accordingly, has approved the merger agreement and the transactions contemplated thereby and recommends that Woodbridge's shareholders vote **FOR** the approval of the merger agreement.

Alan B. Levan  
Chairman, Chief Executive Officer and President  
BFC Financial Corporation

Seth M. Wise  
President  
Woodbridge Holdings Corporation

**For a discussion of significant matters that should be considered before voting at the meetings, please read the section entitled "Risk Factors" beginning on page 19.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of BFC's Class A Common Stock which may be issued in connection with the merger or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

*This joint proxy statement/prospectus is dated August 17, 2009 and is first being mailed to shareholders of BFC and Woodbridge on or about August 21, 2009.*

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**BFC Financial Corporation  
2100 West Cypress Creek Road  
Fort Lauderdale, Florida 33309**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
To Be Held on September 21, 2009**

To the shareholders of BFC Financial Corporation:

Notice is hereby given that a special meeting of shareholders of BFC Financial Corporation will be held at the Corporate Center, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309 on September 21, 2009 commencing at 11:30 a.m., local time, solely to consider and vote upon a proposal to approve the merger of Woodbridge Holdings Corporation with and into a wholly-owned subsidiary of BFC pursuant to the terms and conditions of the Agreement and Plan of Merger, dated as of July 2, 2009, by and among BFC, Woodbridge and WDG Merger Sub, LLC, a wholly-owned subsidiary of BFC, as well as the transactions related to the merger, including the amendment of BFC's Amended and Restated Articles of Incorporation to increase the number of authorized shares of BFC's Class A Common Stock from 100,000,000 shares to 150,000,000 shares.

Only holders of record of BFC's Class A Common Stock and Class B Common Stock as of the close of business on August 18, 2009 are entitled to notice of, and to vote at, the meeting and any adjournment or postponement thereof.

The joint proxy statement/prospectus accompanying this notice explains the merger and the related transactions. Please carefully review the joint proxy statement/prospectus, including the merger agreement and the Form of Articles of Amendment to BFC's Amended and Restated Articles of Incorporation, which are attached thereto as Annexes A and D, respectively.

**The merger and the related transactions cannot be completed unless they are approved at the meeting. The board of directors of BFC has determined that the merger and the related transactions are advisable, fair to and in the best interests of BFC and its shareholders and, accordingly, has approved and recommends that BFC's shareholders vote FOR the merger and the related transactions.**

**BFC's shareholders are urged to please complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid return envelope or otherwise transmit your voting instructions as described on the enclosed proxy card as soon as possible, whether or not you plan to attend the meeting.** You may revoke the proxy at any time prior to its exercise in the manner described in the joint proxy statement/prospectus. Any shareholder of record present at the meeting, including any adjournment or postponement thereof, may revoke his, her or its proxy and vote personally at the meeting.

By order of the board of directors,

Alan B. Levan  
Chairman, Chief Executive Officer and President

Fort Lauderdale, Florida  
August 17, 2009

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**Woodbridge Holdings Corporation  
2100 West Cypress Creek Road  
Fort Lauderdale, Florida 33309**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held on September 21, 2009**

To the shareholders of Woodbridge Holdings Corporation:

Notice is hereby given that the annual meeting of shareholders of Woodbridge Holdings Corporation will be held at the Corporate Center, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309 on September 21, 2009 commencing at 12:00 p.m., local time, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of July 2, 2009, by and among Woodbridge, BFC Financial Corporation and WDG Merger Sub, LLC, a wholly-owned subsidiary of BFC, pursuant to which Woodbridge will merge with and into a wholly owned subsidiary of BFC and each outstanding share of Woodbridge's Class A Common Stock (other than shares owned by BFC and holders who assert and exercise their appraisal rights) will be converted into the right to receive 3.47 shares of BFC's Class A Common Stock.
2. To consider and vote upon a proposal to elect three directors to Woodbridge's board of directors to serve until the earlier of Woodbridge's 2012 annual meeting of shareholders and the consummation of the merger described above.
3. To transact such other business as may properly be brought before the meeting or any adjournment or postponement thereof.

Only holders of record of Woodbridge's Class A Common Stock and Class B Common Stock as of the close of business on August 18, 2009 are entitled to notice of, and to vote at, the meeting and any adjournment or postponement thereof.

The joint proxy statement/prospectus accompanying this notice explains the merger agreement and the merger as well as the director election proposal to be considered at the meeting. Please carefully review the joint proxy statement/prospectus, including the merger agreement attached thereto as Annex A.

**The merger and the other transactions contemplated by the merger agreement cannot be completed unless the merger agreement is approved at the meeting. The board of directors of Woodbridge has determined that the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of Woodbridge's shareholders and, accordingly, has approved the merger agreement and the transactions contemplated thereby and recommends that Woodbridge's shareholders vote FOR the approval of the merger agreement.**

**Woodbridge's shareholders are urged to please complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid return envelope or otherwise transmit your voting instructions as described on the enclosed proxy card as soon as possible, whether or not you plan to attend the meeting.** You may revoke the proxy at any time prior to its exercise in the manner described in the joint proxy statement/prospectus. Any shareholder of record present at the meeting, including any adjournment or postponement thereof, may revoke his, her or its proxy and vote personally at the meeting.

By order of the board of directors,

Seth M. Wise  
President

Fort Lauderdale, Florida  
August 17, 2009

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This document, which forms part of a Registration Statement on Form S-4 filed with the Securities and Exchange Commission by BFC, constitutes a prospectus of BFC under Section 5 of the Securities Act of 1933, as amended (the Securities Act ), with respect to the shares of BFC s Class A Common Stock to be issued to the holders of Woodbridge s Class A Common Stock in connection with the merger. This document also constitutes (i) a joint proxy statement of BFC and Woodbridge under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act ), and the rules and regulations promulgated thereunder, (ii) a notice of meeting with respect to the special meeting of BFC s shareholders, at which BFC s shareholders will consider and vote upon the merger and the related transactions and (iii) a notice of meeting with respect to Woodbridge s 2009 annual meeting of shareholders, at which Woodbridge s shareholders will consider and vote upon, among other proposals, the merger agreement.

The information contained in the sections of this document entitled Selected Historical Consolidated Financial Information of Woodbridge, Information About Woodbridge Business, Market for Common Equity and Related Stockholder Matters, Quantitative and Qualitative Disclosures About Market Risk and Management as well as the information relating to the year ended December 31, 2008 contained in the sections entitled Woodbridge s Management s Discussion and Analysis of Financial Condition and Results of Operations and Woodbridge s Financial Statements and Supplementary Data constitute Woodbridge s annual report to shareholders for purposes of Rule 14a-3(b) of the Exchange Act. **Woodbridge will provide without charge to each of its shareholders to whom this document is delivered, upon the written request of such shareholder, a copy of its Annual Report on Form 10-K for the year ended December 31, 2008 (excluding the exhibits thereto). Any and all such requests should be directed to Woodbridge Holdings Corporation, 2100 W. Cypress Creek Road, Fort Lauderdale,**

**Florida 33309, Attn: Sharon Lyn, Investor Relations.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

***Q: What is the proposed merger?***

A: On July 2, 2009, BFC Financial Corporation ( BFC ) and Woodbridge Holdings Corporation ( Woodbridge ) entered into the Agreement and Plan of Merger (the merger agreement ) that is described in this joint proxy statement/prospectus. See The Merger Agreement beginning on page 90. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

Subject to the terms and conditions of the merger agreement, Woodbridge will be merged with and into WDG Merger Sub, LLC, a wholly owned subsidiary of BFC ( Merger Sub ), with Merger Sub surviving and remaining a wholly owned subsidiary of BFC (the merger ).

***Q: Why am I being asked to vote on the merger?***

A: In accordance with BFC s Amended and Restated Articles of Incorporation, the merger cannot be completed unless it is approved by BFC s shareholders. Further, under the Florida Business Corporation Act (the FBCA ), the related amendment to BFC s Amended and Restated Articles of Incorporation to increase the number of authorized shares of BFC s Class A Common Stock from 100,000,000 shares to 150,000,000 shares requires the approval of BFC s shareholders. Accordingly, at the special meeting of BFC s shareholders, BFC s shareholders will be asked to approve the merger and the related transactions, including the amendment to BFC s Amended and Restated Articles of Incorporation increasing the number of authorized shares of BFC s Class A Common Stock from 100,000,000 shares to 150,000,000 shares.

In addition, under the FBCA, the merger cannot be completed unless Woodbridge s shareholders approve the merger agreement. As a result, at Woodbridge s annual meeting of shareholders, Woodbridge s shareholders will be asked, among other proposals, to approve the merger agreement.

See Questions and Answers About the BFC Special Meeting beginning on page ix and Questions and Answers About the Woodbridge Annual Meeting beginning on page xii for a discussion about the voting rights and voting procedures with respect to, and the shareholder vote required to approve, the merger and the related transactions and the merger agreement, as applicable.

***Q: What will Woodbridge s shareholders receive in the merger?***

A: Other than BFC, whose shares of Woodbridge s Class A Common Stock and Class B Common Stock will be canceled in connection with the merger, and holders of Woodbridge s Class A Common Stock who exercise and perfect their appraisal rights, each holder of Woodbridge s Class A Common Stock will be entitled to receive 3.47 shares of BFC s Class A Common Stock for each share of Woodbridge s Class A Common Stock owned by such holder at the effective time of the merger. BFC will not issue fractional shares of its Class A Common Stock in the merger, but instead, the aggregate number of shares of BFC s Class A Common Stock to which holders of Woodbridge s Class A Common Stock will be entitled to receive will be rounded up to the next largest whole number. On July 2, 2009, the last trading day before the public announcement of the merger agreement, and on August 14, 2009, the last trading day before the date of this joint proxy statement/prospectus, the closing price of BFC s Class A Common Stock, as quoted on the Pink Sheets Electronic Quotation Service (the Pink Sheets ), was \$0.40 per share and \$0.49 per share, respectively. On July 2, 2009 and on August 14, 2009, the closing price of Woodbridge s Class A Common Stock, as quoted on the Pink Sheets, was \$1.10 per share and \$1.45 per share,

respectively. Shareholders of both companies are encouraged to obtain current market quotations prior to voting their shares.

***Q: What will happen to restricted stock awards of shares of Woodbridge's Class A Common Stock and options to purchase shares of Woodbridge's Class A Common Stock?***

A: At the effective time of the merger, BFC will assume Woodbridge's 2003 Stock Incentive Plan, and all restricted stock awards of shares of Woodbridge's Class A Common Stock outstanding at the effective time of the merger will be converted automatically into restricted stock awards of shares of BFC's Class A Common Stock on the same terms and conditions and with the same restrictions, but with appropriate

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adjustments made to the number of shares of BFC's Class A Common Stock covered by the new restricted stock awards based on the exchange ratio of 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock.

All options to purchase shares of Woodbridge's Class A Common Stock outstanding at the effective time of the merger will be canceled in connection with the merger, and the holders thereof will not receive any consideration as a result of such cancellation. In agreeing to this treatment of Woodbridge's options, Woodbridge's special committee and board of directors considered the fact that, as of the date of the merger agreement, all such options were, and, for the foreseeable future, all such options are expected to be, out-of-the-money with exercise prices greatly exceeding the current market price of Woodbridge's Class A Common Stock. However, it is anticipated that some or all of the directors and executive officers of Woodbridge will be granted BFC stock options or other equity-based compensation awards of BFC following the merger.

***Q: What will BFC's shareholders receive in connection with the merger?***

A: BFC's shareholders will not receive any consideration in connection with the merger. Each share of BFC's Class A Common Stock and Class B Common Stock outstanding immediately prior to the merger will remain outstanding as a share of BFC's Class A Common Stock and Class B Common Stock, respectively, immediately following the merger.

***Q: Will there be restrictions on the transfer of the shares of BFC's Class A Common Stock to be issued in the merger?***

A: The shares of BFC's Class A Common Stock to be issued in the merger will be freely tradeable unless you are an affiliate of Woodbridge or BFC within the meaning of the federal securities laws. This will generally be the case only if you are a director, executive officer or holder of 10% or more of Woodbridge's or BFC's outstanding common stock.

***Q: What are the material federal income tax consequences of the merger to Woodbridge's shareholders?***

A: The merger has been structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). Accordingly, holders of Woodbridge's Class A Common Stock should not recognize gain or loss for United States federal income tax purposes upon the exchange of shares of Woodbridge's Class A Common Stock for shares of BFC's Class A Common Stock.

As described in further detail below, holders of Woodbridge's Class A Common Stock have the right to assert and exercise appraisal rights with respect to the merger and obtain payment in cash for the value of their shares. The receipt of cash in exchange for shares of Woodbridge's Class A Common Stock will be a taxable transaction.

**Tax matters are very complicated, and the tax consequences of the merger to a particular shareholder will depend in part on such shareholder's circumstances. Accordingly, you are urged to consult your own tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws.**

***Q: Does the board of directors of Woodbridge recommend the approval of the merger agreement?***

A: Yes. The board of directors of Woodbridge designated a special committee comprised of independent directors (the Woodbridge special committee) to, among other things, negotiate, review and evaluate the terms and conditions, and determine the advisability of the merger. After such negotiation, review and evaluation, the

Woodbridge special committee determined that the merger is advisable, fair to and in the best interests of Woodbridge's shareholders. On the basis of such determination, the Woodbridge special committee recommended that the full board of directors of Woodbridge approve the merger agreement and the merger on the terms and conditions set forth in the merger agreement and recommend to the shareholders of Woodbridge that they approve the merger agreement. In arriving at its determination, the Woodbridge special committee consulted with certain members of Woodbridge's senior management and its



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legal and financial advisors and considered the factors described under *The Merger Recommendation of the Woodbridge Board and its Reasons for the Merger*.

After careful consideration of the recommendation of the Woodbridge special committee and careful evaluation and consideration of the merger agreement and the transactions contemplated thereby, the board of directors of Woodbridge determined that the merger agreement and the merger are advisable, fair to and in the best interests of Woodbridge's shareholders. Accordingly, the board of directors of Woodbridge approved the merger agreement and the transactions contemplated thereby, including the merger, and recommends that Woodbridge's shareholders vote FOR the approval of the merger agreement. In arriving at its determination, the Woodbridge board of directors also considered the factors described under *The Merger Recommendation of the Woodbridge Board and its Reasons for the Merger*.

***Q: Does the board of directors of BFC recommend the approval of the merger?***

A: Yes. After careful evaluation and consideration of the merger agreement and the transactions contemplated thereby, the board of directors of BFC determined that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of BFC and its shareholders. Accordingly, the board of directors of BFC approved the merger agreement and the transactions contemplated thereby and recommends that BFC's shareholders vote FOR the merger. In arriving at this determination, the board of directors of BFC also consulted with certain members of BFC's senior management and BFC's legal and financial advisors and considered the factors described under *The Merger Recommendation of the BFC Board and its Reasons for the Merger*.

***Q: How do Woodbridge and BFC expect to conduct their respective businesses until the merger is completed and after the merger is completed?***

A: Both Woodbridge and BFC expect to, and have agreed in the merger agreement to, conduct their respective businesses prior to the effective time of the merger in the usual and ordinary course, consistent with their existing business and investment strategies and operational plans. With respect to Woodbridge, this may include, among other things, the continued pursuit of investments and acquisitions within or outside of the real estate industry and providing support to its existing investments, including additional investments in affiliates such as Bluegreen Corporation (Bluegreen), among others. Further, BFC expects to continue providing support for its controlled subsidiaries with a view to the improved performance of the organization as a whole, and this business strategy may include additional investments in its controlled subsidiaries such as BankAtlantic Bancorp, Inc. (BankAtlantic Bancorp).

In addition, BFC expects that both it and Woodbridge (as a wholly owned subsidiary of BFC) will continue to conduct their respective businesses following the merger in the usual and ordinary course. BFC intends to allocate resources within the consolidated group among BFC's investments and subsidiaries in a manner which its board of directors believes to be beneficial to BFC's shareholders. It is currently anticipated that BFC will make additional investments in BankAtlantic Bancorp, whether in BankAtlantic Bancorp's previously announced \$100 million rights offering to its shareholders or otherwise, and may also make additional investments in Bluegreen, Core Communities, LLC (Core Communities or Core) or Benihana, Inc. (Benihana).

***Q: Are there risks associated with the merger and the related transactions?***

A: Yes. In evaluating the merger agreement and the transactions contemplated thereby, you should carefully consider the risks discussed in the section of this joint proxy statement/prospectus entitled *Risk Factors* beginning on page 19 and the other information about BFC and Woodbridge contained in this joint proxy

statement/prospectus.

***Q: When do the parties expect the merger to be completed?***

A: BFC and Woodbridge are working to complete the merger as quickly as practicable. If each of BFC's and Woodbridge's shareholders approve the merger and the merger agreement, respectively, and the other conditions to consummation of the merger are met, then BFC and Woodbridge expect that the merger will be completed prior to the end of the third quarter of 2009. However, it is possible that factors outside of

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BFC's or Woodbridge's control could require them to complete the merger at a later time or not complete it at all.

For a description of certain matters that could delay or prevent the completion of the merger, please read the section entitled "Risk Factors" beginning on page 19.

***Q: If I am a Woodbridge shareholder, should I send in my stock certificates now?***

A: No. If you are a holder of Woodbridge's Class A Common Stock and the merger is approved, you will receive written instructions from the exchange agent retained for purposes of the merger explaining how to exchange your certificates representing shares of Woodbridge's Class A Common Stock for certificates representing shares of BFC's Class A Common Stock to which you are entitled as a result of the merger. BFC's shareholders will not exchange their stock certificates.

***Q: Can I assert appraisal rights with respect to the merger?***

A: Under the FBCA, holders of Woodbridge's Class A Common Stock have the right to assert and exercise appraisal rights with respect to the merger and obtain payment in cash for the value of their shares rather than receive shares of BFC's Class A Common Stock. The receipt of cash in exchange for shares of Woodbridge's Class A Common Stock will be a taxable transaction. Pursuant to the FBCA, the fair value of the shares of Woodbridge's Class A Common Stock held by a Woodbridge shareholder asserting appraisal rights means the value of such shares calculated as of the time immediately preceding the consummation of the merger, excluding any appreciation or depreciation in anticipation of the merger, and could be more than, less than or equal to the value of the shares of BFC's Class A Common Stock that the shareholder would otherwise have received in connection with the merger. To assert and exercise appraisal rights, holders of Woodbridge's Class A Common Stock must strictly follow the procedures set forth in the FBCA. These procedures are summarized under the section entitled "The Merger - Appraisal Rights" beginning on page 85. In addition, the text of the applicable provisions of the FBCA is included as Annex F to this joint proxy statement/prospectus. Any holder of Woodbridge's Class A Common Stock wishing to assert and exercise appraisal rights is urged to consult with his, her or its legal counsel before attempting to assert and exercise those rights. BFC's obligation to consummate the merger is conditioned upon holders of not more than 10% of the outstanding shares of Woodbridge's Class A Common Stock exercising, or remaining entitled to exercise, appraisal rights for their shares.

Under the FBCA, BFC's shareholders will not be entitled to appraisal rights in connection with the merger.

***Q: Where can I find more information about BFC and Woodbridge?***

A: You can obtain more information about BFC and Woodbridge from the various sources described under "Where You Can Find More Information" beginning on page 301.

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**QUESTIONS AND ANSWERS ABOUT THE BFC SPECIAL MEETING**

***Q: Where and when is the BFC special meeting?***

A: The special meeting of BFC's shareholders will be held at the Corporate Center, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309 on September 21, 2009 commencing at 11:30 a.m., local time.

***Q: Who can vote at the meeting?***

A: Record holders of BFC's Class A Common Stock and record holders of BFC's Class B Common Stock as of the close of business on August 18, 2009 (the BFC record date) may vote at the meeting. As of the close of business on the BFC record date, 38,275,112 shares of BFC's Class A Common Stock and 6,854,381 shares of BFC's Class B Common Stock were outstanding.

***Q: What will BFC's shareholders be asked to vote on at the meeting?***

A: As described above and in the notice of special meeting of BFC's shareholders, BFC's shareholders will be asked to consider and vote upon the proposal to approve the merger and the related transactions, including an amendment to BFC's Amended and Restated Articles of Incorporation increasing the number of authorized shares of BFC's Class A Common Stock from 100,000,000 shares to 150,000,000 shares. In accordance with BFC's Amended and Restated Articles of Incorporation and the FBCA, the merger and the related transactions cannot be completed unless they are approved by BFC's shareholders.

***Q: What are the voting rights of BFC's shareholders with respect to the merger and the related transactions?***

A: BFC's shareholders will vote together as a single class on the proposal relating to the merger and the related transactions. Each share of BFC's Class A Common Stock entitles the holder thereof to one vote per share on such proposal, with all holders of BFC's Class A Common Stock having in the aggregate 22.0% of the general voting power of BFC. The number of votes represented by each share of BFC's Class B Common Stock, which represents in the aggregate 78% of the general voting power of BFC, is calculated in accordance with BFC's Amended and Restated Articles of Incorporation. At the meeting, each outstanding share of BFC's Class B Common Stock will be entitled to 19.7979 votes on the proposal relating to the merger and the related transactions.

***Q: What are my choices when voting on the merger and the related transactions?***

A: BFC's shareholders may vote for or against, or abstain from voting on, the merger and the related transactions.

***Q: What vote of BFC's shareholders is required to approve the merger and the related transactions?***

A: The proposal to approve the merger and the related transactions will be approved if it receives the affirmative vote of a majority of the votes entitled to be cast on such proposal. Abstentions, failures to vote and broker non-votes will have the same effect as votes against the merger and the related transactions.

Alan B. Levan, BFC's Chairman, Chief Executive Officer and President, and John E. Abdo, BFC's Vice Chairman, collectively own, directly or indirectly, and are entitled to vote approximately 27.7% of the outstanding shares of BFC's Class A Common Stock and approximately 86.3% of the outstanding shares of BFC's Class B Common

Stock, representing approximately 73.4% of the total voting power of BFC. Messrs. Abdo and Levan have indicated their intention to vote their shares of BFC's Class A Common Stock and Class B Common Stock in favor of the merger and the related transactions. If Messrs. Levan and Abdo so vote their shares of BFC's Class A Common Stock and Class B Common Stock to approve the merger and the related transactions, then the approval of the merger and the related transactions by BFC's shareholders would be assured.

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***Q: How many shares of BFC's Class A Common Stock and Class B Common Stock do BFC's executive officers and directors collectively own?***

A: BFC's executive officers and directors and their respective affiliates collectively own and are entitled to vote 10,724,118 shares, or approximately 28.0%, of BFC's Class A Common Stock, and 5,912,570 shares, or approximately 86.3%, of BFC's Class B Common Stock. These shares collectively represent approximately 73.4% of the general voting power of BFC.

***Q: What constitutes a quorum?***

A: The presence at the meeting, in person or by proxy, of holders of shares of BFC's Class A Common Stock and Class B Common Stock representing a majority of BFC's voting power as of the BFC record date will constitute a quorum, permitting the conduct of business at the meeting.

***Q: May I vote in person?***

A: If your shares of BFC's Class A Common Stock or Class B Common Stock are registered directly in your name with BFC's transfer agent, you will be considered the shareholder of record of those shares, and the proxy materials and proxy card are being sent directly to you by BFC. If you are a BFC shareholder of record, you may attend the BFC special meeting and vote your shares in person, rather than signing and returning your proxy card or otherwise transmitting your voting instructions as described on the proxy card.

If your shares of BFC Class A Common Stock or Class B Common Stock are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you together with a voting instruction card. As the beneficial owner, you are also invited to attend the BFC special meeting. Since a beneficial owner is not the shareholder of record, you may not vote these shares in person at the meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares in person.

***Q: If my shares are held in street name by my broker, will my broker vote my shares without instructions from me?***

A: No. Because the proposal relating to the merger and the related transactions is not considered a routine matter, if your shares of BFC's Class A Common Stock or Class B Common Stock are held in street name and you have not provided voting instructions to your broker or nominee, then your broker or nominee may not vote your shares in its discretion on the proposal. Accordingly, your broker will vote your shares for you on the merger and the related transactions only if you provide instructions to your broker on how to vote your shares. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without instructions, your shares will not be voted on the merger and the related transactions and the broker non-votes of such shares will have the effect of a vote against the merger and the related transactions.

***Q: What happens if I do not attend the meeting and fail to return a proxy card or otherwise provide voting instructions?***

A: The failure to return your proxy card or otherwise provide voting instructions will have the same effect as voting against the merger and the related transactions.

***Q: What do I need to do now?***

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please complete, sign and date your proxy and return it in the enclosed postage-paid return envelope or otherwise transmit your voting instructions as described on the enclosed proxy card so that your shares may be represented at the meeting. If you sign and send in your proxy and do not indicate how you want to vote, BFC will count your proxy as a vote FOR the merger and the related transactions.

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***Q: Can I change my vote after I have mailed my signed proxy?***

A: Yes. You can change your vote at any time before your proxy is voted at the meeting. If you are the record owner of your shares, you can do this in one of three ways. First, you can send a written notice to BFC's Secretary stating that you would like to revoke your proxy. Second, you can complete and submit by mail a new valid proxy bearing a later date or transmit new voting instructions by telephone or internet as described on the proxy card. Third, you can attend the meeting and vote in person; however, attendance at the meeting will not in and of itself constitute revocation of a previously executed proxy.

If you are not the record owner of your shares and your shares are held in street name, you must contact your broker, bank or other nominee to find out how to change your vote.

***Q: Are there any other matters to be acted upon at the BFC special meeting?***

A: No. The only matter to be acted upon at the meeting is the proposal to approve the merger and the related transactions, including the amendment to BFC's Amended and Restated Articles of Incorporation increasing the number of authorized shares of BFC's Class A Common Stock from 100,000,000 shares to 150,000,000 shares.

***Q: Who can help answer my questions?***

A: If you are a BFC shareholder, and would like additional copies, without charge, of this joint proxy statement/prospectus or if you have questions about the merger and the related transactions, including the procedures for voting your shares, you should call the information agent for the merger, Georgeson Inc., toll-free at (888) 666-2593.

BFC's shareholders may also contact:

BFC Financial Corporation  
Attn: Investor Relations  
2100 West Cypress Creek Road  
Fort Lauderdale, FL 33309  
Phone: (954) 940-4994  
Email: InvestorRelations@BFCFinancial.com



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**QUESTIONS AND ANSWERS ABOUT THE WOODBRIDGE ANNUAL MEETING**

***Q: Where and when is the Woodbridge annual meeting?***

A: Woodbridge's annual meeting of shareholders will be held at the Corporate Center, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309 on September 21, 2009 commencing at 12:00 p.m., local time.

***Q: Who can vote at the Woodbridge annual meeting?***

A: Record holders of Woodbridge's Class A Common Stock and record holders of Woodbridge's Class B Common Stock as of the close of business on August 18, 2009 (the Woodbridge record date) may vote at the Woodbridge annual meeting. As of the close of business on the Woodbridge record date, 16,637,132 shares of Woodbridge's Class A Common Stock and 243,807 shares of Woodbridge's Class B Common Stock were outstanding.

***Q: What will Woodbridge's shareholders be asked to vote on at the meeting?***

A: As described above and in the notice of annual meeting of Woodbridge's shareholders, Woodbridge's shareholders will be asked to consider and vote upon the proposal to approve the merger agreement. In accordance with the FBCA, the merger cannot be completed unless the merger agreement is approved by Woodbridge's shareholders.

In addition to the proposal relating to the merger agreement, Woodbridge's shareholders will also be asked to consider and vote upon the proposal to elect three directors to Woodbridge's board of directors to serve until the earlier of Woodbridge's 2012 annual meeting of shareholders and the consummation of the merger as well as any other matters which may properly be brought before the meeting or any adjournment or postponement thereof.

***Q: What are the voting rights of Woodbridge's shareholders?***

A: Holders of Woodbridge's Class A Common Stock and Class B Common Stock will vote as one class on each of the proposal relating to the merger agreement and the proposal relating to the election of directors. Holders of Woodbridge's Class A Common Stock are entitled to one vote per share on each proposal, with all shares of Woodbridge's Class A Common Stock representing in the aggregate 53% of the general voting power of Woodbridge. The number of votes represented by each share of Woodbridge's Class B Common Stock, which represents in the aggregate 47% of the general voting power of Woodbridge, is calculated in accordance with Woodbridge's Amended and Restated Articles of Incorporation. At the Woodbridge annual meeting, each outstanding share of Woodbridge's Class B Common Stock will be entitled to 60.5138 votes on each of the proposal relating to the merger agreement and the proposal relating to the election of directors.

***Q: What are my choices when voting on the merger agreement?***

A: With respect to the vote on the merger agreement, you may vote for or against the merger agreement, or you may abstain from voting on the merger agreement.

***Q: What vote of Woodbridge's shareholders is required to approve the merger agreement?***

A: Under the FBCA, approval of the merger agreement requires the affirmative vote of holders of shares of Woodbridge's Class A Common Stock and Class B Common Stock representing a majority of the votes entitled to be cast on the proposal. Abstentions, failures to vote and broker non-votes will have the same effect as votes cast

against the approval of the merger agreement.

BFC owns approximately 22% of the outstanding shares of Woodbridge's Class A Common Stock and all of the outstanding shares of Woodbridge's Class B Common Stock, representing approximately 59% of the total voting power of Woodbridge. BFC has agreed to vote its shares in favor of the merger agreement. As a result, the approval of the merger agreement by Woodbridge's shareholders is assured.

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***Q: Are any other shareholders of Woodbridge committed to vote for the approval of the merger agreement?***

A: Except for BFC's agreement to vote its shares of Woodbridge's Class A Common Stock and Class B Common Stock in favor of the merger agreement, there are no agreements or arrangements pursuant to which any shareholder of Woodbridge has committed to vote for or against the approval of the merger agreement. However, it is anticipated that BFC's directors and executive officers, who collectively own less than 1% of the outstanding shares of Woodbridge's Class A Common Stock (other than the shares beneficially owned through BFC), will vote their shares of Woodbridge's Class A Common Stock in favor of the approval of the merger agreement although they are not required to do so.

***Q: What are my choices when voting on the election of directors?***

A: With respect to the vote on the election of directors, you may vote for all nominees, or your vote may be withheld with respect to one or more nominees.

***Q: What is the recommendation of Woodbridge's board of directors with respect to the merger agreement and the election of directors?***

A: As described above and throughout this joint proxy statement/prospectus, the board of directors of Woodbridge recommends a vote FOR the approval of the merger agreement. The board of directors of Woodbridge also recommends a vote FOR the election of all of the nominees for director.

***Q: What vote is required to approve the election of directors?***

A: The affirmative vote of a plurality of the votes cast at the Woodbridge annual meeting is required to approve the election of directors. A properly executed proxy marked WITHHOLD AUTHORITY with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether or not a quorum exists.

***Q: How many shares of Woodbridge's Class A Common Stock and Class B Common Stock do Woodbridge's executive officers and directors collectively own?***

A: Woodbridge's executive officers and directors and their respective affiliates, which includes BFC, collectively own and are entitled to vote 3,848,530 shares, or approximately 23.1%, of Woodbridge's Class A Common Stock. BFC beneficially owns all of the outstanding shares of Woodbridge's Class B Common Stock.

***Q: What constitutes a quorum?***

A: A quorum will be present at the Woodbridge annual meeting, if shares representing a majority of the aggregate voting power of Woodbridge's Class A Common Stock and Class B Common Stock outstanding on the Woodbridge record date are represented, in person or by proxy, at the meeting.

***Q: May I vote in person?***

A: If your shares of Woodbridge's Class A Common Stock are registered directly in your name with Woodbridge's transfer agent, you will be considered the shareholder of record of those shares, and the proxy materials and proxy card are being sent directly to you by Woodbridge. If you are a Woodbridge shareholder of record, you may attend the Woodbridge annual meeting and vote your shares in person, rather than signing and returning

your proxy card or otherwise transmitting your voting instructions as described on the proxy card.

If your shares of Woodbridge's Class A Common Stock are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you together with a voting instruction card. As the beneficial owner, you are also invited to attend the Woodbridge annual meeting. Since a beneficial owner is not the shareholder of record, you may not vote these shares in person at the Woodbridge annual meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares in person.

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***Q: If my shares are held in street name by my broker, will my broker vote my shares without instructions from me?***

A: If your shares of Woodbridge's Class A Common Stock are held in street name and you have not provided voting instructions to your broker or nominee, then whether your broker or nominee may vote your shares in its discretion depends on the proposals before the Woodbridge annual meeting. Your broker or nominee may vote your shares in its discretion on routine matters. The vote with respect to the merger agreement is not a routine matter. Accordingly, your broker will vote your shares for you on the merger agreement only if you provide instructions to your broker on how to vote your shares. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without instructions, your shares will not be voted on the merger agreement and the broker non-votes of such shares will have the effect of a vote against the approval of the merger agreement.

The election of directors is a routine matter on which your broker or nominee will be permitted to vote your shares if no instructions are furnished.

***Q: What happens if I do not attend the Woodbridge annual meeting and fail to return a proxy card or otherwise provide voting instructions?***

A: The failure to return your proxy card or otherwise provide voting instructions will have the same effect as voting against the merger agreement, but will have no effect on the vote relating to the election of directors.

***Q: What do I need to do now?***

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please complete, sign and date your proxy and return it in the enclosed postage-paid return envelope or otherwise transmit your voting instructions as described on the proxy card so that your shares may be represented at the Woodbridge annual meeting. If you sign and send in your proxy and do not indicate how you want to vote, Woodbridge will count your proxy as a vote FOR the merger agreement and FOR each of the nominees for director. Additionally, although the board of directors of Woodbridge is not aware of any other matters to be presented at the Woodbridge annual meeting, if any other matters are properly brought before the meeting, the persons named in the enclosed proxy will vote the proxies in accordance with their judgment on those matters.

***Q: Can I change my vote after I have mailed my signed proxy?***

A: Yes. You can change your vote at any time before your proxy is voted at the Woodbridge annual meeting. If you are the record owner of your shares, you can do this in one of three ways. First, you can send a written notice to Woodbridge's Secretary stating that you would like to revoke your proxy. Second, you can complete and submit by mail a new valid proxy bearing a later date or transmit new voting instructions by telephone or internet as described on the proxy card. Third, you can attend the Woodbridge annual meeting and vote in person; however, attendance at the Woodbridge annual meeting will not in and of itself constitute revocation of a previously executed proxy.

If you are not the record owner of your shares and your shares are held in street name, you must contact your broker, bank or other nominee to find out how to change your vote.

***Q: Are there any other matters to be acted upon at the Woodbridge annual meeting?***

A: The board of directors of Woodbridge is not aware of any other matters to be presented or acted upon at the Woodbridge annual meeting. If any other matter is presented at the Woodbridge annual meeting on which a vote may properly be taken, the shares represented by proxies will be voted in accordance with the judgment of the person or persons voting those shares.

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***Q: Who can help answer my questions?***

A: If you are a Woodbridge shareholder, and would like additional copies, without charge, of this joint proxy statement/prospectus or if you have questions about the merger agreement or the election of directors, including the procedures for voting your shares on such proposals, you should call the information agent for the merger, Georgeson Inc., toll-free at (877) 255-0124.

Woodbridge's shareholders may also contact:

Woodbridge Holdings Corporation  
Attn: Investor Relations  
2100 West Cypress Creek Road  
Fort Lauderdale, FL 33309  
Phone: (954) 940-4995  
Email: [InvestorRelations@WoodbridgeHoldings.com](mailto:InvestorRelations@WoodbridgeHoldings.com)

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**SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus. This summary may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should carefully read this entire joint proxy statement/prospectus, including, in particular, the copies of the merger agreement and the opinions of JMP Securities LLC, BFC's financial advisor, and Allen C. Ewing & Co., Woodbridge's financial advisor, that are attached as annexes to this joint proxy statement/prospectus. Page references have been included parenthetically to direct you to a more complete description of the topics presented in this summary.*

**General**

**The Companies (pages 111 and 225)**

BFC Financial Corporation  
2100 West Cypress Creek Road  
Fort Lauderdale, FL 33309  
(954) 940-4900

BFC is a diversified holding company whose major holdings include controlling interests in BankAtlantic Bancorp and its wholly-owned subsidiaries and Woodbridge and its wholly-owned subsidiaries. BankAtlantic Bancorp is a Florida-based financial services holding company which owns BankAtlantic, a federally chartered, federally insured savings bank. BFC currently owns approximately 23% of the outstanding shares of BankAtlantic Bancorp's Class A Common Stock and all of the outstanding shares of BankAtlantic Bancorp's Class B Common Stock, representing approximately 30% of BankAtlantic Bancorp's total common stock and 59% of the general voting power of BankAtlantic Bancorp. As a result of this controlling position, BFC is a unitary savings bank holding company regulated by the Office of Thrift Supervision (the OTS). With respect to its controlling interest in Woodbridge, BFC currently owns approximately 22% of the outstanding shares of Woodbridge's Class A Common Stock and all of the outstanding shares of Woodbridge's Class B Common Stock, representing approximately 24% of Woodbridge's total common stock and 59% of the general voting power of Woodbridge. BFC's holdings also include a non-controlling interest in Benihana, which operates Asian-themed restaurant chains in the United States.

Historically, BFC's business strategy has been to invest in and acquire businesses in diverse industries either directly or through controlled subsidiaries. BFC believes that the best potential for growth is likely through the growth of the companies it currently controls and its focus is to provide overall support for its controlled subsidiaries with a view to the improved performance of the organization as a whole. BFC, itself, has no significant operations other than activities relating to the monitoring and managing of its existing investments and the identification, analysis and, in appropriate cases, acquisition of new investments.

Woodbridge Holdings Corporation  
2100 West Cypress Creek Road  
Fort Lauderdale, FL 33309  
(954) 940-4950

Woodbridge (which was formerly known as Levitt Corporation), directly and through its wholly owned subsidiaries, historically has been a real estate development company with activities in the Southeastern United States. Historically, Woodbridge's operations were primarily within the real estate industry; however, Woodbridge's recent business



strategy has included the pursuit of investments and acquisitions within or outside of the real estate industry, as well as the continued development of master-planned communities through its wholly owned subsidiary, Core Communities. Woodbridge also owns approximately 31% of the outstanding common stock of Bluegreen, a New York Stock Exchange-traded corporation (BXG) which develops and markets vacation ownership interests in resorts generally located in popular high-volume, drive-to vacation destinations and acquires, develops and subdivides property and markets residential land

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homesites, the majority of which are sold directly to retail customers who seek to build a home in a high quality residential setting, in some cases on properties featuring a golf course and related amenities. Woodbridge is currently working with Bluegreen to explore avenues for assisting Bluegreen in obtaining liquidity for its receivables, which may include, among other potential alternatives, Woodbridge forming a broker dealer to raise capital through private or public offerings. In addition, Woodbridge holds investments in Office Depot, Inc. ( Office Depot ), a global supplier of office products and services, and Pizza Fusion Holdings, Inc. ( Pizza Fusion ), which operates restaurant franchises in a niche market within the quick service and organic food industries, and conducts other activities through Cypress Creek Capital Holdings, LLC ( Cypress Creek Capital ) and Snapper Creek Equity Management, LLC ( Snapper Creek ).

### **The Merger (page 56)**

On July 2, 2009, BFC and Woodbridge entered into the merger agreement, which is the legal document governing the merger. Subject to the terms and conditions of the merger agreement, Woodbridge will be merged with and into Merger Sub, a newly formed wholly owned subsidiary of BFC. Upon the completion of the merger, Woodbridge's separate corporate existence will cease and its Class A Common Stock will no longer be publicly traded.

### **The Merger Consideration (page 90)**

At the effective time of the merger, each outstanding share of Woodbridge's Class A Common Stock (other than shares owned by BFC and holders of Woodbridge's Class A Common Stock who exercise and perfect their appraisal rights) will be converted automatically into the right to receive 3.47 shares of BFC's Class A Common Stock. BFC will not issue fractional shares of its Class A Common Stock in the merger, but instead, the aggregate number of shares of BFC's Class A Common Stock to which holders of Woodbridge's Class A Common Stock will be entitled to receive will be rounded up to the next largest whole number. The closing price, as quoted on the Pink Sheets, of BFC's Class A Common Stock on July 2, 2009, the last trading day prior to the public announcement of the merger agreement, and on August 14, 2009, the last trading day prior to the date of this joint proxy statement/prospectus, was \$0.40 per share and \$0.49 per share, respectively. The closing price, as quoted on the Pink Sheets, of Woodbridge's Class A Common Stock on July 2, 2009, the last trading day prior to the public announcement of the merger agreement, and on August 14, 2009, the last trading day prior to the date of this joint proxy statement/prospectus, was \$1.10 per share and \$1.45 per share, respectively. Shareholders of both companies are encouraged to obtain current market quotations prior to voting their shares.

The shares of BFC's Class A Common Stock to be received in exchange for shares of Woodbridge's Class A Common Stock are referred to in this joint proxy statement/prospectus as the merger consideration.

### **Treatment of Woodbridge Restricted Stock Awards and Stock Options Outstanding under Woodbridge's Amended and Restated 2003 Stock Incentive Plan (page 90)**

Upon consummation of the merger, Woodbridge's Amended and Restated 2003 Stock Incentive Plan will be assumed by BFC and all outstanding restricted stock awards issued thereunder will be converted into restricted stock awards of shares of BFC's Class A Common Stock on the same terms and conditions and with the same restrictions, but with appropriate adjustments made to the number of shares subject to such restricted stock awards based on the exchange ratio of 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock.

All options to purchase shares of Woodbridge's Class A Common Stock outstanding at the effective time of the merger will be canceled in connection with the merger, and the holders thereof will not receive any consideration as a result of such cancellation. In agreeing to this treatment of Woodbridge's options, Woodbridge's special committee and board of directors considered the fact that, as of the date of the merger agreement, all such options were, and, for the foreseeable future, all such options are expected to be, out-of-the-money with exercise prices greatly exceeding the

current market price of Woodbridge's Class A Common

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Stock. However, it is anticipated that some or all of the directors and executive officers of Woodbridge will be granted BFC stock options or other equity-based compensation awards of BFC following the merger.

### **Articles of Incorporation and By-laws of BFC Following the Merger (page 83)**

In connection with the merger, BFC's Amended and Restated Articles of Incorporation will be amended to increase the authorized number of shares of BFC's Class A Common Stock from 100,000,000 shares to 150,000,000 shares. In addition, BFC's board of directors has approved amendments to BFC's By-laws which, effective upon consummation of the merger, will increase the maximum number of members of the board of directors of BFC from 12 to 15 and provide that each director elected or appointed to BFC's board of directors on or after the effective date of the merger will serve for a term expiring at BFC's next annual meeting of shareholders. As a result of the latter amendment (and subject to any future amendments), following BFC's 2012 annual meeting of shareholders, BFC's board of directors will no longer be divided into multiple classes serving staggered terms. Shareholder approval of the amendments to BFC's By-laws is not required. The Articles of Amendment to BFC's Amended and Restated Articles of Incorporation and BFC's By-laws, as so amended, will be as set forth on Annexes D and E, respectively, and you are urged to read them carefully.

### **Board of Directors and Executive Officers of BFC Following the Merger (page 84)**

Currently, there are five persons serving on the board of directors of BFC, each of whom will continue to serve as directors of BFC following the merger. Additionally, in connection with the merger, BFC has agreed to cause the following nine individuals to be appointed to the board of directors of BFC to serve for a term expiring at BFC's 2010 annual meeting of shareholders: James Blosser, Darwin Dornbush, S. Lawrence Kahn, III, Alan J. Levy, Joel Levy, William Nicholson and William Scherer, the seven current directors of Woodbridge who are not also directors of BFC, Seth M. Wise, the President of Woodbridge, and Jarett S. Levan, the President of BankAtlantic Bancorp and President and Chief Executive Officer of BankAtlantic.

The executive officers of BFC in office immediately prior to the effective time of the merger will hold the same positions upon completion of the merger. In addition, Seth Wise, the President of Woodbridge, will serve as Executive Vice President of BFC effective upon consummation of the merger.

### **Ownership of BFC Following the Merger (page 84)**

Based on the number of outstanding shares of Woodbridge's Class A Common Stock (other than shares owned by BFC) and BFC's Class A Common Stock, and assuming no holders of Woodbridge's Class A Common Stock choose to assert and exercise their appraisal rights, immediately following the merger, Woodbridge's shareholders (other than BFC) will own approximately 54% and BFC's shareholders will own approximately 46% of the then-outstanding shares of BFC's Class A Common Stock, and each of Woodbridge's shareholders (other than BFC) and BFC's shareholders will own approximately 50% of BFC's total outstanding common equity. Immediately following the merger, shares of BFC's Class A Common Stock and Class B Common Stock will represent in the aggregate 22% and 78%, respectively, of the general voting power of BFC and approximately 92% and 8%, respectively, of the total outstanding common equity of BFC.

### **Operations of Woodbridge and BFC Prior to and After the Effective Time of the Merger (page 82)**

Both Woodbridge and BFC expect to, and have agreed in the merger agreement to, conduct their respective businesses prior to the effective time of the merger in the usual and ordinary course, consistent with their existing business and investment strategies and operational plans. With respect to Woodbridge, this may include, among other things, the continued pursuit of investments and acquisitions within or outside of the real estate industry and providing support to

its existing investments, including additional investments in affiliates such as Bluegreen, among others. Further, BFC expects to continue providing support for its controlled subsidiaries with a view to the improved performance of the organization as a whole, and this business strategy may include additional investments in its controlled subsidiaries such as BankAtlantic Bancorp.

Following the merger, BFC expects that both it and Woodbridge (as a wholly owned subsidiary of BFC) will continue to conduct their respective businesses in the usual and ordinary course. BFC intends to allocate

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resources within the consolidated group among BFC's investments and subsidiaries in a manner which its board of directors believes to be beneficial to BFC's shareholders. It is currently anticipated that BFC will make additional investments in BankAtlantic Bancorp, whether in BankAtlantic Bancorp's previously announced \$100 million rights offering to its shareholders or otherwise, and may also make additional investments in Bluegreen, Core Communities or Benihana.

### **Termination of Woodbridge's Shareholder Rights Plan; Anticipated Adoption by BFC of Shareholder Rights Plan (page 84)**

Woodbridge currently has in place a shareholder rights plan which was adopted in an effort to preserve Woodbridge's ability to utilize its net operating loss carryforwards to offset future taxable income. The shareholder rights plan was designed to prevent Woodbridge from experiencing an ownership change for purposes of Section 382 of the Code by causing substantial dilution to any person or group that acquires 5% or more of the outstanding shares of Woodbridge's Class A Common Stock without the approval of Woodbridge's board of directors. Woodbridge's board of directors has agreed to exempt the merger from the operation of the shareholder rights plan and committed to exercise its right to terminate the shareholder rights plan at the effective time of the merger.

In connection with the termination of Woodbridge's shareholder rights plan, BFC intends to adopt a shareholder rights plan substantially similar to the one in place at Woodbridge in an effort to preserve available net operating loss carryforwards for potential utilization as an offset against future taxable income. As contemplated, the plan, if triggered, would result in substantial dilution to any person or group that acquires 5% or more of BFC's outstanding common stock without the approval of BFC's board of directors.

### **Anticipated Accounting Treatment (page 89)**

The merger will be accounted for as an equity transaction by BFC for financial reporting and accounting purposes under U.S. generally accepted accounting principles. The results of operations of Woodbridge will continue to be included in the consolidated financial statements of BFC.

### **Appraisal Rights (page 85)**

Under the FBCA, holders of Woodbridge's Class A Common Stock who do not vote for the approval of the merger agreement and who properly exercise their appraisal rights with respect to the merger will be entitled to receive a cash payment equal to the fair value of their shares. The receipt of cash in exchange for shares of Woodbridge's Class A Common Stock will be a taxable transaction. Pursuant to the FBCA, fair value of the shares of Woodbridge's Class A Common Stock held by a Woodbridge shareholder exercising appraisal rights means the value of such shares calculated as of the time immediately preceding the consummation of the merger excluding any appreciation or depreciation in anticipation of the merger, which amount could be more than, less than or equal to the value of the shares of BFC's Class A Common Stock that the shareholder would otherwise have received in connection with the merger. Merely voting against the approval of the merger agreement will not serve to assert the appraisal rights of a holder of Woodbridge's Class A Common Stock under the FBCA. In addition, a proxy submitted by a record holder of Woodbridge's Class A Common Stock not marked **Against** or **Abstain** will be voted **For** the approval of the merger agreement and, accordingly, will result in the waiver of such record holder's appraisal rights. Annex F to this joint proxy statement/prospectus contains the full text of Sections 607.1301 through 607.1333 of the FBCA, which relate to appraisal rights. You are encouraged to read these provisions carefully and in their entirety. BFC's obligation to consummate the merger is conditioned upon holders of not more than 10% of the outstanding shares of Woodbridge's Class A Common Stock exercising, or remaining entitled to exercise, appraisal rights for their shares.

Under the FBCA, BFC's shareholders will not be entitled to appraisal rights in connection with the merger.



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### **Risks (page 19)**

In evaluating the merger agreement, the merger and the related transactions, you should carefully read this joint proxy statement/prospectus in its entirety, including all of the annexes hereto, and especially consider the factors discussed in the section entitled "Risk Factors" beginning on page 19.

### **Material U.S. Federal Income Tax Consequences of the Merger (page 87)**

The merger has been structured to qualify as a tax-free reorganization under Section 368(a) of the Code. Accordingly, a holder of Woodbridge's Class A Common Stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of his, her or its shares of Woodbridge's Class A Common Stock for shares of BFC's Class A Common Stock. Each holder of Woodbridge's Class A Common Stock will have a tax basis in the shares of BFC's Class A Common Stock that he, she or it receives in the merger equal to his, her or its current tax basis in his, her or its shares of Woodbridge's Class A Common Stock.

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. ("Stearns Weaver") will issue an opinion to BFC and Woodbridge as of the date on which the merger is consummated to the effect that the merger will qualify as a tax-free reorganization under Section 368(a) of the Code and that BFC and Woodbridge will each be a party to that reorganization under Section 368(b) of the Code.

This summary may not be applicable to all holders of Woodbridge's Class A Common Stock. You should read the section of this joint proxy statement/prospectus entitled "The Merger - Material U.S. Federal Income Tax Consequences of the Merger" for a more complete discussion of the U.S. federal income tax consequences of the merger. **Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. You are urged to consult your tax advisor to determine the tax consequences of the merger to you.**

### **Recommendation of BFC's Board of Directors (page 60)**

After careful evaluation and consideration of the merger agreement and the transactions contemplated thereby and the advice of its financial advisor, the board of directors of BFC determined that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of BFC and its shareholders. Accordingly, the board of directors of BFC approved the merger agreement and the transactions contemplated thereby and recommends that BFC's shareholders vote FOR the merger and the related transactions.

To review the background of, and BFC's reasons for, the merger, as well as certain risks related to the merger, see, in particular, the sections of this joint proxy statement/prospectus entitled "The Merger - Background of the Merger," "The Merger - Recommendation of the BFC Board and its Reasons for the Merger" and "Risk Factors."

### **Opinion of BFC's Financial Advisor (page 65)**

JMP Securities LLC ("JMP Securities") delivered its opinion to the BFC board of directors that, as of the date of its opinion and based upon and subject to the assumptions, qualifications and limitations set forth therein, the exchange ratio of 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock was fair, from a financial point of view, to BFC's shareholders.

The full text of JMP Securities' opinion, dated July 2, 2009, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by JMP Securities in



rendering its opinion is attached as Annex B to this joint proxy statement/prospectus. JMP Securities' opinion is directed to the board of directors of BFC in connection with its consideration of the merger. JMP Securities' opinion is not a recommendation as to how BFC's shareholders should vote at BFC's special meeting on the merger and the related transactions. You are urged to read JMP Securities' opinion carefully and in its entirety.

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**Recommendations of Woodbridge's Special Committee and Board of Directors (pages 62 and 63)**

The board of directors of Woodbridge designated a special committee comprised of independent directors to, among other things, negotiate, review and evaluate the terms and conditions, and, with the assistance of its legal counsel and financial advisor, determine the advisability of, the merger. After such negotiation, review and evaluation, the Woodbridge special committee determined that the merger is advisable, fair to and in the best interests of Woodbridge's shareholders. On the basis of such determination, the Woodbridge special committee recommended that the full board of directors of Woodbridge approve the merger agreement and the transactions contemplated thereby and recommend to the shareholders of Woodbridge that they approve the merger agreement.

After careful evaluation and consideration of the merger agreement and the transactions contemplated thereby and careful consideration of the recommendation of the Woodbridge special committee and the advice of its financial advisor, the board of directors of Woodbridge determined that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of Woodbridge's shareholders. Accordingly, the board of directors of Woodbridge approved the merger agreement and the transactions contemplated thereby and recommends that Woodbridge's shareholders vote FOR the approval of the merger agreement.

To review the background of, and Woodbridge's reasons for, the merger, as well as certain risks related to the merger, see, in particular, the sections of this joint proxy statement/prospectus entitled The Merger Background of the Merger, The Merger Recommendation of the Woodbridge Board and its Reasons for the Merger and Risk Factors.

**Opinion of Woodbridge's Financial Advisor (page 73)**

Allen C. Ewing & Co. (Ewing) delivered its opinion to the Woodbridge special committee and board of directors, that, as of the date of its opinion and based upon and subject to the factors, limitations and assumptions set forth therein, the consideration to be received by holders of Woodbridge's Class A Common Stock pursuant to the merger agreement was fair, from a financial point of view, to such holders.

The full text of the written opinion of Ewing, dated July 2, 2009, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex C. Ewing provided its opinion for the information and assistance of the Woodbridge special committee and board of directors in connection with their consideration of the merger. Ewing's opinion does not constitute a recommendation to any Woodbridge shareholder on whether or not to support the merger or as to how such shareholder should vote on the merger agreement. You are urged to read Ewing's fairness opinion carefully and in its entirety.

**Trading of BFC's Class A Common Stock and Deregistration of Woodbridge's Class A Common Stock (page 85)**

The shares of BFC's Class A Common Stock to be issued in connection with the merger, like the shares of BFC's Class A Common Stock which are currently outstanding, will be listed for trading on the Pink Sheets under the symbol BFCF.PK. In the future, BFC may apply for its Class A Common Stock to be listed on the New York Stock Exchange or the NASDAQ Stock Market if its Class A Common Stock meets the requirements for listing on either of those exchanges.

If the merger is consummated, all of the shares of Woodbridge's Class A Common Stock and Class B Common Stock will be canceled, and Woodbridge's Class A Common Stock will no longer be listed for trading on the Pink Sheets or registered under the Exchange Act.

**Interests of Certain Persons in the Merger (page 82)**

Shareholders should note that some directors or executive officers of each of BFC and Woodbridge have interests in the merger that are different from, or are in addition to, the interests of BFC's and Woodbridge's shareholders, generally. Specifically, Alan B. Levan, the Chairman, Chief Executive Officer and President of

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BFC, Chairman and Chief Executive Officer of Woodbridge and BankAtlantic Bancorp and Chairman of Bluegreen, John E. Abdo, the Vice Chairman of each of BFC, Woodbridge, BankAtlantic Bancorp and Bluegreen, and their respective affiliates collectively beneficially own shares of BFC's Class A Common Stock and Class B Common Stock (including shares which may be acquired pursuant to the exercise of stock options) representing approximately 74.2% of the general voting power and approximately 37.4% of the total common stock of BFC, and, after the completion of the merger, are expected to beneficially own shares of BFC's Class A Common Stock and Class B Common Stock (including shares which may be acquired pursuant to the exercise of stock options) representing approximately 71.0% of the general voting power and approximately 19.0% of the total common stock of BFC. Additionally, in connection with the merger, BFC has agreed to cause the seven current directors of Woodbridge who are not also directors of BFC, Seth M. Wise, the President of Woodbridge, and Jarett S. Levan, the son of Alan B. Levan and the President of BankAtlantic Bancorp and Chief Executive Officer and President of BankAtlantic, to be appointed to BFC's board of directors to serve for a term expiring at BFC's 2010 annual meeting of shareholders. Further, Mr. Wise will serve as Executive Vice President of BFC effective upon consummation of the merger. It is anticipated that some or all of the directors and executive officers of Woodbridge, including Alan B. Levan and John E. Abdo, will be granted BFC stock options or other equity-based compensation awards of BFC following the merger. Further, while the Woodbridge stock options, if any, held by these individuals will be canceled, those stock options currently have exercise prices which are far greater than the market price of Woodbridge's Class A Common Stock. It is expected that the new BFC stock options granted to them will have exercise prices equal to the closing market price of BFC's Class A Common Stock on the date of grant. Additionally, following the merger, BFC's directors and executive officers will continue to receive compensation, including equity-based compensation, from BFC for their services and, as permitted by the terms of BFC's stock incentive plan, it is contemplated that BFC's compensation committee will, following consummation of the merger, consider BFC's outstanding stock options with a view to re-pricing some or all of the BFC stock options currently held by BFC's directors and executive officers or cancelling those stock options in connection with the issuance of new stock options having more favorable terms, including lower exercise prices. Each of BFC's board of directors and Woodbridge's special committee and board of directors was aware of these interests.

### **Regulatory Matters (page 89)**

BFC must comply with applicable federal and state securities laws in connection with the issuance of the shares of BFC's Class A Common Stock in the merger and the filing of this joint proxy statement/prospectus with the Securities and Exchange Commission (the "SEC").

There are also limitations on the amount of shares of BFC's common stock that an individual or company can own without obtaining regulatory approval. Woodbridge's shareholders should read the description of those limitations contained on page 89 and consult with their legal counsel regarding any regulatory limitations on their ownership of BFC's common stock.

### **Resale of BFC's Class A Common Stock (page 89)**

The shares of BFC's Class A Common Stock to be issued in connection with the merger will not be subject to any restrictions on transfer arising under the Securities Act, except for shares issued to any Woodbridge shareholder who may be deemed to be an affiliate of Woodbridge or BFC for purposes of Rule 145 under the Securities Act.

### **Comparison of Rights of Common Shareholders of BFC and Woodbridge (page 106)**

Woodbridge's shareholders, whose rights are currently governed by Florida law and Woodbridge's Amended and Restated Articles of Incorporation and Amended and Restated By-laws will, upon consummation of the merger, become holders of BFC's Class A Common Stock (other than holders who exercise and perfect their appraisal rights), and their rights will be governed by Florida law and BFC's Amended and Restated Articles of Incorporation and BFC's

By-laws, which are different than those of Woodbridge.

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**The Merger Agreement**

*The following summary describes certain material provisions of the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference into this joint proxy statement/prospectus. This summary may not contain all the information about the merger agreement that is important to you and is qualified in its entirety by reference to the merger agreement. You are encouraged to carefully read the merger agreement in its entirety.*

**Conditions to Consummation of the Merger (page 91)**

A number of conditions must be satisfied or waived before the merger will be completed, including, among others:

the approval of the merger and the related transactions and the merger agreement by BFC's and Woodbridge's shareholders, respectively;

the absence of any legal restraints or prohibitions preventing the completion of the merger or litigation or other proceeding seeking to enjoin or prohibit the merger;

the declaration by the SEC that the registration statement of which this joint proxy statement/prospectus is a part is effective and the absence of any stop order or proceeding, initiated or threatened in writing by the SEC, suspending or threatening to suspend such effectiveness;

the representations and warranties of each of BFC and Woodbridge contained in the merger agreement being true and correct, subject to certain materiality qualifications;

neither BFC nor Woodbridge recording, or finding that it is reasonably likely to record, other-than-temporary impairment charges in an aggregate amount greater than \$15 million; and

holders of not more than 10% of the outstanding shares of Woodbridge's Class A Common Stock duly and validly exercising, or remaining entitled to exercise, their appraisal rights in accordance with the FBCA.

The board of directors of either BFC or Woodbridge may in its sole discretion choose to waive any of the conditions to consummation of the merger and choose to proceed to closing notwithstanding the fact that any such condition has not been fulfilled.

**Conduct of Business by BFC and Woodbridge Prior to Consummation of the Merger (page 93)**

BFC and Woodbridge have each generally agreed that, during the period from the date of the merger agreement to the earlier of the consummation of the merger and the termination of the merger agreement, except as expressly contemplated by the merger agreement or consented to in writing by BFC or Woodbridge, as the case may be, each of BFC and Woodbridge will not, among other things, conduct its business in a manner that is not consistent with its ordinary course of business and past practice.

**Limitation on the Solicitation, Negotiation and Discussion of Other Acquisition Proposals (page 96)**

The merger agreement contains restrictions on the ability of each of BFC and Woodbridge to, among other things, solicit, negotiate and discuss with third parties other proposals relating to the acquisition of the companies.

Notwithstanding these restrictions, if at any time prior to the effective time of the merger, the Woodbridge special committee or board of directors or the BFC board of directors receives an unsolicited, bona fide written acquisition proposal not in violation of the no solicitation provisions of the merger agreement and the Woodbridge special committee or board of directors or the BFC board of directors, as the case may be, reasonably determines in good faith, after consultation with their financial, legal and other advisors, that such proposal will result in, or is reasonably expected to result in, a more favorable proposal to the applicable company's shareholders from a financial point of view than the merger or other revised proposal submitted by BFC or Woodbridge and is reasonably capable of being consummated on the terms proposed, then, after

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receiving the advice of outside counsel that it may be necessary to take such actions to comply with its fiduciary duties under applicable law, Woodbridge or BFC, as the case may be, may (i) furnish information about its business to the person making such proposal and (ii) participate in discussions or negotiations regarding such proposal with the person making such proposal.

**Change of the Recommendation of the Board of Directors of BFC or Woodbridge (page 97)**

The merger agreement provides that the board of directors of BFC and Woodbridge may withhold, withdraw, modify or change its recommendation of the advisability of the merger and the merger agreement, respectively, or approve or recommend any other acquisition or similar proposal only if, at any time prior to the effective time of the merger, a superior proposal (as described above) was received without violation of the no solicitation provisions of the merger agreement and the BFC board of directors or the Woodbridge special committee or board of directors, as the case may be, determines in good faith and after consultation with their financial advisors and legal counsel that the failure to take such actions would be inconsistent with their fiduciary duties under applicable law.

**Termination of the Merger Agreement (page 98)**

The merger agreement may be terminated at any time prior to the effective time of the merger upon the mutual written consent of BFC and Woodbridge. In addition, each of BFC and Woodbridge may terminate the merger agreement under certain circumstances, including, without limitation:

if the requisite shareholder approvals are not obtained;

if the merger has not been consummated by September 15, 2009 or, provided the parties are proceeding in good faith to consummate the merger, December 15, 2009;

if such company's financial advisor withdraws, revokes, annuls or materially modifies its fairness opinion; or

if the Woodbridge special committee or board of directors or the BFC board of directors determines to approve or recommend another acquisition or similar proposal after complying with the no solicitation provisions of the merger agreement or withholds or withdraws its recommendation of the merger agreement in a manner adverse to the other company.



**Table of Contents****Market Prices and Dividend Information**

BFC's Class A Common Stock and Woodbridge's Class A Common Stock are listed for trading on the Pink Sheets under the trading symbols BFCF.PK and WDGH.PK, respectively. The following table sets forth the closing prices for BFC's Class A Common Stock and Woodbridge's Class A Common Stock, as quoted on the Pink Sheets, on July 2, 2009, the last trading day before the public announcement of the merger agreement, and on August 14, 2009, the last trading day before the date of this joint proxy statement/prospectus. The table also includes the equivalent prices per share of Woodbridge's Class A Common Stock that holders of such stock would receive in connection with the merger if the merger were completed on either of these dates, applying the exchange ratio of 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock.

|                 | <b>BFC's Class A<br/>Common<br/>Stock</b> | <b>Woodbridge's<br/>Class A<br/>Common<br/>Stock</b> | <b>Equivalent Value<br/>of<br/>Woodbridge's Class<br/>A<br/>Common Stock</b> |
|-----------------|---|--|--|
| July 2, 2009    | \$ 0.40                                   | \$ 1.10  | \$ 1.39  |
| August 14, 2009 | \$ 0.49                                   | \$ 1.45  | \$ 1.70  |

The above table shows only historical comparisons. These comparisons may not provide meaningful information to BFC's and Woodbridge's shareholders in determining whether to approve the merger. Shareholders of BFC and Woodbridge are urged to obtain current market quotations and to carefully review the other information contained in this joint proxy statement/prospectus prior to voting their shares.

While there are no restrictions on the payment of cash dividends by BFC, other than those restrictions contained in the merger agreement with respect to the interim period between the date of the merger agreement and the effective time of the merger, BFC has never paid cash dividends on its common stock. While BFC may consider declaring and paying dividends in the future with respect to its Class A Common Stock, there can be no assurance that it will do so. Future declaration and payment of cash dividends with respect to BFC's Class A Common Stock, if any, will be determined in light of the then-current financial condition of BFC and other factors deemed relevant by the board of directors of BFC.

Woodbridge's board of directors has not adopted a policy of regular dividend payments. On January 22, 2007, Woodbridge's board of directors declared a cash dividend of \$0.10 per share on its Class A Common Stock and Class B Common Stock, and this dividend was paid in February 2007. Since that time, Woodbridge has not declared or paid dividends on its Class A Common Stock or Class B Common Stock. The payment of dividends in the future is subject to approval by Woodbridge's board of directors and will depend upon, among other factors, Woodbridge's results of operations and financial condition. Woodbridge does not expect to pay dividends to its shareholders for the foreseeable future. After completion of the merger, only BFC, as the parent company of Woodbridge, will be entitled to receive dividends or distributions from Woodbridge, and the former shareholders of Woodbridge will not be entitled to receive dividends from Woodbridge.

**Table of Contents****Comparative Per Share Data**

The following table sets forth historical per share information of BFC and Woodbridge and unaudited pro forma combined per share information after giving effect to the merger as an equity transaction. You should not rely on this information as being indicative of the historical results that would have been achieved had Woodbridge always been a wholly owned subsidiary of BFC or the future results that BFC will experience after the merger. The unaudited pro forma condensed combined per share data has been derived from and should be read in conjunction with the unaudited pro forma condensed combined financial statements and related notes appearing elsewhere in this joint proxy statement/prospectus. The historical per share data has been derived from and should be read in conjunction with the historical consolidated financial statements of BFC and Woodbridge which appears elsewhere in this joint proxy statement/prospectus. The table also includes (i) Woodbridge's equivalent loss from continuing operations per common share - basic and diluted and (ii) book value per common share, in each case, applying the exchange ratio of 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock.

|   | <b>Six Months Ended<br/>June 30, 2009</b> | <b>Year Ended<br/>December 31, 2008</b> |
|---|---|---|
| <b>BFC HISTORICAL PER COMMON SHARE:</b>                                       |   |   |
| Loss from continuing operations per common share - basic and diluted          | \$ (0.55)                                 | \$ (1.62)                               |
| Book value per common share   | 2.14                                      | 2.50                                    |
| Cash dividends per common share   | N/A                                       | N/A                                     |
| <b>WOODBIDGE HISTORICAL PER COMMON SHARE:</b>                                 |   |   |
| Income (loss) from continuing operations per common share - basic and diluted | \$ 0.91                                   | \$ (7.35)                               |
| Book value per common share   | 8.43                                      | 7.07                                    |
| Cash dividends per common share   | N/A                                       | N/A                                     |
| <b>BFC UNAUDITED PRO FORMA COMBINED PER COMMON SHARE:</b>                     |   |   |
| Loss from continuing operations per common share - basic and diluted          | \$ (0.15)                                 | \$ (2.05)                               |
| Book value per common share   | 2.28                                      | 2.26                                    |
| Cash dividends per common share   | N/A                                       | N/A                                     |
| <b>WOODBIDGE UNAUDITED PRO FORMA EQUIVALENT PER COMMON SHARE:</b>             |   |   |
| Loss from continuing operations per common share - basic and diluted          | \$ (0.52)                                 | \$ (7.11)                               |
| Book value per common share   | 7.91                                      | 7.84                                    |
| Cash dividends per common share   | N/A                                       | N/A                                     |

**Table of Contents****Selected Historical Consolidated Financial Information of BFC**

The following table summarizes BFC's historical consolidated financial condition and results as of, and for the periods ended on, the dates indicated below. The selected historical consolidated financial data of BFC as of, and for the years ended, December 31, 2006 through 2008 have been derived from BFC's audited consolidated financial statements for those years which appear elsewhere in this joint proxy statement/prospectus and which were audited by PricewaterhouseCoopers LLP, an independent registered certified public accounting firm. The selected historical consolidated financial data of BFC as of, and for the six months ended, June 30, 2009 and 2008 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period) and are derived from BFC's unaudited consolidated financial statements which appear elsewhere in this joint proxy statement/prospectus; however, BFC's management believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of its results of operations and financial condition as of the dates, and for the periods, indicated. You should not assume the results of operations for past periods and for the six months ended June 30, 2009 and 2008 indicate results for any future period. The following information is only a summary and should be read together with BFC's Management's Discussion and Analysis of Financial Condition and Results of Operations and consolidated financial statements and related notes which appear elsewhere in this joint proxy statement/prospectus.

|  | <b>As of and for the<br/>Six Months<br/>Ended June 30,</b> |             | <b>As of and for the Years Ended December 31,</b> |             |             |             |             |
|--|--|-------------|---|-------------|-------------|-------------|-------------|
|  | <b>2009</b>  | <b>2008</b> | <b>2008</b>                                       | <b>2007</b> | <b>2006</b> | <b>2005</b> | <b>2004</b> |
|  | <b>(Dollars in thousands, except for per share data)</b>   |             |   |             |             |             |             |
| <b>Statements of Operations Data:</b>  |  |             |   |             |             |             |             |
| <b>Revenues</b>                        |  |             |   |             |             |             |             |
| BFC Activities                         | \$ 952   | 2,504       | 4,408   | 6,109       | 3,682       | 3,129       | 5,683       |
| Financial Services                     | 184,564  | 235,013     | 449,571   | 520,793     | 507,746     | 445,537     | 358,703     |
| Real Estate                            |  |             |   |             |             |             |             |
| Development                            | 9,945  | 11,779      | 33,491  | 431,665     | 583,152     | 574,824     | 558,838     |
|  | 195,461  | 249,296     | 487,470   | 958,567     | 1,094,580   | 1,023,490   | 923,224     |
| <b>Costs and Expenses</b>              |  |             |   |             |             |             |             |
| BFC Activities                         | 5,751  | 7,282       | 12,139  | 15,015      | 12,370      | 9,665       | 7,452       |
| Financial Services                     | 268,493  | 307,162     | 634,970   | 579,458     | 474,311     | 381,916     | 280,431     |
| Real Estate                            |  |             |   |             |             |             |             |
| Development                            | 28,798   | 32,218      | 72,751  | 697,895     | 606,655     | 498,760     | 481,627     |
|  | 303,042  | 346,662     | 719,860   | 1,292,368   | 1,093,336   | 890,341     | 769,510     |
| Equity in earnings from unconsolidated | 17,250   | 3,246       | 15,064  | 12,724      | 10,935      | 13,404      | 19,603      |

|   |             |          |           |           |          |          |           |
|---|-------------|----------|-----------|-----------|----------|----------|-----------|
| affiliates  |             |          |           |           |          |          |           |
| Impairment of unconsolidated affiliates                         | (20,401)    |          | (96,579)  |           |          |          |           |
| Impairment of other investments                                 | (2,396)     |          | (15,548)  |           |          |          |           |
| Gain on settlement of investment in Woodbridge's subsidiary     | 40,369      |          |           |           |          |          |           |
| (Loss) income from continuing operations before income taxes    | (72,759)    | (94,120) | (329,453) | (321,077) | 12,179   | 146,553  | 173,317   |
| (Benefit) provision for income taxes                            |             | (34,279) | 15,763    | (69,012)  | (530)    | 59,566   | 70,917    |
| (Loss) income from continuing operations                        | (72,759)    | (59,841) | (345,216) | (252,065) | 12,709   | 86,987   | 102,400   |
| Discontinued operations, less income taxes                      | 4,201       | 1,019    | 16,605    | 7,160     | (10,535) | 18,074   | 15,819    |
| Extraordinary gain, less income taxes                           |             |          | 9,145     | 2,403     |          |          |           |
| Net (loss) income   | (68,558)    | (58,822) | (319,466) | (242,502) | 2,174    | 105,061  | 118,219   |
| Less: Net (loss) income attributable to noncontrolling interest | 45,246      | 48,034   | 260,567   | 212,043   | (4,395)  | (92,287) | (103,989) |
| Net (loss) income attributable to BFC                           | (23,312)    | (10,788) | (58,899)  | (30,459)  | (2,221)  | 12,774   | 14,230    |
| Preferred stock dividends                                       | (375)       | (375)    | (750)     | (750)     | (750)    | (750)    | (392)     |
| Net (loss) income allocable to common stock                     | \$ (23,687) | (11,163) | (59,649)  | (31,209)  | (2,971)  | 12,024   | 13,838    |
| <b>Common Share Data(a),(b),(c)</b>                             |             |          |           |           |          |          |           |
| <b>Basic (loss) earnings per share of common stock:</b>         |             |          |           |           |          |          |           |
| Basic (loss) earnings per share                                 | \$ (0.55)   | (0.25)   | (1.62)    | (0.90)    | (0.04)   | 0.24     | 0.48      |

|  |           |        |        |        |        |      |      |
|--|-----------|--------|--------|--------|--------|------|------|
| from continuing operations                                   |           |        |        |        |        |      |      |
| Basic (loss) earnings per share from discontinued operations | 0.03      |        | 0.10   | 0.03   | (0.05) | 0.18 | 0.09 |
| Basic (loss) earnings per share from extraordinary items     |           |        | 0.20   | 0.06   |        |      |      |
| Basic (loss) earnings per share of common stock              | \$ (0.52) | (0.25) | (1.32) | (0.81) | (0.09) | 0.42 | 0.57 |

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|  | <b>As of and for the<br/>Six Months<br/>Ended June 30,</b> |             | <b>As of and for the Years Ended December 31,</b> |             |             |             |             |
|--|--|-------------|---|-------------|-------------|-------------|-------------|
|  | <b>2009</b>  | <b>2008</b> | <b>2008</b>                                       | <b>2007</b> | <b>2006</b> | <b>2005</b> | <b>2004</b> |
|  | <b>(Dollars in thousands, except for per share data)</b>   |             |   |             |             |             |             |
| <b>Diluted (loss) earnings per share of common stock:</b>                  |  |             |   |             |             |             |             |
| Diluted (loss) earnings per share from continuing operations               | \$ (0.55)  | (0.25)      | (1.62)  | (0.90)      | (0.05)      | 0.22        | 0.40        |
| Diluted (loss) earnings per share from discontinued operations             | 0.03   |             | 0.10  | 0.03        | (0.05)      | 0.15        | 0.07        |
| Earnings per share from extraordinary items                                |  |             | 0.20  | 0.06        |             |             |             |
| Diluted (loss) earnings per share of common stock                          | \$ (0.52)  | (0.25)      | (1.32)  | (0.81)      | (0.10)      | 0.37        | 0.47        |
| Basic weighted average number of common shares outstanding                 | 45,120   | 45,108      | 45,097  | 38,778      | 33,249      | 28,952      | 24,183      |
| Diluted weighted average number of common shares outstanding               | 45,120   | 45,108      | 45,097  | 38,778      | 33,249      | 31,219      | 27,806      |
| <b>Balance Sheet Data (at period end):</b>                                 |  |             |   |             |             |             |             |
| Loans and leases and held for sale, net                                    | \$ 4,028,761   | 4,446,514   | 4,317,645   | 4,528,538   | 4,603,505   | 4,628,744   | 4,561,073   |
| Securities   | \$ 690,596   | 1,227,418   | 979,417   | 1,191,173   | 1,081,980   | 1,064,857   | 1,082,985   |
| Total assets   | \$ 5,812,997   | 7,165,501   | 6,395,582   | 7,114,433   | 7,605,766   | 7,395,755   | 6,954,847   |
| Deposits   | \$ 4,055,047   | 3,879,300   | 3,919,796   | 3,953,405   | 3,867,036   | 3,752,676   | 3,457,202   |
| Securities sold under agreements to repurchase and federal funds purchased | \$ 25,068  | 127,924     | 279,726   | 159,905     | 128,411     | 249,263     | 362,002     |
| Other borrowings(d)  | \$ 1,266,822   | 2,235,388   | 1,631,367   | 2,071,688   | 2,426,000   | 2,131,976   | 2,086,368   |
| BFC shareholders equity  | \$ 96,527  | 172,146     | 112,867   | 184,037     | 177,585     | 183,080     | 125,251     |
| Noncontrolling interest  | \$ 229,424   | 503,580     | 262,554   | 558,950     | 698,323     | 696,522     | 612,652     |
| Total equity   | \$ 325,951   | 675,726     | 375,421   | 742,987     | 875,908     | 879,602     | 737,903     |

(a) Since its inception, BFC has not paid any cash dividends on its common stock.

- (b) While BFC has two classes of common stock outstanding, the two-class method is not presented because BFC's capital structure does not provide for different dividend rates or other preferences, other than voting rights, between the two classes.
- (c) Prior to the merger of I.R.E. Realty Advisory Group, Inc. ( I.R.E. RAG ) with and into BFC in November 2007, I.R.E. RAG owned 4,764,285 shares of BFC's Class A Common Stock and 500,000 shares of BFC's Class B Common Stock. Those shares of BFC's Class A Common Stock and Class B Common Stock were considered to be outstanding; however, because BFC owned 45.5% of I.R.E. RAG's common stock, 2,165,367 shares of BFC's Class A Common Stock and 227,250 shares of BFC's Class B Common Stock were eliminated from the number of outstanding shares for purposes of computing earnings per share.
- (d) Other borrowings consist of FHLB advances, subordinated debentures, notes, bonds payable, secured borrowings and junior subordinated debentures. Secured borrowings were recognized on loan participation agreements that constituted a legal sale of a portion of the loan but that were not qualified to be accounted for as a loan sale.

**Table of Contents****Selected Historical Parent Company Only Financial Information of BFC**

The following table summarizes BFC's historical parent company only financial condition and results as of, and for the periods ended on, the dates indicated below. The selected historical parent company only financial data of BFC as of, and for the years ended, December 31, 2006 through 2008 have been derived from BFC's audited consolidated financial statements for those years which appear elsewhere in this joint proxy statement/prospectus and which were audited by PricewaterhouseCoopers LLP, an independent registered certified public accounting firm. The selected historical parent company only financial data of BFC as of, and for the six months ended, June 30, 2009 and 2008 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period) and are derived from BFC's unaudited consolidated financial statements which appear elsewhere in this joint proxy statement/prospectus; however, BFC's management believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of its results of operations and financial condition as of the dates, and for the periods, indicated. You should not assume the results of operations for past periods and for the six months ended June 30, 2009 and 2008 indicate results for any future period. The following information is only a summary and should be read together with BFC's Management's Discussion and Analysis of Financial Condition and Results of Operations and consolidated financial statements and related notes which appear elsewhere in this joint proxy statement/prospectus.

|   | <b>As of and for the<br/>Six Months<br/>Ended June 30,</b> |             | <b>As of and for the Years Ended December 31,</b> |             |             |             |             |
|---|--|-------------|---|-------------|-------------|-------------|-------------|
|   | <b>2009</b>  | <b>2008</b> | <b>2008</b>                                       | <b>2007</b> | <b>2006</b> | <b>2005</b> | <b>2004</b> |
|   | <b>(In thousands)</b>                                      |             |   |             |             |             |             |
| <b>Balance Sheet Data:</b>                              |  |             |   |             |             |             |             |
| <b>Assets</b>   |  |             |   |             |             |             |             |
| Cash and cash equivalents                               | \$ 5,921   | 14,403      | 9,218   | 17,999      | 17,815      | 26,683      | 1,520       |
| Investment securities                                   | 20,598   | 20,819      | 16,523  | 20,862      | 22,262      | 22,034      | 11,800      |
| Investment in venture partnerships                      | 346  | 428         | 361   | 864         | 908         | 950         | 971         |
| Investment in BankAtlantic Bancorp, Inc.                | 43,742   | 96,031      | 66,326  | 108,173     | 113,586     | 112,218     | 103,125     |
| Investment in Woodbridge Holdings Corporation           | 41,120   | 50,595      | 35,575  | 54,637      | 57,009      | 58,111      | 48,983      |
| Investment in and advances to wholly-owned subsidiaries | 2,241  | 2,691       | 2,323   | 1,578       | 1,525       | 1,631       | 31,867      |
| Loans receivable  |  |             |   | 3,782       | 2,157       | 2,071       | 3,364       |
| Other assets  | 1,252  | 1,145       | 835   | 906         | 2,261       | 960         | 2,697       |
| Total assets  | \$ 115,220   | 186,112     | 131,161   | 208,801     | 217,523     | 224,658     | 204,327     |



| <b>Liabilities and Shareholders Equity</b>                    |    |         |         |         |         |         |         |         |
|---|----|---------|---------|---------|---------|---------|---------|---------|
| Notes payable   | \$ |         |         |         |         |         | 10,483  |         |
| Advances from and negative basis in wholly-owned subsidiaries |    | 798     | 1,088   | 789     | 3,174   | 1,290   | 462     | 34,636  |
| Other liabilities   |    | 6,866   | 6,786   | 6,476   | 7,722   | 7,351   | 7,417   | 6,929   |
| Deferred income taxes   |    |         | 6,092   |         | 13,868  | 31,297  | 33,699  | 27,028  |
| Total liabilities   |    | 7,664   | 13,966  | 7,265   | 24,764  | 39,938  | 41,578  | 79,076  |
| Redeemable 5% Cumulative Preferred Stock                      |    | 11,029  |         | 11,029  |         |         |         |         |
| Total BFC shareholders equity                                 |    | 96,527  | 172,146 | 112,867 | 184,037 | 177,585 | 183,080 | 125,251 |
| Total liabilities and shareholders equity                     | \$ | 115,220 | 186,112 | 131,161 | 208,801 | 217,523 | 224,658 | 204,327 |

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|  | <b>As of and for the<br/>Six Months<br/>Ended June 30,</b> |             | <b>As of and for the Years Ended December 31,</b> |             |             |             |             |
|--|--|-------------|---|-------------|-------------|-------------|-------------|
|  | <b>2009</b>  | <b>2008</b> | <b>2008</b>                                       | <b>2007</b> | <b>2006</b> | <b>2005</b> | <b>2004</b> |
| <b>(In thousands)</b>  |  |             |   |             |             |             |             |
| <b>Statements of Operations Data:</b>                          |  |             |   |             |             |             |             |
| Revenues   | \$ 616   | 1,137       | 2,489   | 3,977       | 2,232       | 1,775       | 3,514       |
| Expenses   | 4,035  | 4,813       | 11,405  | 9,565       | 8,413       | 14,904      | 6,717       |
| (Loss) before earnings (loss) from subsidiaries                | (3,419)  | (3,676)     | (8,916)   | (5,588)     | (6,181)     | (13,129)    | (3,203)     |
| Equity from (loss) earnings in BankAtlantic Bancorp            | (24,823)   | (10,342)    | (56,230)  | (7,206)     | 5,807       | 9,053       | 11,817      |
| Equity from (loss) earnings in Woodbridge Holdings Corporation | 3,771  | (3,861)     | (22,261)  | (39,622)    | (1,522)     | 9,125       | 10,265      |
| Equity from (loss) earnings in other subsidiaries              | (99)   | (117)       | 15  | (1,083)     | (658)       | 6,671       | (35)        |
| (Loss) income from continuing operations before income taxes   | (24,570)   | (17,996)    | (87,392)  | (53,499)    | (2,554)     | 11,720      | 18,844      |
| (Benefit) provision for income taxes                           |  | (7,046)     | (14,887)  | (19,599)    | (1,857)     | 4,000       | 6,826       |
| (Loss) income from continuing operations                       | (24,570)   | (10,950)    | (72,505)  | (33,900)    | (697)       | 7,720       | 12,018      |
| Discontinued operations, net of taxes                          | 1,258  | 162         | 4,461   | 1,038       | (1,524)     | 5,054       | 2,212       |
| Extraordinary gain, net of taxes                               |  |             | 9,145   | 2,403       |             |             |             |
| Net (loss) income attributable to BFC                          | (23,312)   | (10,788)    | (58,899)  | (30,459)    | (2,221)     | 12,774      | 14,230      |
| Preferred stock dividends                                      | (375)  | (375)       | (750)   | (750)       | (750)       | (750)       | (392)       |
| Net (loss) income allocable to common stock                    | \$ (23,687)  | (11,163)    | (59,649)  | (31,209)    | (2,971)     | 12,024      | 13,838      |
| <b>Statements of Cash Flow Data:</b>                           |  |             |   |             |             |             |             |
| <b>Operating Activities:</b>                                   |  |             |   |             |             |             |             |
| Net (loss) income  | \$ (23,312)  | (10,788)    | (58,899)  | (30,459)    | (2,221)     | 12,774      | 14,230      |

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|   |          |         |         |          |         |          |          |
|---|----------|---------|---------|----------|---------|----------|----------|
| Other operating activities                                | 20,306   | 7,034   | 53,391  | 25,954   | (820)   | (12,709) | (18,243) |
| Net cash (used in)<br>provided by operating<br>activities | (3,006)  | (3,754) | (5,508) | (4,505)  | (3,041) | 65       | (4,013)  |
| Net cash (used in)<br>provided by investing<br>activities | 84       | 533     | (2,469) | (30,869) | (923)   | (10,029) | (9,577)  |
| Net cash (used in)<br>provided by financing<br>activities | (375)    | (375)   | (804)   | 35,558   | (4,904) | 35,127   | 13,574   |
| (Decrease) increase in<br>cash and cash equivalents       | (3,297)  | (3,596) | (8,781) | 184      | (8,868) | 25,163   | (16)     |
| Cash at beginning of<br>period                            | 9,218    | 17,999  | 17,999  | 17,815   | 26,683  | 1,520    | 1,536    |
| Cash at end of period                                     | \$ 5,921 | 14,403  | 9,218   | 17,999   | 17,815  | 26,683   | 1,520    |

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**Table of Contents****Selected Historical Consolidated Financial Information of Woodbridge**

The following table summarizes Woodbridge's historical consolidated financial condition and results as of, and for the periods ended on, the dates indicated below. The selected historical consolidated financial data of Woodbridge as of, and for the years ended, December 31, 2006 through 2008 have been derived from Woodbridge's audited consolidated financial statements for those years which appear elsewhere in this joint proxy statement/prospectus and which were audited by PricewaterhouseCoopers LLP, an independent registered certified public accounting firm. The selected historical consolidated financial data of Woodbridge as of, and for the six months ended, June 30, 2009 and 2008 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period) and are derived from Woodbridge's unaudited consolidated financial statements which appear elsewhere in this joint proxy statement/prospectus; however, Woodbridge's management believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of its results of operations and financial condition as of the dates, and for the periods, indicated. You should not assume the results of operations for past periods and for the six months ended June 30, 2009 and 2008 indicate results for any future period. The following information is only a summary and should be read together with Woodbridge's Management's Discussion and Analysis of Financial Condition and Results of Operations and consolidated financial statements and related notes which appear elsewhere in this joint proxy statement/prospectus.

|   | <b>As of and for the<br/>Six Months<br/>Ended June 30,</b> |             | <b>As of and for the Year Ended December 31,</b> |             |             |             |             |
|---|--|-------------|--|-------------|-------------|-------------|-------------|
|   | <b>2009</b>  | <b>2008</b> | <b>2008</b>                                      | <b>2007</b> | <b>2006</b> | <b>2005</b> | <b>2004</b> |
|   | <b>(Dollars in thousands, except per share data)</b>       |             |  |             |             |             |             |
| <b>Consolidated Operations:</b>                   |  |             |  |             |             |             |             |
| Revenues from sales of real estate                | \$ 3,194   | 2,549       | 13,837   | 410,115     | 566,086     | 558,112     | 549,652     |
| Cost of sales of real estate(a)                   | \$ 1,994   | 1,786       | 12,728   | 573,241     | 482,961     | 408,082     | 406,274     |
| Margin(a)   | \$ 1,200   | 763         | 1,109  | (163,126)   | 83,125      | 150,030     | 143,378     |
| Earnings from Bluegreen Corporation               | \$ 17,050  | 1,737       | 8,996  | 10,275      | 9,684       | 12,714      | 13,068      |
| Selling, general & administrative expenses        | \$ 21,103  | 25,579      | 50,754   | 117,924     | 121,151     | 87,639      | 71,001      |
| Impairment of investment in Bluegreen Corporation | \$ (20,401)  |             | (94,426)   |             |             |             |             |
| Impairment of other investments                   | \$ (2,396)   |             | (14,120)   |             |             |             |             |
| Gain on settlement of investment in subsidiary(f) | \$ 40,369  |             |  |             |             |             |             |
| Net income (loss)                                 | \$ 15,452  | (19,373)    | (140,331)  | (234,620)   | (9,164)     | 54,911      | 57,415      |
| Basic earnings (loss) per common share(e)         | \$ 0.91  | (1.01)      | (7.35)   | (30.00)     | (2.27)      | 13.58       | 15.19       |
| Diluted earnings (loss) per common share(b)(e)    | \$ 0.91  | (1.01)      | (7.35)   | (30.00)     | (2.29)      | 13.44       | 14.91       |

|  |            |         |         |         |           |         |         |
|--|------------|---------|---------|---------|-----------|---------|---------|
| Basic weighted average common shares outstanding (thousands)(c)(e)   | \$ 16,890  | 19,255  | 19,088  | 7,821   | 4,045     | 4,044   | 3,779   |
| Diluted weighted average common shares outstanding (thousands)(c)(e) | \$ 16,890  | 19,255  | 19,088  | 7,821   | 4,045     | 4,067   | 3,792   |
| Dividends declared per common share(e)                               | \$         |         |         | 0.10    | 0.40      | 0.40    | 0.20    |
| <b>Consolidated Financial Condition Data:</b>                        |            |         |         |         |           |         |         |
| Cash   | \$ 58,158  | 125,307 | 114,798 | 195,181 | 48,391    | 113,562 | 125,522 |
| Inventory of real estate   | \$ 243,564 | 242,185 | 241,318 | 227,290 | 822,040   | 611,260 | 413,471 |
| Investment in Bluegreen Corporation                                  | \$ 28,580  | 117,365 | 29,789  | 116,014 | 107,063   | 95,828  | 80,572  |
| Total assets   | \$ 530,265 | 673,711 | 559,254 | 712,851 | 1,090,666 | 895,673 | 678,467 |
| Total debt   | \$ 348,516 | 338,565 | 349,952 | 353,790 | 615,703   | 407,970 | 268,226 |
| Total liabilities  | \$ 384,252 | 432,851 | 439,724 | 451,745 | 747,427   | 545,887 | 383,678 |
| Shareholders equity  | \$ 146,013 | 240,860 | 119,530 | 261,106 | 343,239   | 349,786 | 294,789 |
| Book value per share(d)  | \$ 8.43    | 12.51   | 7.07    | 13.56   | 86.50     | 88.17   | 74.33   |

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- (a) Margin is calculated as sales of real estate minus cost of sales of real estate. Included in cost of sales of real estate for the year ended December 31, 2008 is an impairment charge associated with the Carolina Oak homebuilding project in the amount of \$3.5 million. Additionally, included in cost of sales of real estate for the years ended December 31, 2007 and 2006 are homebuilding inventory impairment charges and write-offs of deposits and pre-acquisition costs of \$206.4 million and \$31.1 million, respectively, in Woodbridge's Primary Homebuilding segment. In Woodbridge's Tennessee Homebuilding segment, impairment charges amounted to \$11.2 million and \$5.7 million in the years ended December 31, 2007 and 2006, respectively, which were included in cost of sales. Woodbridge's Primary Homebuilding segment and Tennessee Homebuilding segment were part of Levitt and Sons, LLC (Levitt and Sons), Woodbridge's formerly wholly-owned subsidiary which filed a voluntary bankruptcy petition in November 2007.
- (b) Diluted earnings (loss) per share takes into account the dilutive effect of Woodbridge's stock options and restricted stock using the treasury stock method, and the dilution in earnings Woodbridge recognizes as a result of outstanding Bluegreen securities that entitle the holders thereof to acquire shares of Bluegreen's common stock.
- (c) The weighted average number of common shares outstanding in basic and diluted earnings (loss) per common share for 2006, 2005 and 2004 were retroactively adjusted for the number of shares representing the bonus element arising from Woodbridge's 2007 rights offering. In connection with the rights offering, shares of Woodbridge's Class A Common Stock were issued on October 1, 2007 at a purchase price below the market price of such stock on that date, resulting in the bonus element of 1.97%. The number of weighted average shares of Class A Common Stock was retroactively increased by this percentage for 2006, 2005 and 2004.
- (d) Book value per share is calculated as Woodbridge shareholders' equity divided by total number of shares outstanding as of each period presented.
- (e) On September 26, 2008, Woodbridge effected a one-for-five reverse stock split, pursuant to which each five shares of Woodbridge's Class A Common Stock then outstanding automatically converted into one share of Class A Common Stock, and each five shares of Woodbridge's Class B Common Stock then outstanding automatically converted into one share of Class B Common Stock. Accordingly, all share and per share data presented herein for prior periods have been retroactively adjusted to reflect the reverse stock split.
- (f) Represents the cost of settlement and related liability which was recognized into income during the six months ended June 30, 2009 in connection with the March 3, 2009 consummation of the settlement agreement relating to the bankruptcy of Levitt and Sons, as described throughout this joint proxy statement/prospectus.

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The following selected unaudited pro forma condensed combined financial data are presented as if the merger was completed on January 1, 2008 for income statement purposes and on June 30, 2009 for balance sheet purposes. The following information should be read in conjunction with the unaudited pro forma condensed combined financial statements and related notes and each of BFC's and Woodbridge's historical consolidated financial statements and related notes, which in each case appear elsewhere in this joint proxy statement/prospectus.

The pro forma amounts set forth in the table below are presented for illustrative purposes only. You should not rely on these pro forma amounts as being indicative of the financial position or results of operations that BFC would have actually realized had the merger been completed as of the beginning of the periods presented, nor should it be relied on as being indicative of the future operating results or financial position of BFC following the merger.

|  | <b>Six Months Ended<br/>June 30, 2009<br/>(In thousands, except per share<br/>data)</b> | <b>Year Ended<br/>December 31, 2008<br/>(In thousands, except per share<br/>data)</b> |
|--|---|---|
| <b>Statement of Operations Data:</b>                                       |   |   |
| Revenues   | \$ 195,461  | \$ 487,470  |
| Net loss from continuing operations<br>attributable to BFC                 | \$ (12,756)   | \$ (183,312)  |
| Net loss after dividends on preferred<br>stock                             | \$ (13,131)   | \$ (184,562)  |
| Net loss per common share – basic and<br>diluted                           | \$ (0.15)   | \$ (2.05)   |
| Weighted average shares outstanding<br>basic and diluted                   | 89,889  | 89,866  |
|  |   | <b>As of<br/>June 30, 2009<br/>(In thousands)</b>                                     |
| <b>Balance Sheet Data:</b>   |   |   |
| Loans receivable and held for sale, net                                    |   | \$ 4,028,761  |
| Securities   |   | \$ 690,596  |
| Total assets   |   | \$ 5,812,252  |
| Deposits   |   | \$ 4,055,047  |
| Securities sold under agreements to repurchase and federal funds purchased |   | \$ 25,068   |
| Total liabilities  |   | \$ 5,476,017  |
| BFC shareholders' equity   |   | \$ 204,572  |
| Noncontrolling interests   |   | \$ 120,634  |
| Total equity   |   | \$ 325,206  |





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**RISK FACTORS**

*In deciding how to vote on the merger and the related transactions and on the merger agreement, as applicable, you should carefully consider the risks described below in addition to the other information contained in this joint proxy statement/prospectus. The risks and uncertainties described below are not the only ones facing BFC and Woodbridge. Additional risks and uncertainties not presently known to either BFC or Woodbridge or that they believe are now immaterial may also materially impact BFC's or Woodbridge's results of operations and financial condition. If any of the following risks actually occur, the financial condition or results of operations of BFC or Woodbridge could be materially and adversely affected and the value of BFC's Class A Common Stock or Class B Common Stock or Woodbridge's Class A Common Stock could decline. Shareholders of BFC and Woodbridge should also carefully consider the risks described in the companies' respective filings with the SEC, including the risks and uncertainties described under the heading "Risk Factors" in such filings. See "Where You Can Find More Information."*

**Risks Related to the Merger**

***The exchange ratio set forth in the merger agreement is fixed and will not be adjusted in the event of any change in the market price of BFC's Class A Common Stock or Woodbridge's Class A Common Stock.***

In connection with the merger, each share of Woodbridge's Class A Common Stock outstanding at the effective time of the merger (other than shares owned by BFC and holders of Woodbridge Class A Common Stock who properly exercise and perfect their appraisal rights) will be converted automatically into the right to receive 3.47 shares of BFC's Class A Common Stock. The ratio at which shares of Woodbridge's Class A Common Stock will be converted is fixed in the merger agreement, and the merger agreement does not provide for any adjustment for changes in the market price of either BFC's Class A Common Stock or Woodbridge's Class A Common Stock. As a result, if the market price of BFC's Class A Common Stock increases or decreases between the date of the merger agreement and the effective time of the merger, holders of Woodbridge's Class A Common Stock will be entitled to receive, upon consummation of the merger, shares having greater or lesser market value, respectively, than they would have received based on the market value calculated pursuant to the exchange ratio on the date of the merger agreement.

The market price of BFC's Class A Common Stock has fluctuated and likely will fluctuate between the date of this joint proxy statement/prospectus and the effective time of the merger. For example, from January 1, 2007 through July 2, 2009, the market price of BFC's Class A Common Stock ranged from a low of \$0.06 per share to a high of \$6.90 per share, as quoted (i) on the NYSE Arca Stock Exchange for the period prior to December 9, 2008 and (ii) on the Pink Sheets for the period beginning on December 9, 2008. See "Comparative Stock Prices and Dividends." Shareholders of both companies are encouraged to obtain current market quotations for BFC's Class A Common Stock and Woodbridge's Class A Common Stock prior to voting their shares. Further variations in the market price of BFC's Class A Common Stock could be the result of market assessments of the likelihood that the merger will be consummated or the timing of the consummation of the merger, general market and economic conditions and other factors both within and beyond the control of BFC or Woodbridge. Because the date that the merger may be consummated will be after the BFC and Woodbridge shareholder meetings, at the time of the meetings, shareholders will not know with certainty the market value of the shares of BFC's Class A Common Stock that holders of Woodbridge's Class A Common Stock will receive upon consummation of the merger.

***If the merger is consummated, BFC's shareholders will increase their exposure to the real estate industry, which continues to experience significant weakness.***

If the merger is consummated, BFC will significantly increase its exposure to the risks and uncertainties of the real estate industry. As of December 31, 2008, BFC's investment in Woodbridge represented 27% of BFC's total parent company assets. If the merger is consummated, BFC's investment in Woodbridge will represent 57% of BFC's total parent company assets. Over the past two years, the real estate industry has experienced significant weakness, and there may not be a full recovery in the near term. Adverse economic

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and other business conditions have had, and may continue to have, a negative impact on the industry and Woodbridge's results, and no assurance can be given as to the timing or depth of any recovery.

***If the merger is consummated, Woodbridge's shareholders will be exposed to the diverse businesses in which BFC has invested.***

Upon completion of the merger, holders of Woodbridge's Class A Common Stock (other than holders who properly exercise and perfect their appraisal rights) will become holders of BFC's Class A Common Stock. BFC is a holding company with investments in businesses in diverse industries, including industries different than those in which Woodbridge currently operates or holds investments. In addition to its existing investment in Woodbridge, BFC holds a direct controlling interest in BankAtlantic Bancorp, a Florida-based financial services holding company which owns BankAtlantic, a federally chartered, federally insured savings bank, a direct investment in the convertible preferred stock of Benihana, which owns Asian-themed restaurant chains in the United States, and various real estate and venture capital investments. If the merger is consummated, Woodbridge's shareholders will not only be subject to the risks relating to an investment in the real estate industry and other industries in which Woodbridge holds investment, but will also be subject to the risks of BFC's other investments, especially in the banking industry. BankAtlantic, like other banks, has been impacted by the deterioration of the credit and real estate markets, specifically in Florida, where most of its borrowers and the real estate collateralizing its loans are located. Further, BFC expects to continue to focus on providing overall support for its controlled subsidiaries with a view to the improved performance of the organization as a whole, and this business strategy includes additional investments in its controlled subsidiaries such as BankAtlantic Bancorp. A continued deterioration of the banking or restaurant industries or the other industries in which BFC has investments could have a material adverse effect on the future market price of the shares of BFC's Class A Common Stock that Woodbridge's shareholders would receive in the merger. For a discussion of BFC's and Woodbridge's businesses and certain factors to consider in connection with their respective businesses, you should carefully read and consider all of the risks set forth herein as well as the discussion contained in the sections of this joint proxy statement/prospectus entitled "BFC's Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Woodbridge's Management's Discussion and Analysis of Financial Condition and Results of Operations."

***Dividends or distributions from subsidiaries to the parent company may be subject to claims in the future from creditors of the subsidiary.***

To the extent that any subsidiary makes dividend payments or other distributions to its parent company, including payments or distributions from Core to Woodbridge, from BankAtlantic to BankAtlantic Bancorp or from Woodbridge or BankAtlantic Bancorp to BFC, such payments or distributions may, in certain circumstances, be subject at a later date to claims made by creditors of the subsidiary which made the payment or distribution. Any such claim, if successful, may have a material and adverse impact on the financial condition of the parent company against which the claim was brought.

***Woodbridge's shareholders will have a reduced ownership and voting interest in BFC after the merger than they currently have in Woodbridge.***

Woodbridge's shareholders currently have the right to vote on the election of Woodbridge's directors and on other matters affecting Woodbridge which requires shareholder approval. Upon the completion of the merger, each Woodbridge shareholder that receives shares of BFC's Class A Common Stock will become a shareholder of BFC with a percentage ownership and percentage vote in the combined organization that is smaller than the shareholder's current percentage ownership in Woodbridge. Woodbridge's shareholders will collectively receive shares in the merger constituting approximately 54% of the outstanding shares of BFC's Class A Common Stock following the merger. Further, in the aggregate, BFC's Class A Common Stock represents 22% of the total voting power of BFC, while

Woodbridge's Class A Common Stock represents 53% of the total voting power of Woodbridge. As a result, Woodbridge's shareholders will have a reduced ownership and voting interest in BFC after the merger than they currently have in Woodbridge.

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***Whether or not the merger is consummated, BFC and Woodbridge will have incurred substantial costs adversely impacting their results of operations and financial conditions and which may also adversely impact the market price of BFC's Class A Common Stock and Class B Common Stock and Woodbridge's Class A Common Stock.***

BFC and Woodbridge have incurred and will continue to incur substantial costs in connection with the merger. These costs are primarily associated with the fees of their respective attorneys, accountants and financial advisors. In addition, BFC and Woodbridge have each diverted significant management resources in an effort to complete the merger and each is subject to restrictions contained in the merger agreement on the conduct of its business during the interim period between the date of the merger agreement and the effective time of the merger.

***Certain executive officers and directors of BFC and Woodbridge have financial interests in the merger that are different from, or in addition to, the interests of BFC's and Woodbridge's shareholders, generally.***

In considering the recommendation of BFC's board of directors to vote in favor of the merger and the related transactions and the recommendation of Woodbridge's special committee and board of directors to vote in favor of the merger agreement, shareholders should be aware that certain directors and executive officers of each of BFC and Woodbridge have interests in the merger that are different from, or are in addition to, the interests of BFC's and Woodbridge's respective shareholders, generally.

Alan B. Levan, the Chairman, Chief Executive Officer and President of BFC, Chairman and Chief Executive Officer of Woodbridge and BankAtlantic Bancorp and Chairman of Bluegreen, John E. Abdo, the Vice Chairman of each of BFC, Woodbridge, BankAtlantic Bancorp and Bluegreen, and their respective affiliates collectively beneficially own shares of BFC's Class A Common Stock and Class B Common Stock (including shares which may be acquired pursuant to the exercise of stock options) representing approximately 74.2% of the general voting power and approximately 37.4% of the total common stock of BFC, and, after the completion of the merger, are expected to beneficially own shares of BFC's Class A Common Stock and Class B Common Stock (including shares which may be acquired pursuant to the exercise of stock options) representing approximately 71.0% of the general voting power and approximately 19.0% of the total common stock of BFC. Additionally, in connection with the merger, BFC has agreed to cause the seven current directors of Woodbridge who are not also directors of BFC, as well as Seth M. Wise, the President of Woodbridge, and Jarett S. Levan, the son of Alan B. Levan and the President of BankAtlantic Bancorp and Chief Executive Officer and President of BankAtlantic, to be appointed to BFC's board of directors to serve for a term expiring at BFC's 2010 annual meeting of shareholders. Further, Mr. Wise will serve as Executive Vice President of BFC effective upon consummation of the merger. It is anticipated that some or all of the directors and executive officers of Woodbridge, including Alan B. Levan and John E. Abdo, will be granted BFC stock options or other equity-based compensation awards of BFC following the merger. Further, while the Woodbridge stock options, if any, held by these individuals will be canceled, those stock options currently have exercise prices which are far greater than the market price of Woodbridge's Class A Common Stock. It is expected that the new BFC stock options granted to them will have exercise prices equal to the closing market price of BFC's Class A Common Stock on the date of grant. Additionally, following the merger, BFC's directors and executive officers will continue to receive compensation, including equity-based compensation, from BFC for their services and, as permitted by the terms of BFC's stock incentive plan, it is contemplated that BFC's compensation committee will, following consummation of the merger, consider BFC's outstanding stock options with a view to re-pricing some or all of the BFC stock options currently held by BFC's directors and executive officers or cancelling those stock options in connection with the issuance of new stock options having more favorable terms, including lower exercise prices.

In considering these facts and the other information contained in this joint proxy statement/prospectus, you should be aware of these interests. Please see the section of this joint proxy statement/prospectus entitled "The Merger - Interests of Certain Persons in the Merger" for further information about these interests.



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***The Woodbridge special committee did not conduct an auction with respect to the sale of Woodbridge.***

Because BFC's voting control of Woodbridge gives BFC the ability to veto any sale of Woodbridge to a third party if it so chooses, and based on BFC's expressed intention to maintain a long-term relationship with Woodbridge, the Woodbridge special committee did not conduct a market check or auction process with respect to the possible sale of Woodbridge. Such a process may have resulted in different terms for Woodbridge's shareholders, and there is no assurance that merger consideration having a higher value would not have been received if Woodbridge had been in a position to conduct a market check or auction. However, the merger agreement provides Woodbridge with the right to furnish information about its business to any person making an unsolicited superior proposal to the merger and participate in discussions or negotiations regarding, and, in specific circumstances, to accept, such proposal in lieu of the merger. See The Merger Agreement Superior Proposal.

***The merger agreement limits the ability of Woodbridge and BFC to pursue an alternative transaction proposal to the merger, and BFC's existing control position in Woodbridge further limits Woodbridge's ability to consummate any such alternative transaction.***

Subject to certain exceptions, the merger agreement prohibits each of Woodbridge and BFC from soliciting, initiating, encouraging or otherwise facilitating certain alternative transaction proposals with any third party, which may have the effect of limiting each company's ability to pursue offers from third parties that could result in greater value to its shareholders relative to the terms and conditions of the merger agreement. See The Merger Agreement No Solicitation.

Further, BFC's existing ownership of all of the shares of Woodbridge's Class B Common Stock provides BFC with the ability to veto any alternative transaction. Moreover, while a competing acquiror could deliver a bona fide competing acquisition proposal in a manner that would enable Woodbridge to negotiate the terms of the competing offer, BFC's control position and ability to veto an alternative transaction limits the likelihood that any potential competing acquiror will come forward. Further, if the merger agreement is terminated and the board of directors of Woodbridge determines to seek another merger or business combination, it may not be able to find a partner willing to provide an equivalent or more attractive benefit to Woodbridge's shareholders than that which would have been received by such shareholders pursuant to the merger agreement. Even if such a partner were found, there is no assurance that BFC will approve any such merger or business combination.

***If significant numbers of holders of Woodbridge's Class A Common Stock exercise their appraisal rights, it could have an adverse effect on the companies.***

If holders of more than 10% of the outstanding shares of Woodbridge's Class A Common Stock exercise, or, immediately prior to the effective time of the merger, remain entitled to exercise, their appraisal rights, BFC may elect not to consummate the merger, and, in that event, BFC and Woodbridge will have incurred significant transaction costs without consummating the transaction. Even if the merger is consummated, the number of shareholders exercising appraisal rights will impact BFC's cash balances and cash flow as BFC will be required to pay such shareholders in cash. Further, BFC has the right to waive the condition to consummating the merger described above and close the merger even if the holders of 10% or more of Woodbridge's Class A Common Stock exercise or remain entitled to exercise their appraisal rights, which would increase the amount of cash that BFC would have to pay in consideration of appraisal rights. BFC itself has no operations other than activities relating to the monitoring and support of its existing investments and identifying, analyzing and, in appropriate cases, acquiring new investments. Since BFC is dependent upon dividends from its subsidiaries for a significant portion of its cash flow, and since the declaration of dividends by BFC's subsidiaries is generally not within BFC's control, any significant decrease in BFC's cash position as a result of payments to shareholders who exercise their appraisal rights could limit BFC's ability to support Woodbridge's business with additional capital and could have a material adverse effect on BFC's and

Woodbridge's businesses.



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***Substantial sales of BFC's Class A Common Stock could adversely affect its market price.***

It is anticipated that approximately 44.8 million shares of BFC's Class A Common Stock will be issued in connection with the merger. The shares issuable in connection with the merger would represent approximately 54% of the total number of shares of BFC's Class A Common Stock outstanding after the merger. Other than the shares issued to affiliates of Woodbridge or BFC, which would represent approximately 13% of the total number of shares of BFC's Class A Common Stock outstanding after the merger, the shares issued in connection with the merger will not be subject to restrictions on resale. The issuance and potential resale of these new shares could have the effect of depressing the market price of BFC's Class A Common Stock. During the quarter ended June 30, 2009, the average daily trading volume of BFC's Class A Common Stock was approximately 44,000 shares. In addition, although BFC has in place a share repurchase program and may in the future increase the number of shares which may be repurchased under the program, the level of shares which BFC may repurchase in the future is dependent on a variety of factors, including, among other factors, the price of BFC's Class A Common Stock, prevailing market conditions, BFC's financial condition and available resources, and other investment alternatives. There is no assurance that BFC will repurchase any shares in the future or that, if BFC does decide to repurchase shares, that such repurchases will have a favorable impact on the market price of BFC's Class A Common Stock.

***The board of directors of BFC and Woodbridge may choose to waive any conditions to consummation of the merger and proceed to consummate the transaction.***

The merger agreement contains conditions precedent to the obligations of the parties to consummate the merger. The merger agreement also provides that these conditions precedent may be waived, in whole or in part, and the merger consummated notwithstanding that a condition precedent has not been fulfilled or satisfied and notwithstanding that the waiver of the condition may directly or indirectly impact the financial condition of the combined company. The determination to waive the fulfillment of a condition will be made by the board of directors of the company waiving the condition. No additional vote of the shareholders will be required in connection with the waiver of a condition precedent.

***There are limitations on the amount of shares of BFC's common stock that an individual or company can own without obtaining regulatory approval.***

As a unitary savings bank holding company, BFC is subject to regulation by the OTS. Among other things, ownership of control of BFC is subject to applicable OTS regulations. Under the applicable regulations of the OTS, if, after giving effect to the number of shares of BFC's common stock a shareholder of Woodbridge receives in the merger, that shareholder, directly or indirectly, or through one or more subsidiaries, or acting in concert with one or more other persons or entities, owns (i) more than 10% of BFC's common stock and one or more specified control factors exist, then the shareholder will be determined, subject to the right of rebuttal, to have acquired control of BFC or (ii) more than 25% of BFC's common stock, then the shareholder will be conclusively determined to have acquired control of BFC, regardless of whether any control factors exist. Accordingly, subject to certain limited exceptions, any Woodbridge shareholder who receives shares in the merger which causes its ownership of BFC's common stock to exceed such thresholds will be required to file an application, notice or rebuttal with the OTS. Pending favorable action by the OTS on such application, notice or rebuttal, the shareholder's actions with respect to BFC will be limited as set forth in the applicable regulation. If the OTS disapproves of the application, notice or rebuttal, then the shareholder will be required to divest such portion of its shares of BFC's common stock necessary to cause its ownership to fall below the applicable regulatory threshold. Woodbridge's shareholders should consult with their legal counsel regarding any regulatory limitations on their ownership of BFC's common stock that may be applicable to them, including whether they are required to submit an application, notice or rebuttal to the OTS relating to their share ownership.



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***There is no assurance as to the value holders of Woodbridge's Class A Common Stock will receive if they choose to exercise their appraisal rights.***

Under the FBCA, holders of Woodbridge's Class A Common Stock are entitled to appraisal rights in connection with the merger. If a holder of Woodbridge's Class A Common Stock exercises his, her or its appraisal rights and follows the relevant procedures specified in the FBCA, summarized in The Merger Appraisal Rights, he, she or it will have the right to receive a cash payment equal to the fair value of his, her or its stock. The express procedures of the FBCA must be followed and, if they are not, shareholders wishing to exercise their appraisal rights may lose such rights. Moreover, pursuant to the FBCA, the fair value of the shares of Woodbridge's Class A Common Stock held by a shareholder exercising appraisal rights means the value of such shares calculated as of the time immediately preceding the consummation of the merger, excluding any appreciation or depreciation in anticipation of the merger, which could be more than, less than or equal to the value of the shares of BFC's Class A Common Stock that the shareholder would otherwise have received in connection with the merger. Further, the fair value cash payment could potentially be determined in judicial proceedings, the result of which cannot be predicted. Accordingly, there can be no assurance that holders of Woodbridge's Class A Common Stock exercising appraisal rights will receive consideration equal to or greater than the value of the shares of BFC's Class A Common Stock which they would have received in connection with the merger.

***BFC's historic net operating loss carryforwards may be severely limited as a result of the merger.***

BFC has experienced and continues to experience net operating losses. Under the Code, BFC may utilize its net operating loss carryforwards in certain circumstances to offset future taxable income and to reduce federal income tax liability, subject to certain requirements and restrictions. Based on the determination that it is more likely than not that BFC will not generate sufficient income to be in a position to realize its deferred tax asset, a full valuation allowance against the deferred tax assets related to BFC's operating losses has been recorded. There is no assurance that BFC will generate sufficient income to be able to utilize its net operating loss carryforwards in the future.

BFC's ability to use its net operating loss carryforwards could be substantially limited if BFC experiences an ownership change, as defined in Section 382 of the Code. BFC believes that the merger, if consummated, will likely result in an ownership change with respect to BFC and, accordingly, will limit BFC's ability in the future to utilize its historic net operating loss carryforwards. However, although there are no assurances, BFC believes that the merger, if consummated, will not result in any material limitations under Section 382 of the Code with respect to the utilization of Woodbridge's historic net operating losses if there is sufficient income generated by the combined company.

***The Internal Revenue Service may disagree with the parties' description of the federal income tax consequences of the merger.***

Although BFC and Woodbridge will receive an opinion of legal counsel as to the anticipated federal income tax consequences of the merger, neither BFC nor Woodbridge has applied for, or expects to obtain, a ruling from the Internal Revenue Service with respect to the federal income tax consequences of the merger. No assurance can be given that the Internal Revenue Service will agree with the positions taken in the legal opinion or will not challenge the income tax consequences of the merger.

## **Risks Related to BFC and its Business**

***BFC has in the past incurred cash flow deficits that it expects will continue in the future.***

BFC is a holding company engaged in making investments in operating businesses, and has no revenue generating operating activities. Accordingly, BFC has in the past incurred cash flow deficits at its parent company level and

expects to continue to do so in the foreseeable future. BFC incurred operating and investing cash flow deficits at its parent company level of \$5.5 million and \$2.5 million, respectively, during the year ended December 31, 2008 and a \$3.0 million operating cash flow deficit at its parent company level during the six months ended June 30, 2009. BFC has financed these operating cash flow deficits with available

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working capital. At June 30, 2009, BFC's cash and cash equivalents balance at its parent company level was approximately \$5.9 million. Since BFC's business strategy involves primarily holding long-term investments and neither BankAtlantic Bancorp nor Woodbridge is expected to declare dividends to its common shareholders in 2009, BFC's investments are not expected to generate cash flow to BFC in the near term. As a result, if cash flow is not sufficient to fund BFC's operating expenses in the future, BFC may be forced to reduce operating expenses, to liquidate some of its investments or to seek to fund the expenses from the proceeds of additional equity or debt financing. There is no assurance that any such financing would be available on commercially reasonable terms, if at all, or that BFC would not be forced to liquidate its investments at depressed prices.

***Adverse conditions and events where BFC's investments are currently concentrated could continue to adversely impact BFC's results and future growth.***

BankAtlantic Bancorp's business, the location of BankAtlantic's branches and the real estate collateralizing its commercial real estate loans are concentrated in Florida. Further, Woodbridge's operations are concentrated in Florida and South Carolina. Economic conditions generally, and the economies of both Florida and South Carolina in particular, have adversely impacted the results and prospects of BankAtlantic Bancorp and Woodbridge. Further each of the states is subject to the risks of natural disasters, such as tropical storms and hurricanes. The continued impact of the economic downturn, natural disaster or adverse changes in laws or regulations applicable to the companies could impact the credit quality of BankAtlantic's assets, the desirability of Woodbridge's properties, the financial performance of Woodbridge's and BankAtlantic's customers and the overall success of Woodbridge and BankAtlantic.

***Regulatory restrictions, bank performance and the terms of indebtedness limit or restrict BankAtlantic Bancorp's ability to pay dividends, which may impact BFC's cash flow.***

BFC holds approximately 30% of the outstanding common stock of BankAtlantic Bancorp. Dividends by BankAtlantic Bancorp are subject to a number of conditions, including the cash flow and profitability of BankAtlantic Bancorp, declaration of dividends by BankAtlantic Bancorp's board of directors, compliance with the terms of outstanding indebtedness, and regulatory restrictions applicable to BankAtlantic. During 2008, BFC received \$208,000 in dividends from BankAtlantic Bancorp.

BankAtlantic Bancorp is a separate publicly traded company whose board of directors includes a majority of independent directors as required by the listing standards of the New York Stock Exchange. Decisions made by BankAtlantic Bancorp's board are not within BFC's control and may not be made in our best interests.

BankAtlantic Bancorp is not currently paying dividends and has indicated that it does not anticipate doing so for the foreseeable future. The declaration and payment of dividends and the ability of BankAtlantic Bancorp to meet its debt service obligations will depend upon adequate cash holdings, which are driven by the results of operations, financial condition and cash requirements of BankAtlantic Bancorp, and the ability of BankAtlantic to pay dividends to BankAtlantic Bancorp. The ability of BankAtlantic to pay dividends or make other distributions to BankAtlantic Bancorp is subject to regulations and OTS approval and is based upon BankAtlantic's regulatory capital levels and net income. Due to BankAtlantic's recent net losses, BankAtlantic suspended dividends to BankAtlantic Bancorp. In February 2009, BankAtlantic Bancorp elected to exercise its right to defer payments of interest on its trust preferred junior subordinated debt. BankAtlantic Bancorp is permitted to defer quarterly interest payments for up to 20 consecutive quarters. During the deferral period, which BankAtlantic Bancorp can end at any time, BankAtlantic Bancorp will not pay dividends to its common shareholders, including BFC. Accordingly, BFC does not expect to receive dividends from BankAtlantic Bancorp during 2009.

***BFC's activities and its subsidiaries' activities are subject to a wide range of regulatory requirements that could have a material adverse effect on BFC's business.***

BFC and BankAtlantic Bancorp are each grandfathered unitary savings and loan holding companies and have broad authority to engage in various types of business activities. However, the OTS can stop each of BFC and BankAtlantic Bancorp from engaging in activities or limit those activities if it determines that there is

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reasonable cause to believe that the continuation of any particular activity constitutes a serious risk to the financial safety, soundness or stability of BankAtlantic. The OTS may also:

limit transactions between BFC, BankAtlantic, BankAtlantic Bancorp and the subsidiaries or affiliates of either;

limit the activities of BankAtlantic, BankAtlantic Bancorp or BFC; or

impose capital requirements on BFC or BankAtlantic Bancorp.

In addition, unlike bank holding companies, as unitary savings and loan holding companies, BFC and BankAtlantic Bancorp are not currently subject to capital requirements. However, the OTS has indicated that it may in the future impose capital requirements on savings and loan holding companies. The OTS may also in the future adopt regulations that would affect BankAtlantic Bancorp's operations, including BankAtlantic Bancorp's ability to pay dividends or to engage in certain transactions or activities.

***Certain members of BFC's board of directors and certain of BFC's executive officers are also directors and executive officers of BFC's affiliates.***

Alan B. Levan, BFC's Chairman, Chief Executive Officer and President, and John E. Abdo, BFC's Vice Chairman, are also members of the boards of directors and/or executive officers of BankAtlantic Bancorp, BankAtlantic, Woodbridge, Bluegreen and Benihana and receive, and following the merger will continue to receive, compensation, including equity-based compensation, in each of those capacities. Neither Mr. Levan nor Mr. Abdo is obligated to allocate a specific amount of time to the management of BFC, and they may devote more time and attention to the operations of BFC's affiliates than they devote directly to BFC's activities. Additionally, D. Keith Cobb, a member of BFC's board of directors is a member of the board of directors of BankAtlantic Bancorp and BankAtlantic.

***BFC's investment in Benihana subjects it to the risks associated with the restaurant industry.***

BFC has an investment in shares of Series B Convertible Preferred Stock of Benihana which are convertible into shares of Benihana's Common Stock. As such, the value of BFC's investment will be influenced by the market performance of Benihana's Common Stock. Some of the risk factors common to the restaurant industry which might affect the performance of Benihana are as follows:

general economic conditions, and the disruptions in the financial markets which have adversely impacted consumer spending patterns and the availability and cost of credit may continue to impact Benihana or deteriorate further;

the failure of existing or new restaurants to perform as expected;

the inability to construct new restaurants and remodel existing restaurants within projected budgets and time periods;

increases in the minimum wage;

intense competition in the restaurant industry;

the food service industry is affected by litigation and publicity concerning food quality, health and other issues which could cause customers to avoid a particular restaurant, result in significant liabilities or litigation costs or

damage reputation or brand recognition; and

implementing growth and renovation strategies may strain available resources.

***BFC and its subsidiaries may issue additional securities in the future.***

There is generally no restriction on BFC's ability to issue debt or equity securities which are pari passu or have a preference over its Class A Common Stock. Authorized but unissued shares of BFC's capital stock are available for issuance from time to time at the discretion of BFC's board of directors, including issuances in connection with acquisitions. Likewise, there is also no restriction on the ability of BankAtlantic Bancorp or Woodbridge to issue equity or debt securities or incur additional indebtedness either at the parent company level or at a subsidiary level. Any such issuances would partially dilute BFC's ownership position in those entities.



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***BFC's portfolio of equity securities and its investments in BankAtlantic Bancorp and Woodbridge subjects BFC to equity pricing risks.***

Because BankAtlantic Bancorp and Woodbridge are consolidated in BFC's financial statements, the decline in the market price of their stock would not impact BFC's consolidated financial statements. However, the continued decline in the market price of either of these securities would likely have an effect on the market price of BFC's common stock, and the market price of BFC's common stock and directly held equity securities are important to the valuation and financing capability of BFC.

Also, BFC has an investment in 800,000 shares of Series B Convertible Preferred Stock of Benihana for which no current market is available (unless converted into shares of Benihana's Common Stock). The shares of Series B Convertible Preferred Stock owned by BFC are convertible into an aggregate of 1,578,943 shares of Benihana's Common Stock. At June 30 2009, if converted, the aggregate market value of such shares would have been approximately \$11.1 million.

The ability to realize or liquidate these investments will depend on future market and economic conditions and the ability to register the shares of Benihana's Common Stock in the event of the conversion of the shares of the Series B Convertible Preferred Stock of Benihana which BFC owns, all of which are subject to significant risk.

***BFC's control position may adversely affect the market price of BankAtlantic Bancorp's and Woodbridge's Class A Common Stock.***

As of June 30, 2009, BFC owned all of BankAtlantic Bancorp's issued and outstanding Class B Common Stock and 2,389,697 shares, or approximately 23%, of BankAtlantic Bancorp's issued and outstanding Class A Common Stock, and BFC owned all of Woodbridge's issued and outstanding Class B Common Stock and 3,735,392 shares, or approximately 22% of, Woodbridge's issued and outstanding Class A Common Stock. BFC's share holdings represent approximately 59% of the total voting power of each of BankAtlantic Bancorp and Woodbridge. Since the Class A Common Stock and Class B Common Stock of each of BankAtlantic Bancorp and Woodbridge vote as a single group on most matters, BFC is in a position to control BankAtlantic Bancorp and Woodbridge and elect BankAtlantic Bancorp's and Woodbridge's boards of directors. As a consequence, BFC has the voting power to significantly influence the outcome of any shareholder vote of BankAtlantic Bancorp and Woodbridge, except in those limited circumstances where Florida law mandates separate class votes. BFC's control position may have an adverse effect on the market prices of BankAtlantic Bancorp's and Woodbridge's Class A Common Stock.

***Alan B. Levan and John E. Abdo's control position may adversely affect the market price of BFC's common stock.***

Alan B. Levan, BFC's Chairman, Chief Executive Officer and President, and John E. Abdo, BFC's Vice Chairman, and their respective affiliates collectively beneficially own approximately 37% of the outstanding shares of BFC's total common stock, representing approximately 74% of BFC's total voting power. Additionally, Messrs. Levan and Abdo have agreed to vote their shares of BFC's Class B Common Stock in favor of the election of the other to BFC's board of directors for so long as they are willing and able to serve as directors of BFC. Further, Mr. Abdo has agreed, subject to certain exceptions, not to transfer certain of his shares of BFC's Class B Common Stock and to obtain the consent of Mr. Levan prior to the conversion of certain of his shares of BFC's Class B Common Stock into shares of BFC's Class A Common Stock. Since BFC's Class A Common Stock and Class B Common Stock vote as a single class on most matters, Messrs. Levan and Abdo effectively have the voting power to control the outcome of any shareholder vote and elect the members of BFC's board of directors. Messrs. Levan's and Abdo's control position may have an adverse effect on the market price of BFC's common stock, except in those limited circumstances where Florida law mandates that the holders of BFC's Class A Common Stock vote as a separate class. Messrs. Levan's and Abdo's

interests may conflict with the interests of BFC's other shareholders.

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***The terms of BFC's Articles of Incorporation, which establish fixed relative voting percentages between BFC's Class A Common Stock and Class B Common Stock, may not be well accepted by the market.***

BFC's Class A Common Stock and Class B Common Stock generally vote together as a single class. The Class A Common Stock possesses in the aggregate 22% of the total voting power of all of BFC's common stock, and the Class B Common Stock possesses 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 1,800,000 shares, at which time the Class A Common Stock's aggregate voting power will change to 40% and the Class B Common Stock will have the remaining 60%. If the number of shares of Class B Common Stock outstanding decreases to 1,400,000 shares, the Class A Common Stock's aggregate voting power will change to 53% and the Class B Common Stock will have the remaining 47%. These relative voting percentages will remain fixed unless the number of shares of Class B Common Stock outstanding decreases to 500,000 shares, at which time the fixed voting percentages will be eliminated. These changes in the relative voting power represented by each class of BFC's common stock are based only on the number of shares of Class B Common Stock outstanding; thus issuances of Class A Common Stock, including Class A Common Stock issued in the merger, will have no effect on these provisions, and the issuance of Class A Common Stock will widen the disparity between the equity interest and voting power of the Class B Common Stock. While this capital structure was approved by BFC's shareholders, the fixed voting percentage provisions are somewhat unique. If the market does not sufficiently accept this structure, the trading price and market for BFC's Class A Common Stock would be adversely affected.

## **Risks Related to Woodbridge and its Business**

***Through Core Communities and Carolina Oak, Woodbridge engages in real estate activities which are speculative and involve a high degree of risk.***

The real estate industry is highly cyclical by nature. The current market is experiencing a significant decline, and future market conditions are uncertain. There are many factors which affect the real estate industry, and many of these factors are beyond Woodbridge's control, including:

overbuilding or decreases in demand to acquire land;

the availability and cost of financing;

unfavorable interest rates and increases in inflation;

changes in national, regional and local economic conditions;

cost overruns, inclement weather, and labor and material shortages;

the impact of present or future environmental legislation, zoning laws and other regulations;

availability, delays and costs associated with obtaining permits, approvals or licenses necessary to develop property; and

increases in real estate taxes, insurance and other local government fees.

***The real estate market has experienced a significant downturn, and the duration and ultimate severity of the downturn is uncertain. A continued deterioration of economic conditions will adversely affect Woodbridge's operating results and financial condition.***

The downturn in the real estate market, which is now in its fourth year, has become one of the most severe in U.S. history. This downturn, which resulted from a decline in consumer confidence, decline in real estate prices and an oversupply of real estate available for sale, has been exacerbated by, among other things, a decline in the overall economy, increasing unemployment, fear of job loss and a decline in the securities and credit markets. The government's legislative and administrative measures aimed at restoring liquidity to the credit markets and improving conditions in the real estate markets has only recently begun and there is no indication yet whether these measures have or will effectively stabilize prices and real estate values or restore consumer confidence and increase demand in the real estate markets.

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As a result of this downturn, and specifically the adverse impact that the combination of the lower demand and higher inventories has had on the amount of land that Woodbridge is able to develop and sell and the prices at which it is able to sell the land, Woodbridge's operating results and financial condition have been adversely affected. Woodbridge cannot predict the duration or ultimate severity of the current challenging conditions, nor can it provide assurance that its responses to the current downturn or the government's attempts to address the troubles in the economy will be successful. If these conditions persist or continue to worsen, they will further adversely affect Woodbridge's operating results and financial condition.

***Because real estate investments are illiquid, the downturn in the real estate market and in the economy in general has had, and may continue to have, an adverse impact on Woodbridge's business and cash flow.***

Real estate investments are generally illiquid. Like other companies that invest in real estate, Woodbridge has a limited ability to vary its portfolio of real estate investments in response to changes in economic and other conditions. In addition, as a result of the sustained downturn in the real estate market, and in the economy in general, the estimated market value of Woodbridge's real estate properties has decreased and may continue to decrease in the future. Moreover, Woodbridge may not be able to timely dispose of properties when it finds dispositions advantageous or necessary, or complete the disposition of properties under contract to be sold, and any such dispositions may not provide proceeds in excess of the amount of its investment in the property or even in excess of the amount of any indebtedness secured by the property. As a result, Woodbridge is susceptible to the risks associated with further declines in real estate values, including the risk that it may be required to record additional impairment write-downs with respect to its real estate inventory in the future if the current real estate environment does not improve or if the market value of its real estate properties otherwise continues to decline. Woodbridge had \$243.6 million of real estate inventory at June 30, 2009.

***The commercial real estate market has been adversely affected by the current economic and credit environment.***

Economic conditions may make it more difficult to achieve projected rental and occupancy rates on Core's commercial leasing projects, which may adversely impact the net operating income of the projects. The risks relating to Core's commercial leasing projects include, without limitation:

the risk that a significant tenant or a number of tenants may file for bankruptcy protection, creating the possibility that past due rents may never be recovered;

the risk that leases with certain existing tenants may become overly burdensome to the lessee due to reduced business activity, and lease concessions and modifications may be necessary to avoid defaults;

the risk that the current adverse economic conditions and limited availability of credit may continue or deteriorate further, causing market capitalization rates on commercial properties to increase beyond present levels, thus reducing the value at which commercial projects can be sold;

the risk that net operating income at the commercial leasing projects may not be sufficient to meet certain debt service coverage ratio requirements, which would result in requirements for additional principal curtailment payments in order to bring the loans into compliance; and

the risk that vacant space will take longer to lease and that rental rates will be lower than projected or necessary to operate the project profitably.

***Commercial leasing projects may not yield anticipated returns, which could harm Woodbridge's operating results, reduce its cash flow and/or adversely impair its ability to sell commercial assets.***

A component of Woodbridge's business strategy is the development of commercial properties and assets for sale. These developments may not be as successful as expected due to the commercial leasing related risks discussed herein, as well as the risks associated with real estate development generally.

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Additionally, development of commercial projects involves the risk associated with the significant time lag between commencement and completion of the project. This time lag subjects Woodbridge to greater risks relating to fluctuations in the general economy, its ability to obtain construction or permanent financing on favorable terms, if at all, its ability to achieve projected rental rates, the pace that it will be able to lease new tenants, higher than estimated construction costs (including labor and material costs), and delays in the completion of projects because of, among other factors, inclement weather, labor disruptions, construction delays or delays in receiving zoning or other regulatory approvals, or man-made or natural disasters.

***Woodbridge utilizes community development district and special assessment district bonds to fund development costs and will be responsible for assessments until the underlying property is sold.***

Woodbridge establishes community development district and special assessment district bonds to access tax-exempt bond financing to fund infrastructure development at Core's master-planned communities. Woodbridge is responsible for any assessed amounts until the underlying property is sold. Accordingly, to the extent Woodbridge continues to hold certain of its properties longer than originally projected (as a result of a continued downturn in the real estate markets or otherwise), it will be required to pay a higher portion of annual assessments on such properties. In addition, Woodbridge could be required to pay down a portion of the bonds in the event its entitlements were to decrease as to the number of residential units and/or commercial space that can be built on the properties encumbered by the bonds. Moreover, Core has guaranteed payments for assessments under the district bonds in Tradition, Florida which would require funding if future assessments to be allocated to property owners are insufficient to repay the bonds.

The availability of tax-exempt bond financing to fund infrastructure development at Core's master-planned communities may be adversely impacted by recent disruptions in credit markets, including the municipal bond market, by general economic conditions and by fluctuations in the real estate market. If Woodbridge is not able to access this type of financing, it would be forced to obtain substitute financing, and there is no assurance that it would be able to obtain substitute financing on acceptable terms, if at all. If Woodbridge is not able to obtain financing for infrastructure development, Core would be forced to use its own funds or delay development activity at its master-planned communities.

***Core's results are subject to significant volatility.***

Due to the nature and size of Core's individual land transactions, Core's results and Woodbridge's consolidated results have historically been subject to significant volatility. Land sale revenues have been sporadic and have fluctuated dramatically based upon, among other factors, changing sales prices and costs attributable to the land sold. Due to the current downturn in the real estate market, margins on land sales may continue to decline and there is no assurance that they will return to prior levels. If the real estate markets deteriorate further or if the current downturn is prolonged, Woodbridge may not be able to sell land at prices above its carrying cost or even in amounts necessary to repay its indebtedness. In addition to the impact of economic and market factors, the sales price and margin of land sold varies depending upon: the location; the parcel size; whether the parcel is sold as raw land, partially developed land or individually developed lots; the degree to which the land is entitled; and whether the designated use of land is residential or commercial.

In addition, Core's ability to realize margins may be affected by circumstances beyond its control, including:

shortages or increases in prices of construction materials;

natural disasters in the areas in which it operates;

lack of availability of adequate utility infrastructure and services; and

its need to rely on local subcontractors who may not be adequately capitalized or insured.

Any of these circumstances could give rise to delays in the start or completion of development at, or increase the cost of developing, Core's master-planned communities. Woodbridge competes with other real estate developers, both regionally and nationally, for labor as well as raw materials, and the competition for



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materials has recently become global. Increased costs in labor and materials could cause increases in construction costs. In addition, the cost of sales of real estate is dependent upon the original cost of the land acquired, the timing of the acquisition of the land, and the amount of land development, interest and real estate tax costs capitalized to the particular land parcel during active development. Future margins will continue to vary based on these and other market factors.

***Woodbridge is dependent upon certain key tenants in its commercial developments, and decisions made by these tenants or adverse developments in the business of these tenants could have a negative impact on Woodbridge's financial condition.***

Woodbridge's commercial real estate centers are supported by anchor tenants which, due to size, reputation or other factors, are particularly responsible for drawing other tenants and shoppers to the centers in certain cases. Woodbridge is subject to the risk that certain of these anchor tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration.

In addition, an anchor tenant may decide that a particular store is unprofitable and close its operations and, while the anchor tenant may continue to make rental payments, its failure to occupy its premises could have an adverse effect on the property. A lease termination by an anchor tenant or a failure by that anchor tenant to occupy the premises could result in lease terminations or reductions in rent by other tenants in the same shopping center. Vacated anchor tenant space also tends to adversely affect the entire shopping center because of the loss of the departed anchor tenant's power to draw customers to the center. Woodbridge may not be able to quickly re-lease vacant space on favorable terms, if at all. Any of these developments could adversely affect Woodbridge's financial condition or results of operations.

***It may be difficult and costly to rent vacant space and space which may become vacant in future periods.***

Woodbridge's goal is to improve the performance of its properties by leasing available space and re-leasing vacated space. However, Woodbridge may not be able to maintain its overall occupancy levels. Woodbridge's ability to continue to lease or re-lease vacant space in its commercial properties will be affected by many factors, including its properties' locations, current market conditions and the provisions of the leases Woodbridge enters into with the tenants at its properties. In fact, many of the factors which could cause Woodbridge's current tenants to vacate their space could also make it more difficult for Woodbridge to re-lease that space. The failure to lease or to re-lease vacant space on satisfactory terms could harm Woodbridge's operating results.

If Woodbridge is able to re-lease vacated space, there is no assurance that rental rates will be equal to or in excess of current rental rates. In addition, Woodbridge may incur substantial costs in obtaining new tenants, including brokerage commission fees paid by Woodbridge in connection with new leases or lease renewals, and the cost of leasehold improvements.

***Additional adverse changes in economic conditions where Woodbridge conducts its real estate operations could further reduce the demand for real estate and, as a result, could further adversely impact Woodbridge's results of operations and financial condition.***

Adverse changes in national, regional and local economic conditions, especially in Florida and to a lesser extent South Carolina where Woodbridge's operations are concentrated, have had and may continue to have a negative impact on its business. Continued adverse changes in, among other things, employment levels, job growth, consumer confidence, interest rates and population growth, or a continued oversupply of land for sale may further reduce demand and depress real estate prices, which, in turn, could adversely impact Woodbridge's results of operations and financial condition.

***If prospective purchasers of Woodbridge's inventory or Woodbridge's tenants are not able to obtain suitable financing, Woodbridge's results of operations may further decline.***

Woodbridge's results of operations are dependent in part on the ability of prospective purchasers of its real estate inventory and prospective commercial tenants to secure financing. The recent deterioration of the

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credit markets and the related tightening of credit standards may impact the ability of prospective purchasers and tenants to secure financing on acceptable terms, if at all. This may, in turn, negatively impact land sales and long-term rental and occupancy rates as well as the value of Core's commercial properties.

### ***Natural disasters could have an adverse effect on Woodbridge's real estate operations.***

The Florida and South Carolina markets in which Woodbridge operates are subject to the risks of natural disasters such as hurricanes and tropical storms. These natural disasters could have a material adverse effect on Woodbridge's business by causing the incurrence of uninsured losses, increased insurance rates, including homebuyer insurance rates, delays in construction, and shortages and increased costs of labor and building materials.

In addition to property damage, hurricanes may cause disruptions to Woodbridge's business operations. Approaching storms may require that operations be suspended in favor of storm preparation activities. After a storm has passed, construction-related resources such as sub-contracted labor and building materials are likely to be redeployed to hurricane recovery efforts. Governmental permitting and inspection activities may similarly be focused primarily on returning displaced residents to homes damaged by the storms rather than on new construction activity. Depending on the severity of the damage caused by the storms, disruptions such as these could last for several months.

### ***A portion of Woodbridge's revenues from land sales in Core's master-planned communities are recognized for accounting purposes under the percentage of completion method and, therefore, Woodbridge's margins may be adversely impacted if Woodbridge's actual results differ from its assumptions.***

Under the percentage of completion method of accounting for recognizing revenue, Woodbridge records revenue and cost of sales as work on the project progresses based on the percentage of actual work incurred compared to the total estimated costs. This method relies on estimates of total expected project costs. Revenue and cost estimates are reviewed and revised periodically as the work progresses. Adjustments are reflected in sales of real estate and cost of sales in the period when such estimates are revised. Variation of actual results compared to Woodbridge's estimated costs in Core's master-planned communities could cause material changes to our net margins.

### ***Product liability litigation and claims that arise in the ordinary course of business may be costly.***

The commercial real estate development business is subject to construction defect and product liability claims arising in the ordinary course of business. These claims are common in the commercial real estate industries and can be costly. Woodbridge has, and many of its subcontractors have, general liability, property, errors and omissions, workers compensation and other business insurance. However, these insurance policies only protect Woodbridge against a portion of its risk of loss from claims. In addition, because of the uncertainties inherent in these matters, Woodbridge cannot provide reasonable assurance that its insurance coverage or its subcontractor arrangements will be adequate to address all warranty, construction defect and liability claims in the future. In addition, the costs of insuring against construction defect and product liability claims, if applicable, are substantial and the amount of coverage offered by insurance companies is also currently limited. There can be no assurance that this coverage will not be further restricted and become more costly. If Woodbridge is not able to obtain adequate insurance against these claims, Woodbridge may experience losses that could negatively impact its operating results.

### ***Woodbridge is subject to governmental regulations that may limit its operations, increase its expenses or subject it to liability.***

Woodbridge is subject to laws, ordinances and regulations of various federal, state and local governmental entities and agencies concerning, among other things:

environmental matters, including the presence of hazardous or toxic substances;

wetland preservation;

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health and safety;  
zoning, land use and other entitlements;  
building design; and  
density levels.

In developing a project and building commercial properties, Woodbridge may be required to obtain the approval of numerous governmental authorities regulating matters such as:

the installation of utility services such as gas, electric, water and waste disposal;  
the dedication of acreage for open space, parks and schools;  
permitted land uses; and  
the construction design, methods and materials used.

These laws or regulations could, among other things:

establish building moratoriums;  
limit the number of commercial properties that may be built;  
change building codes and construction requirements affecting property under construction;  
increase the cost of development and construction; and  
delay development and construction.

Woodbridge may also at times not be in compliance with all regulatory requirements. If Woodbridge is not in compliance with regulatory requirements, it may be subject to penalties or it may be forced to incur significant expenses to cure any noncompliance. In addition, some of Woodbridge's land has not yet received planning approvals or entitlements necessary for development. Failure to obtain entitlements necessary for land development on a timely basis or to the extent desired may adversely affect Woodbridge's operating results.

Several governmental authorities have also imposed impact fees as a means of defraying the cost of providing governmental services to developing areas, and many of these fees have increased significantly during recent years.

***Building moratoriums and changes in governmental regulations may subject Woodbridge to delays or increased costs of construction or prohibit development of its properties.***

Woodbridge may be subject to delays or may be precluded from developing in certain communities because of building moratoriums or changes in statutes or rules that could be imposed in the future. The State of Florida and various counties have in the past and may in the future continue to declare moratoriums on the issuance of building permits and impose restrictions in areas where the infrastructure, such as roads, schools, parks, water and sewage treatment facilities and other public facilities, does not reach minimum standards. Additionally, certain counties in

Florida, including counties where Woodbridge is developing projects, have enacted more stringent building codes which have resulted in increased costs of construction. As a consequence, Woodbridge may incur significant expenses in connection with complying with new regulatory requirements that it may not be able to pass on to purchasers or tenants.

***Woodbridge is subject to environmental laws and the cost of compliance could adversely affect its business.***

As a current or previous owner or operator of real property, Woodbridge 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 Woodbridge knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of investigating, remediating or removing such hazardous or toxic substances may be substantial. The presence of

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any such substance, or the failure to promptly remediate any such substance, may adversely affect Woodbridge's ability to sell or lease the property, to use the property for its intended purpose, or, if Woodbridge deems necessary or desirable in the future, to borrow funds using the property as collateral.

***Increased insurance risk could negatively affect Woodbridge's business.***

Insurance and surety companies may take actions that could negatively affect Woodbridge's business, including increasing insurance premiums, requiring higher self-insured retentions and deductibles, requiring additional collateral or covenants on surety bonds, reducing limits, restricting coverages, imposing exclusions, and refusing to underwrite certain risks and classes of business. Any of these actions may adversely affect Woodbridge's ability to obtain appropriate insurance coverage at reasonable costs which could have a material adverse effect on Woodbridge's business.

***Woodbridge's results may vary.***

Like other companies engaged in real estate activities, Woodbridge has historically experienced, and expects to continue to experience, variability in operating results on a quarterly basis and from year to year. Factors expected to contribute to this variability include:

the cyclical nature of the real estate industry;

prevailing interest rates and the availability of financing;

weather;

cost and availability of materials and labor;

competitive conditions;

timing of sales of land;

the timing of receipt of regulatory and other governmental approvals for land development projects; and

the timing of the sale of its commercial leasing operations.

***Levitt and Sons had surety bonds on most of its projects, some of which were subject to indemnity by Woodbridge.***

Levitt and Sons, a former wholly owned subsidiary of Woodbridge which filed a voluntary bankruptcy petition in November 2007 and was deconsolidated from Woodbridge at that time, had approximately \$33.3 million of surety bonds outstanding relating to its ongoing projects at the time it filed its voluntary bankruptcy petition. In the event that these obligations are drawn and paid by the surety, Woodbridge could be responsible for up to \$11.7 million plus costs and expenses in accordance with the surety indemnity agreements executed by Woodbridge. At June 30, 2009, Woodbridge had \$1.1 million in surety bonds accrual related to certain bonds where management believes it to be probable that Woodbridge will be required to reimburse the surety under applicable indemnity agreements. It is unclear whether and to what extent the remaining outstanding surety bonds of Levitt and Sons will be drawn and the extent to which Woodbridge may be responsible for additional amounts beyond this accrual. There is no assurance that Woodbridge will not be responsible for amounts in excess of the \$1.1 million accrual. Additionally, in September 2008, a surety filed a lawsuit to require Woodbridge to post collateral against a portion of the \$11.7 million surety bonds exposure relating to two bonds totaling \$5.4 million after a municipality made claims against the surety.

Woodbridge believes that the municipality does not have the right to demand payment under the bonds and initiated a lawsuit against the municipality. However, as claims have been made on the bonds, the surety requested that Woodbridge post a \$4.0 million letter of credit as security while the matter is litigated with the municipality, and Woodbridge has complied with that request. Based on its belief that a loss is not probable, Woodbridge did not accrue any amount in connection with this claim as of June 30, 2009. However, there is no assurance as to the outcome of this litigation or the extent, if any, of Woodbridge's responsibility for the amounts owed related to these surety bonds. Woodbridge will not receive any repayment, assets or other



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consideration as recovery of any amounts it may be required to pay. If losses on additional surety bonds are identified, Woodbridge will need to take additional charges associated with its exposure under the indemnities, and this may have a material adverse effect on Woodbridge's results of operations and financial condition.

***Woodbridge and its subsidiaries are highly leveraged, and this indebtedness imposes restrictions on their operations and activities and could adversely affect Woodbridge's financial condition.***

At June 30, 2009, Woodbridge's consolidated debt was approximately \$348.5 million, of which approximately \$214 million related to Core Communities.

Certain loans which provide the primary financing for Tradition, Florida and Tradition Hilton Head have annual appraisal and re-margining requirements. These provisions may require Core Communities, in circumstances where the value of its real estate securing these loans declines, to pay down a portion of the principal amount of the loans to bring the loans within specified minimum loan-to-value ratios. Accordingly, should land prices decline to the point at which the loans fall below their specified minimum loan-to-value ratios, reappraisals could result in significant future re-margining payments. In addition, all of Woodbridge's outstanding debt instruments require Woodbridge to comply with certain financial covenants. Further, one of Woodbridge's debt instruments contains cross-default provisions, which could cause a default on this debt instrument if Woodbridge defaults on other debt instruments. If Woodbridge fails to comply with any of these restrictions or covenants, the holders of the applicable debt could cause Woodbridge's debt to become due and payable prior to maturity. These accelerations or significant re-margining payments could require Woodbridge to dedicate a substantial portion of its cash and cash flow from operations to payment of or on its debt and reduce its ability to use its cash for other purposes.

Core's loan agreements generally require repayment of specified amounts upon a sale of a portion of the property collateralizing the debt. Core also is subject to provisions in some of its loan agreements that may require additional principal payments, known as curtailment payments. Core made curtailment payments totaling approximately \$19.9 million during 2008. Although, to date, no curtailment payments have been made during 2009, additional curtailment payments may be required in the future if the unfavorable current trends in the real estate market continue.

At June 30, 2009, Woodbridge's anticipated minimum principal debt payment obligations for the remainder of 2009 totaled approximately \$1.9 million, assuming the exercise of all loan extensions available at Woodbridge's discretion, in each case exclusive of (i) any re-margining payments that could be required in the event that property serving as collateral becomes impaired, (ii) any curtailment payments which may be required in the event sales are below contractual minimums and (iii) any additional amounts which may become due upon a sale of the property securing the loan. Woodbridge's business may not generate sufficient cash flow from operations, and future borrowings may not be available under Woodbridge's existing credit facilities or any other financing sources in an amount sufficient, to enable it to service its indebtedness or fund its other liquidity needs. Woodbridge may need to refinance all or a portion of its debt on or before maturity, which, due to, among other factors, the recent disruptions in the credit and capital markets, Woodbridge may not be able to do on favorable terms or at all.

Core has engaged a restructuring firm to review its cash flow models, review the terms of its outstanding indebtedness and, where appropriate, enter into discussions with its lenders relating to a restructuring of its debt. If Core is not successful in restructuring its debt, it may not have sufficient resources to timely meet its obligations.

Core's obligations are generally independent of Woodbridge, and Woodbridge, except in certain circumstances, is not legally obligated to support Core. There is no assurance that Woodbridge will provide additional resources to Core in the event that Core requires additional funds in order to meet its obligations as they become due. If Core is not able to meet its obligations as they become due, the lenders under the defaulted loans could foreclose on any property which serves as collateral for the defaulted loan, and Core could be forced to cease or significantly curtail its operations,

which would likely result in significant impairment charges and losses at Woodbridge.

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***Woodbridge's current business strategy may require it to obtain additional capital, which may not be available on favorable terms, if at all.***

There is no assurance that Woodbridge will be able to continue to develop its real estate projects and pursue new investments as currently contemplated using solely its capital on hand. As a result, Woodbridge may in the future need to obtain additional financing in an effort to successfully implement its business strategy. These funds may be obtained through public or private debt or equity financings by Woodbridge or its subsidiaries, additional bank borrowings or from strategic alliances. Woodbridge may not be successful in obtaining additional funds in a timely manner, on favorable terms or at all, especially in light of the current adverse conditions in the capital and credit markets and, with respect to the funding of Core's master-planned communities, the adverse conditions in municipal bond markets which may impact Woodbridge's ability to access tax-exempt bond financing. Moreover, certain of Woodbridge's bank financing agreements contain provisions that limit the type and amount of debt that Woodbridge may incur in the future without the lenders' consent. If Woodbridge is unable to obtain any additional capital necessary to fund its real estate operations or pursue or consummate new investments, Woodbridge may be required to delay, scale back or abandon some or all of its land development activities, or liquidate certain of its assets, and Woodbridge may not be able to successfully implement its business strategy with respect to new investments. The occurrence of any of the above events may adversely impact Woodbridge's operating results and financial condition.

***Woodbridge is subject to the risks of the businesses that it currently holds investments in, and Woodbridge's future acquisitions may reduce its earnings, require it to obtain additional financing, and expose it to additional risks.***

Woodbridge currently holds investments in Bluegreen, Office Depot and Pizza Fusion and, as a result, Woodbridge is subject to the risks faced by those companies in their respective industries. Each has been adversely affected by the downturn in the economy, loss of consumer confidence and disruptions in the credit markets. In addition, Woodbridge's business strategy includes the possibility of making material investments in other industries. Further, investments or acquisitions that Woodbridge completes may not prove to be successful. Acquisitions may expose Woodbridge to additional risks, including the risks faced by the acquired businesses, and may have a material adverse effect on Woodbridge's results of operations if, among other things, the acquired businesses do not perform as expected or the acquisitions do not otherwise accomplish Woodbridge's strategic objectives.

In addition, Woodbridge will likely face competition in making investments or acquisitions which could increase the costs associated with the investment or acquisition. Woodbridge's investments or acquisitions could initially reduce its per share earnings and add significant amortization expense or intangible asset charges. Since Woodbridge's acquisition strategy involves holding investments for the foreseeable future and because Woodbridge does not expect to generate significant excess cash flow from operations, Woodbridge may rely on additional debt or equity financing at the parent company or subsidiary level to implement its acquisition strategy. The issuance of debt will result in additional leverage which could limit Woodbridge's operating flexibility, and the issuance of equity could result in additional dilution to Woodbridge's shareholders. In addition, such financing could consist of equity securities which have rights, preferences or privileges senior to Woodbridge's Class A or Class B Common Stock or which dilute Woodbridge's ownership interest in its subsidiaries. Woodbridge does not intend to seek shareholder approval of any investments or acquisitions unless required by law or regulation.

***If current economic conditions do not improve, Woodbridge may incur additional impairment charges in the future relating to its investments, which would adversely impact Woodbridge's financial condition and operating results.***

Woodbridge owns approximately 9.5 million shares, or approximately 31%, of Bluegreen's common stock. During 2008, Woodbridge began evaluating its investment in Bluegreen on a quarterly basis for other-than-temporary impairments. Based on the results of its evaluations during the quarters ended September 30, 2008, December 31, 2008 and March 31, 2009, Woodbridge determined that other-than-temporary impairments were necessary for those

periods. As a result, Woodbridge recorded impairment charges of \$53.6 million,

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\$40.8 million and \$20.4 million during the quarters ended September 30, 2008, December 31, 2008 and March 31, 2009, respectively. Based on its impairment evaluation performed during the quarter ended June 30, 2009, Woodbridge determined that its investment in Bluegreen was not impaired at June 30, 2009. As of June 30, 2009, the carrying value of Woodbridge's investment in Bluegreen was \$28.6 million. There can be no assurance that Woodbridge will not be required to record further impairment charges in the future relating to its investment in Bluegreen.

Woodbridge also owns approximately 1.4 million shares of Office Depot's common stock, representing less than 1% of such stock. These shares are accounted for as available-for-sale securities and are carried at fair value. During the quarters ended December 31 2008, March 31, 2009 and June 30, 2009, Woodbridge performed impairment analyses of its investment in Office Depot. As a result of these analyses, Woodbridge determined that other-than-temporary impairment charges were required at December 31, 2008 and March 31, 2009 and recorded a \$12.0 million impairment charge relating to its investment in Office Depot in the three months ended December 31, 2008 and an additional \$2.4 million impairment charge in the three months ended March 31, 2009. Based on its impairment evaluation performed during the quarter ended June 30, 2009, Woodbridge determined that its investment in Office Depot was not impaired at June 30, 2009. The carrying value of Woodbridge's investment in Office Depot was \$6.5 million as of June 30, 2009. There can be no assurance that Woodbridge will not be required to record future other-than-temporary impairment adjustments relating to its investment in Office Depot in the future. On August 6, 2009, the closing price of Office Depot's common stock on the New York Stock Exchange was \$5.06 per share.

In the event Woodbridge records impairments in the future with respect to its current or future investments, then the cost of the investment determined to be impaired will be written down to its fair value with a corresponding charge to earnings, which would adversely impact Woodbridge's financial condition and operating results.

***Woodbridge is subject to certain additional risks relating to its investment in Bluegreen.***

Although Bluegreen's common stock is traded on the New York Stock Exchange, based on Woodbridge's percentage ownership in Bluegreen, the shares of Bluegreen's common stock owned by Woodbridge may be deemed restricted stock, which would limit Woodbridge's ability to liquidate its investment in Bluegreen if it chooses to do so. In addition, while Woodbridge has made a significant investment in Bluegreen, Bluegreen does not currently pay dividends to its shareholders, and Woodbridge does not expect to receive any dividends from Bluegreen in the foreseeable future.

For the year ended December 31, 2008, Woodbridge's earnings from its investment in Bluegreen were \$9.0 million (after the amortization of approximately \$9.2 million related to the change in the basis as a result of the impairment charge at September 30, 2008), compared to \$10.3 million in 2007 and \$9.7 million in 2006. For the six months ended June 30, 2009, Woodbridge's earnings from its investment in Bluegreen were \$17.1 million. At June 30, 2009, the carrying value of Woodbridge's investment in Bluegreen was \$28.6 million. A significant portion of Woodbridge's earnings and book value are dependent upon Bluegreen's ability to operate its business plan successfully, which may be difficult in the current economic environment.

***The loss of the services of Woodbridge's key management and personnel could adversely affect Woodbridge's business.***

Woodbridge's ability to successfully implement its business strategy depends on its ability to attract and retain experienced and knowledgeable management and other professional staff. There is no assurance that Woodbridge will be successful in attracting and retaining key management personnel.

***Woodbridge's controlling shareholders have the voting power to control the outcome of any shareholder vote, except in limited circumstances.***

BFC owns all of the issued and outstanding shares of Woodbridge's Class B Common Stock and 3,735,392 shares, or approximately 22%, of Woodbridge's issued and outstanding Class A Common Stock. In the aggregate, these shares represent approximately 24% of Woodbridge's total equity and approximately 59%

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of Woodbridge's total voting power. Since Woodbridge's Class A Common Stock and Class B Common Stock vote as a single group on most matters, BFC is in a position to control Woodbridge and elect a majority of its board of directors. Additionally, Alan B. Levan, Woodbridge's Chairman and Chief Executive Officer, and John E. Abdo, Woodbridge's Vice Chairman, collectively beneficially own shares of BFC's Class A Common Stock and Class B Common Stock representing approximately 74% of BFC's total voting power. As a result, Messrs. Levan and Abdo effectively have the voting power to control the outcome of any vote of Woodbridge's shareholders, except in those limited circumstances where Florida law mandates that the holders of Woodbridge's Class A Common Stock vote as a separate class. BFC's interests may conflict with the interests of Woodbridge's other shareholders.

***Woodbridge's net operating loss carryforwards may not be utilized within the foreseeable future, if at all.***

Woodbridge has experienced and continues to experience net operating losses. Under the Code, Woodbridge may utilize its net operating loss carryforwards in certain circumstances to offset future taxable income and to reduce federal income tax liability, subject to certain requirements and restrictions. Based on the determination that it is more likely than not that Woodbridge will not generate sufficient income to be in a position to realize its deferred tax asset, a full valuation allowance against the deferred tax assets related to those net operating losses has been recorded. Furthermore, there is no assurance that Woodbridge will generate sufficient income to be able to utilize any net operating loss carryforwards in the future.

While Woodbridge's ability to use its net operating loss carryforwards could be substantially limited if Woodbridge experiences an ownership change, as defined in Section 382 of the Code, Woodbridge does not believe that the merger, if consummated, will result in any material limitations under Section 382 of the Code on the utilization of its net operating loss carryforwards.

***In the event that the merger is not consummated, Woodbridge's status as a public company will continue; however, under certain circumstances, Woodbridge may choose to de-register its securities from registration with the SEC and, therefore, cease filing reports with the SEC. This could result in lower prices and more limited trading of Woodbridge's securities as well as adversely impact Woodbridge's ability to raise capital.***

During 2008, Woodbridge failed to meet the minimum continued listing requirements of the New York Stock Exchange necessary to cause Woodbridge's Class A Common Stock to maintain its listing on such exchange. As a result, Woodbridge's Class A Common Stock was de-listed from the New York Stock Exchange, and it now trades on the Pink Sheets. Pursuant to the rules of the SEC, if at any time the number of record holders of Woodbridge's Class A Common Stock falls below 300, including accounts held through depositories and institutional custodians, then Woodbridge would be permitted to elect to de-register its securities, which de-registration would be effective 90 days after making the appropriate filing with the SEC. If Woodbridge de-registers its securities from the SEC, then Woodbridge would cease filing periodic reports with the SEC, including current reports on Form 8-K, quarterly reports on Form 10-Q and annual reports on Form 10-K, which would result in less information about Woodbridge being publicly available to investors. This could result in a lower trading price of Woodbridge's Class A Common Stock, may make it more difficult for the holders of Woodbridge's Class A Common Stock to sell or purchase shares of such stock, and may cause it to be more difficult for Woodbridge to raise capital, which could materially and adversely impact Woodbridge's business, prospects, financial condition and results of operations.

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**Risks Related to BankAtlantic Bancorp and BankAtlantic**

*The following are risks related to BankAtlantic Bancorp (and its federal savings bank subsidiary, BankAtlantic), whose results of operations are consolidated with BFC. The only assets available to BFC from BankAtlantic Bancorp are dividends when and if declared and paid by BankAtlantic Bancorp. BankAtlantic Bancorp is a separate public company and its management prepared the following Risk Factors which were included in BankAtlantic Bancorp's Annual Report on Form 10-K for the year ended December 31, 2008. Accordingly, references to the Company, we, us, our or Parent Company in this Risks Related to BankAtlantic Bancorp and BankAtlantic section are references to BankAtlantic Bancorp and its subsidiaries, including BankAtlantic, and BankAtlantic Bancorp's and BankAtlantic's management, and are not references to BFC or Woodbridge.*

***Adverse market conditions have affected and may continue to affect the financial services industry as well as BankAtlantic Bancorp's business and results of operations.***

Our financial condition and results of operations have been, and may continue to be, adversely impacted as a result of the downturn in the U.S. housing market and general economic conditions. Dramatic declines in the national and, in particular, Florida housing markets over the past year, with falling home prices and increasing foreclosures and unemployment, have negatively impacted the credit performance of our loans and resulted in significant asset impairments at all financial institutions, including government-sponsored entities, major commercial and investment banks, and regional and community financial institutions including BankAtlantic. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have reduced or ceased providing funding to borrowers, including to other financial institutions. This market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility and widespread reduction of business activity generally. The continuing economic pressure on consumers and lack of confidence in the financial markets has adversely affected our business, financial condition and results of operations. The difficult conditions in the financial markets and real estate markets are not expected to improve in the foreseeable future. A worsening of these conditions would likely exacerbate the adverse effects of these difficult market conditions on BankAtlantic and others in the financial services industry. In particular, we may face the following risks in connection with these events:

BankAtlantic's borrowers may be unable to make timely repayments of their loans, or the value of real estate collateral securing the payment of such loans may decrease which could result in increased delinquencies, foreclosures and customer bankruptcies, any of which would increase levels of non-performing loans resulting in significant credit losses, increased expenses and could have a material adverse effect on our operating results.

Further disruptions in the capital markets or other events, including actions by rating agencies and deteriorating investor expectations, may result in an inability to borrow on favorable terms or at all from other financial institutions or government entities.

Increased regulation of the industry may increase costs and limit BankAtlantic's activities and operations.

Increased competition among financial services companies based on the recent consolidation of competing financial institutions and the conversion of investment banks into bank holding companies, may adversely affect BankAtlantic's ability to market its products and services.

BankAtlantic may be required to pay significantly higher FDIC deposit premiums and assessments.



Consumer confidence in the financial industry has weakened and individual wealth has deteriorated, which could lead to declines in deposits and impact liquidity.

Continued asset valuation declines could adversely impact our credit losses and result in additional goodwill and other asset impairments.

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***There can be no assurance that recent steps taken by Congress, the FDIC and the Federal Reserve will stabilize the U.S. financial system.***

On October 3, 2008, President Bush signed into law the Emergency Economic Stabilization Act of 2008, as amended (the EESA ). The legislation was in response to the financial crises affecting the banking system and financial markets, and going concern threats to investment banks and other financial institutions. The U.S. Department of Treasury (the U.S. Treasury ) and federal banking regulators are implementing a number of programs under this legislation and otherwise to address capital and liquidity issues in the banking system, including the U.S. Treasury s Capital Purchase Program (the CPP ), pursuant to which the U.S. Treasury has made senior preferred stock investments in participating financial institutions. In addition, other regulators have taken steps to attempt to stabilize and add liquidity to the financial markets, such as the FDIC s Temporary Liquidity Guarantee Program, pursuant to which, under the systemic risk exception to the Federal Deposit Act (the FDA ), the FDIC has offered a guarantee of certain financial institution indebtedness in exchange for an insurance premium payment made to the FDIC by the participating financial institution.

On February 10, 2009, the Treasury announced a new comprehensive financial stability plan (the Financial Stability Plan ), which earmarked the second \$350 billion originally authorized under the EESA. The Financial Stability Plan is intended to, among other things, make capital available to financial institutions, purchase certain legacy loans and assets from financial institutions, restart securitization markets for loans to consumers and businesses and relieve certain pressures on the housing market, including the reduction of mortgage payments and interest rates. In addition, the American Recovery and Reinvestment Act of 2009 (the ARRA ), which was signed into law on February 17, 2009, includes, among other things, extensive new restrictions on the compensation arrangements of financial institutions participating in the CPP.

There have been numerous actions undertaken in connection with or following EESA, the Financial Stability Plan and ARRA by the Federal Reserve Board, U.S. Congress, the U.S. Treasury, the FDIC, the SEC and others in efforts to address the current liquidity and credit crisis in the financial industry that followed the sub-prime mortgage market meltdown which began in late 2007. These measures include homeowner relief that encourages loan restructuring and modification; the establishment of significant liquidity and credit facilities for financial institutions and investment banks; the lowering of the federal funds rate; emergency action against short selling practices; a temporary guaranty program for money market funds; the establishment of a commercial paper funding facility to provide back-stop liquidity to commercial paper issuers; coordinated international efforts to address illiquidity and other weaknesses in the banking sector and other programs being developed.

There can be no assurance, however, as to the actual impact that these government initiatives will have on the financial markets, including the extreme levels of market volatility and limited credit availability currently being experienced. The failure of these government initiatives to stabilize the financial markets, or a continuation or worsening of current financial market conditions, could materially and adversely affect BankAtlantic s business, financial condition, results of operations and access to credit. Any such failure may also adversely impact the trading price of the Company s Class A common stock.

In addition, the EESA, ARRA and the Financial Stability Plan are relatively new initiatives and, as such, are subject to change and evolving interpretation. There can be no assurances as to the effects that any further changes will have on the effectiveness of the government s efforts to stabilize the credit markets or on BankAtlantic s business, financial condition or results of operations.

As previously announced, the Company and BankAtlantic filed an application to participate in the CPP. The United States Treasury had not, as of March 16, 2009, acted on the application and such application may not be approved.

Further, the Company's decision to defer quarterly payment of interest on its outstanding trust preferred junior subordinated debentures may adversely impact our application to receive funds under the CPP.

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***The impact on BankAtlantic Bancorp of recently enacted legislation, in particular the EESA and its implementing regulations, and actions by the FDIC, cannot be predicted at this time.***

The programs established or to be established under the EESA and Troubled Asset Relief Program may have adverse effects upon us. Our industry may be subject to increased regulation, and compliance with such regulations may increase our costs and limit our ability to pursue business opportunities. Also, participation in specific programs may subject us to additional restrictions. For example, if we participate in the CPP, our ability to make dividend payments or to repurchase our common stock will be limited and subject to the restrictions contained in that program for so long as any securities issued under such program remain outstanding. It will also subject us to additional executive compensation restrictions. Similarly, programs established by the FDIC under the systemic risk exception of the FDA, may have an adverse effect on us and we anticipate that the cost of FDIC premiums will increase.

***The decline in the Florida real estate market has adversely affected, and may continue to adversely affect, BankAtlantic Bancorp's earnings and financial condition.***

The continued deterioration of economic conditions in the Florida residential real estate market, including the continued decline in home sales and median home prices year-over-year in all major metropolitan areas in Florida, and the recent downturn in the Florida commercial real estate market, resulted in a substantial increase in non-performing assets and BankAtlantic's provision for loan losses. The housing industry is in the midst of a substantial and prolonged downturn reflecting, in part, decreased availability of mortgage financing for residential home buyers, reduced demand for new construction resulting in a significant over-supply of housing inventory and increased foreclosure rates. Additionally, the deteriorating condition of the Florida economy and these adverse market conditions have negatively impacted the commercial non-residential real estate market. BankAtlantic's earnings and financial condition were adversely impacted during 2008 as the majority of its loans are secured by real estate in Florida. We expect that our earnings and financial condition will continue to be unfavorably impacted if market conditions do not improve or deteriorate further. At December 31, 2008, BankAtlantic's loan portfolio included \$208.1 million of non-accrual loans concentrated in Florida.

***BankAtlantic's loan portfolio is concentrated in real estate lending which makes it more susceptible to credit losses given the current depressed real estate market.***

The national real estate market declined significantly during 2007 and 2008, particularly in Florida, BankAtlantic's primary lending area. BankAtlantic's loan portfolio is concentrated in commercial real estate loans (virtually all of which are located in Florida and many of which involve residential land development), residential mortgages (nationwide), and consumer home-equity loans (throughout BankAtlantic's markets in Florida). BankAtlantic has a heightened exposure to credit losses that may arise from this concentration as a result of the significant downturn in the Florida real estate markets. At December 31, 2008 BankAtlantic's loan portfolio included \$2.7 billion of loans concentrated in Florida, which represented approximately 60% of its loan portfolio.

We believe that BankAtlantic's commercial residential development loan portfolio has significant exposure to further declines in the Florida residential real estate market. The builder land bank loan category consists of 7 loans and aggregates \$62.4 million of which four loans totaling \$40.4 million were on non-accrual as of December 31, 2008. The land acquisition and development loan category consists of 25 loans and aggregates \$165.8 million of which three loans totaling \$33.2 million were on non-accrual as of December 31, 2008. The land acquisition, development and construction loan category consists of 14 loans and aggregates \$75.5 million of which three loans totaling \$18.5 million were on non-accrual as of December 31, 2008.

In addition to the loans described above, during 2008, the Company formed an asset workout subsidiary which acquired non-performing commercial and commercial residential real estate loans from BankAtlantic. The balance of these non-performing loans as of December 31, 2008 was \$79.3 million with \$22.0 million, \$16.8 million and \$29.2 million of builder land bank loans, land acquisition and development loans, and land acquisition, development and construction loans, respectively.

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Market conditions may result in our commercial real estate borrowers having difficulty selling lots or homes in their developments for an extended period, which in turn could result in an increase in residential construction loan delinquencies and non-accrual balances. Additionally, if the current economic environment continues for a prolonged period of time or deteriorates further, collateral values may even further decline and are likely to result in increased credit losses in these loans.

Included in the commercial real estate loans are approximately \$225 million of commercial non-residential construction loans. These loans could be susceptible to extended maturities or borrower default, and BankAtlantic could experience higher credit losses and non-performing loans in this portfolio if the economy remains at depressed levels particularly in Florida or if commercial non-residential real estate market values further decline.

BankAtlantic's commercial non-residential loan portfolio includes loans collateralized by income producing properties such as retail shopping centers, warehouses, and office buildings. The current recession has negatively impacted the cash flow generated from these rental properties which in turn impacts the borrowers' ability to fund the debt service on their loans. If market conditions do not improve or deteriorate further, BankAtlantic may recognize higher credit losses on these loans, which would adversely affect our results of operations and financial condition.

BankAtlantic's commercial real estate loan portfolio includes large lending relationships, including 5 relationships with unaffiliated borrowers involving lending commitments in each case in excess of \$30 million. Defaults by any of these borrowers could have a material adverse effect on BankAtlantic's results.

***BankAtlantic's consumer loan portfolio is concentrated in home equity loans collateralized by Florida properties primarily located in the markets where BankAtlantic operates its store network.***

The decline in residential real estate prices and residential home sales throughout Florida has resulted in an increase in mortgage delinquencies and higher foreclosure rates. Additionally, in response to the turmoil in the credit markets, financial institutions have tightened underwriting standards which has limited borrowers' ability to refinance. These conditions have adversely impacted delinquencies and credit loss trends in BankAtlantic's home equity loan portfolio and it does not currently appear that these conditions will improve in the near term. Approximately 80% of the loans in BankAtlantic's home equity portfolio are residential second mortgages and BankAtlantic experienced heightened delinquencies and credit losses in this portfolio during 2008. If current economic conditions do not improve and home prices continue to fall, BankAtlantic may experience higher credit losses from this loan portfolio. Since the collateral for this portfolio primarily consists of second mortgages, it is unlikely that BankAtlantic will be successful in recovering all or any portion of its loan proceeds in the event of a default unless BankAtlantic is prepared to repay the first mortgage and such repayment and the costs associated with a foreclosure are justified by the value of the property.

***BankAtlantic's interest-only residential loans expose it to greater credit risks.***

While they have performed satisfactorily to date, approximately 50% of BankAtlantic's purchased residential loan portfolio (approximately \$980 million) consists of interest-only loans. While these loans are not considered sub-prime or negative amortizing loans, they are loans with reduced initial loan payments with the potential for significant increases in monthly loan payments in subsequent periods, even if interest rates do not rise, as required amortization of the principal commences. Monthly loan payments will also increase as interest rates increase. This presents a potential repayment risk if the borrower is unable to meet the higher debt service obligations or refinance the loan. As previously noted, current economic conditions in the residential real estate markets and the mortgage finance markets have made it more difficult for borrowers to refinance their mortgages which also increases our exposure to loss.

*An increase in BankAtlantic's allowance for loan losses will result in reduced earnings.*

As a lender, BankAtlantic is exposed to the risk that its customers will be unable to repay their loans according to their terms and that any collateral securing the payment of their loans will not be sufficient to

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assure full repayment. BankAtlantic evaluates the collectability of its loan portfolio and provides an allowance for loan losses that it believes is adequate based upon such factors as:

the risk characteristics of various classifications of loans;

previous loan loss experience;

specific loans that have probable loss potential;

delinquency trends;

estimated fair value of the collateral;

current economic conditions;

the views of its regulators; and

geographic and industry loan concentrations.

Many of these factors are difficult to predict or estimate accurately, particularly in a changing economic environment. The process of determining the estimated losses inherent in BankAtlantic's loan portfolio requires subjective and complex judgments and the level of uncertainty concerning economic conditions may adversely affect BankAtlantic's ability to estimate the incurred losses in its loan portfolio. If BankAtlantic's evaluation is incorrect and borrower defaults cause losses exceeding the portion of the allowance for loan losses allocated to those loans, our earnings could be significantly and adversely affected. BankAtlantic may experience losses in its loan portfolios or perceive adverse trends that require it to significantly increase its allowance for loan losses in the future, which would reduce future earnings.

Increases in the allowance for loan losses with respect to the loans held by our asset workout subsidiary, or losses in that portfolio which exceed the current allowance assigned to that portfolio, would similarly adversely affect us.

***BankAtlantic's loan portfolio subjects it to high levels of credit and counterparty risk.***

We are exposed to the risk that our borrowers or counter-parties may default on their obligations. Credit risk arises through the extension of loans, certain securities, letters of credit and financial guarantees and through counter-party exposure on trading and wholesale loan transactions. In an attempt to manage this risk, we seek to establish policies and procedures to manage both on and off-balance sheet (primarily loan commitments) credit risk.

BankAtlantic attempts to manage credit exposure to individual borrowers and counter-parties on an aggregate basis including loans, securities, letters of credit, derivatives and unfunded commitments. While credit personnel analyze the creditworthiness of individual borrowers or counter-parties, and limits are established for the total credit exposure to any one borrower or counter-party, such limits may not have the effect of adequately limiting credit exposure. BankAtlantic also enters into participation agreements with or acquires participation interests from other lenders to limit its credit risk, but will be subject to risks with respect to its interest in the loan and will not be in a position to make independent determinations in its sole discretion with respect to its interests. The majority of BankAtlantic's residential loans are serviced by others. The servicing agreements may restrict BankAtlantic's ability to initiate work-out and modification arrangements with borrowers which could adversely impact BankAtlantic's ability to minimize losses on non-performing loans.



The Company is also exposed to credit and counterparty risks with respect to loans held in our asset workout subsidiary.

*Adverse events in Florida, where BankAtlantic's business is currently concentrated, could adversely impact its results and future growth.*

BankAtlantic's business, the location of its stores, the primary source of repayment for its small business loans and the real estate collateralizing its commercial real estate loans (and the loans held by our asset

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workout subsidiary) and its home equity loans are primarily concentrated in Florida. As a result, we are exposed to geographic risks, as unemployment, declines in the housing industry and declines in the real estate market are more severe in Florida than in the rest of the country. Adverse changes in laws and regulations in Florida would have a greater negative impact on our revenues, financial condition and business than similar institutions in markets outside of Florida. Further, the State of Florida is subject to the risks of natural disasters such as tropical storms and hurricanes.

***Changes in interest rates could adversely affect BankAtlantic's net interest income and profitability.***

The majority of BankAtlantic's assets and liabilities are monetary in nature. As a result, the earnings and growth of BankAtlantic are significantly affected by interest rates, which are subject to the influence of economic conditions generally, both domestic and foreign, events in the capital markets and also to the monetary and fiscal policies of the United States and its agencies, particularly the Federal Reserve Board. The nature and timing of any changes in such policies or general economic conditions and their effect on BankAtlantic cannot be controlled and are extremely difficult to predict. Changes in interest rates can impact BankAtlantic's net interest income as well as the valuation of its assets and liabilities.

Banking is an industry that depends to a large extent on its net interest income. Net interest income is the difference between:

interest income on interest-earning assets, such as loans; and

interest expense on interest-bearing liabilities, such as deposits.

Changes in interest rates can have differing effects on BankAtlantic's net interest income. In particular, changes in market interest rates, changes in the relationships between short-term and long-term market interest rates, or the yield curve, or changes in the relationships between different interest rate indices can affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. This difference could result in an increase in interest expense relative to interest income and therefore reduce BankAtlantic's net interest income. While BankAtlantic has attempted to structure its asset and liability management strategies to mitigate the impact on net interest income of changes in market interest rates, we cannot provide assurances that BankAtlantic will be successful in doing so.

Loan and mortgage-backed securities prepayment decisions are also affected by interest rates. Loan and securities prepayments generally accelerate as interest rates fall. Prepayments in a declining interest rate environment reduce BankAtlantic's net interest income and adversely affect its earnings because:

it amortizes premiums on acquired loans and securities, and if loans or securities are prepaid, the unamortized premium will be charged off; and

the yields it earns on the investment of funds that it receives from prepaid loans and securities are generally less than the yields that it earned on the prepaid loans.

Significant loan prepayments in BankAtlantic's mortgage and investment portfolios in the future could have an adverse effect on BankAtlantic's earnings as proceeds from the repayment of loans may be reinvested in loans with lower interest rates. Additionally, increased prepayments associated with purchased residential loans may result in increased amortization of premiums on acquired loans, which would reduce BankAtlantic's interest income.

In a rising interest rate environment, loan and securities prepayments generally decline, resulting in yields that are less than the current market yields. In addition, the credit risks of loans with adjustable rate mortgages may worsen as interest rates rise and debt service obligations increase.

BankAtlantic uses a computer model using standard industry software to quantify its interest rate risk, in support of its Asset/Liability Committee. This model measures the potential impact of gradual and abrupt changes in interest rates on BankAtlantic's net interest income. While management would attempt to respond to the projected impact on net interest income, there is no assurance that management's efforts will be successful.

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***BankAtlantic is subject to liquidity risk as its loans exceed its deposits.***

Like all financial institutions, BankAtlantic's assets exceed customer deposits and changes in interest rates, availability of alternative investment opportunities, a loss of confidence in financial institutions in general or BankAtlantic in particular, and other factors may make deposit gathering more difficult. If BankAtlantic experiences decreases in deposit levels, it may need to increase its borrowings or liquidate a portion of its assets which may not be readily saleable. Additionally, interest rate changes or further disruptions in the capital markets may make the terms of borrowings and deposits less favorable. As a result, there is a risk that the cost of funding will increase or that BankAtlantic will not have funds to meet its obligations.

***BankAtlantic's Florida's Most Convenient Bank initiative and related infrastructure expansion to support a larger organization has resulted in higher operating expenses, which has had an adverse impact on its earnings.***

BankAtlantic's Florida's Most Convenient Bank initiative, the opening of 32 stores from January 2005 to August 2008 and the related expansion of our infrastructure and operations have required us to provide additional management resources, hire additional personnel, increase compensation, occupancy and marketing expenditures, and take steps to enhance and expand our operational and management information systems. The new stores are located throughout Florida and represent a 51% increase, based on the number of stores, in BankAtlantic's retail network. Employee compensation, occupancy and equipment and advertising expenses have significantly increased since the inception of the initiative, during 2002, from \$78.9 million during 2001 to \$212.9 million during 2008. The current economic recession has impacted the length of time required for these new stores to achieve profitability. As a consequence, BankAtlantic is currently reorganizing its operations in an attempt to improve its performance by significantly reducing operating expenses while focusing on its core businesses and maintaining quality customer service. As part of this strategy, since 2007, BankAtlantic has slowed its network expansions and reduced its services hours and, in 2008, BankAtlantic sold five of its branches located in Orlando to an independent financial institution. While management is focused on reducing overall expenses, there is no assurance that BankAtlantic will be successful in efforts to significantly reduce these expenses and the continuation of the current expense structure may have an adverse impact on our results.

***BankAtlantic obtains a significant portion of its non-interest income through service charges on core deposit accounts.***

BankAtlantic's deposit account growth has generated a substantial amount of service charge income. The largest component of this service charge income is overdraft fees. Changes in customer behavior as well as increased competition from other financial institutions could result in declines in deposit accounts or in overdraft frequency resulting in a decline in service charge income. Also, the downturn in the Florida economy could result in the inability to collect overdraft fees and a corresponding increase in our overdraft fee reserves. Additionally, future changes in banking regulations, in particular limitations on retail customer fees, may impact this revenue source. Any of such changes could have a material adverse effect on our results.

***Deposit premium insurance assessments may increase substantially, which will adversely affect BankAtlantic's expenses.***

BankAtlantic's FDIC deposit insurance expense for the year ended December 31, 2008 was \$2.8 million. We expect, however, that BankAtlantic's FDIC deposit insurance assessments will significantly increase in 2009 due to the recent experience of the FDIC deposit insurance fund relating to recent bank failures and the stress on the system. While the amount of the increase is uncertain, any increase in the FDIC deposit insurance will increase BankAtlantic's expenses, thereby adversely impacting our results.

***Regulatory compliance.***

The banking industry is an industry subject to multiple layers of regulation. Failure to comply with any of these regulations can result in substantial penalties, significant restrictions on business activities and growth

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plans and/or limitations on dividend payments. As a holding company, BankAtlantic Bancorp is also subject to significant regulation. Changes in the regulation or capital requirements associated with holding companies generally or BankAtlantic Bancorp in particular could also have an adverse impact.

***BankAtlantic Bancorp may need to raise additional capital in the future and such capital may not be available when needed or at all.***

In light of the current challenging economic environment, the Company is considering raising funds to be in a position to provide additional capital to BankAtlantic, if needed. Additionally, the OTS could impose capital requirements on the Company or could impose additional capital requirements on BankAtlantic. Our ability to raise additional capital will depend on, among other things, conditions in the financial markets at the time, which are outside of our control, and our financial condition, results of operations and prospects. The ongoing liquidity crisis and the loss of confidence in financial institutions may make it more difficult or more costly to obtain financing.

There is no assurance that such capital will be available to us on acceptable terms or at all. The terms and pricing of any transaction by the Company or BankAtlantic could result in substantial dilution to our existing shareholders and could adversely impact the price of our Class A common stock.

***Continued capital and credit market volatility may adversely affect BankAtlantic Bancorp's ability to access capital and may have a material adverse effect on its business, financial condition and results of operations.***

The capital and credit markets have been experiencing volatility and disruption for more than a year. In recent months, the volatility and disruption has reached unprecedented levels. In some cases, the markets have produced downward pressure on stock prices and credit availability for issuers without regard to the issuers' underlying financial strength. If current levels of market disruption and volatility continue or worsen, our ability to access capital as well as our business, financial condition and results of operations could be adversely affected.

***BankAtlantic Bancorp services its debt and pays dividends primarily from dividends from BankAtlantic, which are subject to regulatory limits.***

BankAtlantic Bancorp is a holding company and dividends from BankAtlantic represent a significant portion of its cash flows. BankAtlantic Bancorp uses dividends from BankAtlantic to service its debt obligations and to pay dividends on its capital stock.

BankAtlantic's ability to pay dividends or make other capital distributions to BankAtlantic Bancorp is subject to regulatory limitations and the authority of the OTS and the FDIC.

Generally, BankAtlantic may make a capital distribution without prior OTS approval in an amount equal to BankAtlantic's net income for the current calendar year to date, plus retained net income for the previous two years, provided that BankAtlantic does not become under-capitalized as a result of the distribution. However, at December 31, 2008, BankAtlantic had a retained net deficit and therefore is required to obtain approval from the OTS in order to make capital distributions to BankAtlantic Bancorp.

Due to BankAtlantic's recent net losses, BankAtlantic suspended dividends to BankAtlantic Bancorp in December 2008. In addition, if BankAtlantic participates in the CPP, its ability to pay dividends to BankAtlantic Bancorp in the future will be subject to the restrictions contained in that program. In February 2009, BankAtlantic Bancorp notified the trustees under its trust preferred junior subordinated debentures that it was electing to defer quarterly interest payments, which it has the right to do without default or penalty for up to twenty consecutive quarters. During the deferral period, the Company is not permitted to pay dividends on its common stock. Notwithstanding the deferral,

BankAtlantic Bancorp will continue to recognize a liability for the interest accrued and will be required to accrue interest on the deferred interest. At December 31, 2008, BankAtlantic Bancorp had approximately \$294.2 million of indebtedness outstanding under the trust preferred junior subordinated debentures at the holding company level with maturities ranging

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from 2032 through 2037. The aggregate annual interest payments on this indebtedness were approximately \$18 million based on interest rates at December 31, 2008 and is generally indexed to three-month LIBOR. BankAtlantic Bancorp's financial condition would be adversely affected if interest payments were deferred for a prolonged time period.

***BankAtlantic Bancorp is controlled by BFC Financial Corporation and its controlling shareholders and this control position may adversely affect the market price of BankAtlantic Bancorp's Class A common stock.***

As of December 31, 2008, BFC Financial Corporation ( BFC ) owned all of the Company's issued and outstanding Class B common stock and 2,389,697 shares, or approximately 23%, of the Company's issued and outstanding Class A common stock. BFC's holdings represent approximately 59% of the Company's total voting power. Additionally, Alan B. Levan, our Chairman and Chief Executive Officer, and John E. Abdo, our Vice Chairman, beneficially own shares of BFC's Class A and Class B common stock representing approximately 73.8% of BFC's total voting power. The Company's Class A common stock and Class B common stock vote as a single group on most matters. Accordingly, BFC, directly, and Messrs. Levan and Abdo, indirectly through BFC, are in a position to control the Company, elect the Company's Board of Directors and significantly influence the outcome of any shareholder vote, except in those limited circumstances where Florida law mandates that the holders of the Company's Class A common stock vote as a separate class. This control position may have an adverse effect on the market price of the Company's Class A common stock.



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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business strategies, operating efficiencies or synergies, competitive positions, growth opportunities, plans and objectives of management, markets for the equity and debt securities of BFC and Woodbridge, the merger and the effects thereof (if consummated) upon BFC and Woodbridge and other matters. Statements in this joint proxy statement/prospectus that are not historical facts are identified as forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act. These forward-looking statements, including, without limitation, those relating to the future business prospects, revenues and income and the merger and the effects thereof (if consummated), in each case relating to BFC or Woodbridge, wherever they occur in this joint proxy statement/prospectus, reflect the judgment of the senior management of BFC or Woodbridge, respectively, and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in this joint proxy statement/prospectus. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation, those factors described in the section of this joint proxy statement/prospectus entitled Risk Factors.

Words such as estimate, project, anticipate, plan, intend, expect, believe and similar expressions are intended to identify forward-looking statements. These forward-looking statements are found at various places throughout this joint proxy statement/prospectus. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus. Readers also should understand that it is not possible to predict or identify all such factors and that the risks and uncertainties contained should not be considered a complete statement of all potential risks and uncertainties. Readers should also realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from BFC's or Woodbridge's projections. BFC and Woodbridge undertake no obligation to update any forward-looking statements as a result of future events or developments.

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**THE BFC SPECIAL MEETING**

**General**

This joint proxy statement/prospectus is being provided to BFC's shareholders as part of a solicitation of proxies by the board of directors of BFC for use at a special meeting of BFC's shareholders.

**Date, Time and Place**

The special meeting of BFC's shareholders will be held on September 21, 2009 at 11:30 a.m., local time, at the Corporate Center, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309.

**Purpose of the Meeting**

The sole purpose of the meeting is to consider and vote upon a proposal to approve the merger and the transactions related thereto, including the amendment of BFC's Amended and Restated Articles of Incorporation to increase the number of authorized shares of BFC's Class A Common Stock from 100,000,000 shares to 150,000,000 shares.

**Recommendation of the Board of Directors of BFC**

For the reasons described in this joint proxy statement/prospectus, including the opinion of BFC's financial advisor, the board of directors of BFC has determined that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of BFC and its shareholders and, accordingly, has approved the merger agreement and the transactions contemplated thereby and recommends that BFC's shareholders vote FOR the merger and the related transactions. See The Merger Recommendation of the BFC Board and Its Reasons for the Merger.

**Record Date; Shares Entitled to Vote; Quorum**

Only shareholders of record of BFC at the close of business on August 18, 2009, the record date for the BFC special meeting, are entitled to notice of, and to vote at, the meeting and any adjournment or postponement thereof. On the BFC record date, 38,275,112 shares of BFC's Class A Common Stock and 6,854,381 shares of BFC's Class B Common Stock were issued and outstanding. A complete list of BFC's shareholders of record will be open for examination by any shareholder of record at BFC's corporate offices, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309, during regular business hours for a period of no less than ten days prior to the meeting. The list will also be available for examination by any shareholder of record present at the meeting.

BFC's shareholders will vote together as a single class on the merger and the related transactions. Each share of BFC's Class A Common Stock entitles the holder thereof to one vote on the proposal, with all such shares representing in the aggregate 22% of the general voting power of BFC. The number of votes represented by each share of BFC's Class B Common Stock, which represents in the aggregate 78% of the general voting power of BFC, is calculated in accordance with BFC's Amended and Restated Articles of Incorporation. At the BFC special meeting, each outstanding share of BFC's Class B Common Stock will be entitled to 19.7979 votes on the merger and the related transactions.

A quorum will be present at the BFC special meeting if shares of BFC's Class A Common Stock and Class B Common Stock representing a majority of BFC's total voting power outstanding on the BFC record date are represented, in person or by proxy, at the meeting. In the event that a quorum is not present, it is expected that the meeting will be

adjourned to solicit additional proxies. Broker non-votes and abstentions will be counted for the purpose of establishing a quorum at the meeting.

**Vote Required to Approve the Merger and the Related Transactions**

The proposal to approve the merger and the related transactions will be approved if it receives the affirmative vote of a majority of the votes entitled to be cast on such proposal. In the absence of instructions

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from the beneficial owners of shares of BFC's Class A Common Stock and Class B Common Stock, brokers, banks and other nominees will not have discretionary voting authority with respect to the vote on the merger and the related transactions. Shares represented by such broker non-votes, failures to vote and abstentions will have the same effect as votes against the merger and the related transactions.

Alan B. Levan, BFC's Chairman, Chief Executive Officer and President, and John E. Abdo, BFC's Vice Chairman, collectively own, directly or indirectly, and are entitled to vote approximately 27.7% of the outstanding shares of BFC's Class A Common Stock and approximately 86.3% of the outstanding shares of BFC's Class B Common Stock, representing approximately 73.4% of the total voting power of BFC. Messrs. Levan and Abdo have indicated their intention to vote their shares of BFC's Class A Common Stock and Class B Common Stock in favor of the merger and the related transactions, and if their shares are voted as indicated, then the approval of the merger and the related transactions by BFC's shareholders would be assured.

## **Shares Owned by Directors and Executive Officers of BFC**

BFC's directors and executive officers and their respective affiliates collectively own and are entitled to vote 10,724,118 shares, or approximately 28.0%, of BFC's Class A Common Stock, and 5,912,570 shares, or approximately 86.3%, of BFC's Class B Common Stock. These shares represent, in the aggregate, approximately 73.4% of the general voting power of BFC.

## **Voting by Proxy**

BFC's shareholders may vote their shares of BFC's Class A Common Stock and Class B Common Stock by proxy. The method of voting by proxy differs for shares held as a record holder and shares held in street name. A proxy card is enclosed for the use of BFC's shareholders of record and voting instructions are included on such proxy card. BFC's shareholders of record may vote by completing, dating and signing the enclosed proxy card and promptly returning it in the enclosed, pre-addressed, postage-paid envelope or otherwise transmitting their voting instructions as described on the proxy card. Shareholders of BFC who hold their shares in street name, which means such shares are held of record by a broker, bank or other nominee, will receive instructions from their brokers, banks or other nominees that such shareholders must follow in order to vote their shares. A street name holder's failure to provide voting instructions to his, her or its broker, bank or other nominee will result in a broker non-vote for those shares, and such broker non-votes will have the same effect as votes against the merger and the related transactions. All properly signed proxies that are received prior to the BFC special meeting and that are not revoked will be voted at the meeting according to the instructions indicated on the proxies or, if no direction is indicated, FOR the merger and the related transactions.

## **Voting in Person**

Shareholders of record of BFC that plan to attend the BFC special meeting and wish to vote in person will be given a ballot at the meeting. It should be noted, however, that street name holders who wish to vote their shares in person at the BFC special meeting must bring to the meeting proxies from the record holders of the shares authorizing the shareholder to vote in person at the meeting.

BFC's shareholders should submit their proxies or otherwise provide their voting instructions even if they plan to attend the meeting. Record holders and street name holders who received proxies to vote their shares in person can always change their votes at the meeting.

***The votes of all shareholders of BFC are important. Accordingly, all shareholders of BFC should sign and return the enclosed proxy card or otherwise transmit their voting instructions as described on the proxy card, whether or***

*not they plan to attend the BFC special meeting in person.*

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### **Revocation of Proxies**

A BFC shareholder of record may revoke his, her or its proxy at any time before such proxy is voted at the BFC special meeting by taking any of the following actions:

delivering to BFC's Secretary a signed, written notice of revocation bearing a date later than the date of the previously executed proxy, stating that the proxy is revoked;

signing and delivering a new proxy, relating to the same shares and bearing a later date, or transmitting new voting instructions by telephone or internet as described on the proxy card; or

attending the meeting and voting in person, although attendance at the meeting will not, by itself, revoke a proxy.

If a shareholder of BFC holds his, her or its shares in street name, the options described in the paragraph above do not apply. Instead, such shareholder must contact his, her or its broker, bank or other nominee to find out how to change his, her or its vote.

### **Proxy Solicitation**

BFC is soliciting proxies for the special meeting of its shareholders. BFC will bear the entire cost of soliciting proxies from its shareholders, except that BFC and Woodbridge have each agreed to share equally all expenses incurred in connection with the printing, mailing and filing with the SEC of this joint proxy statement/prospectus and the registration statement of which this joint proxy statement/prospectus is a part. In addition to the solicitation of proxies by mail, BFC will request that brokers, banks and other nominees send proxies and proxy materials to BFC's beneficial shareholders and secure their voting instructions, if necessary. BFC will reimburse those record holders for their reasonable expenses in so doing. Additionally, BFC and Woodbridge have engaged Georgeson Inc., a proxy solicitation firm, to assist in the solicitation of proxies from their respective shareholders with respect to the merger. BFC and Woodbridge have agreed to pay Georgeson Inc. customary fees for its services, as well as reimburse Georgeson Inc. for its out of pocket expenses for such items as mailing, copying, phone calls, faxes and other related matters, and indemnify Georgeson Inc. against any losses arising out of its proxy soliciting services. BFC also may use its directors, officers and other employees, who will not be specially compensated, to solicit proxies from BFC's shareholders, either personally or by telephone, the Internet, telegram, facsimile or special delivery letter.

### **Other Business**

No matter other than the proposal relating to the merger and the related transactions, including the amendment to BFC's Amended and Restated Articles of Incorporation increasing the number of authorized shares of BFC's Class A Common Stock from 100,000,000 shares to 150,000,000 shares, may be brought before the BFC special meeting.

### **Assistance**

If you are a shareholder of BFC and you need assistance in completing your proxy card or otherwise providing your voting instructions, or if you have questions regarding the BFC special meeting or the merger, please call the information agent for the merger, Georgeson Inc., toll-free at (888) 666-2593. BFC's shareholders may also contact BFC Financial Corporation, Attn: Investor Relations by mail at 2100 West Cypress Creek Road, Fort Lauderdale, FL 33309 or by telephone at (954) 940-4994.



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**THE WOODBRIDGE ANNUAL MEETING**

**General**

This joint proxy statement/prospectus is being provided to Woodbridge's shareholders as part of a solicitation of proxies by the board of directors of Woodbridge for use at Woodbridge's 2009 annual meeting of shareholders.

**Date, Time and Place**

Woodbridge's 2009 annual meeting of shareholders will be held on September 21, 2009 at 12:00 p.m., local time, at the Corporate Center, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309.

**Purposes of the Woodbridge Annual Meeting**

The purposes of the Woodbridge annual meeting are:

1. To consider and vote upon a proposal to approve the merger agreement.
2. To consider and vote upon a proposal to elect three directors to the board of directors of Woodbridge to serve until the earlier of Woodbridge's 2012 annual meeting of shareholders and the consummation of the merger.
3. To transact such other business as may properly be brought before the meeting or any adjournment or postponement thereof.

**Recommendation of the Board of Directors of Woodbridge**

For the reasons described in this joint proxy statement/prospectus, including the recommendation of Woodbridge's special committee and the opinion of Woodbridge's financial advisor, the board of directors of Woodbridge has determined that the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of Woodbridge's shareholders and, accordingly, has approved the merger agreement and the transactions contemplated thereby and recommends that Woodbridge's shareholders vote FOR the approval of the merger agreement. See The Merger Recommendation of the Woodbridge Board and Its Reasons for the Merger.

The board of directors of Woodbridge recommends that Woodbridge's shareholders vote FOR all of the nominees for director.

**Record Date; Shares Entitled to Vote; Quorum**

Only shareholders of record of Woodbridge at the close of business on August 18, 2009, the record date for the Woodbridge annual meeting, are entitled to notice of, and to vote at, the meeting and any adjournment or postponement thereof. On the Woodbridge record date, 16,637,132 shares of Woodbridge's Class A Common Stock were issued and outstanding. In addition, on the Woodbridge record date, 243,807 shares of Woodbridge's Class B Common Stock were issued and outstanding, all of which were owned by BFC. A complete list of Woodbridge's shareholders of record will be open for examination by any shareholder of record at Woodbridge's corporate offices, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309, during regular business hours for a period of no less than ten days prior to the Woodbridge annual meeting. The list will also be available for examination by any shareholder of record present at the Woodbridge annual meeting.



Holders of Woodbridge's Class A Common Stock and Class B Common Stock are entitled to vote as one class on each of the proposal relating to the merger agreement and the proposal relating to the election of directors. Holders of Woodbridge's Class A Common Stock are entitled to one vote per share owned on each proposal, with all such shares of Woodbridge's Class A Common Stock representing in the aggregate 53% of Woodbridge's general voting power. The number of votes represented by each share of Woodbridge's Class B Common Stock, which represents in the aggregate 47% of the general voting power of Woodbridge, is

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calculated in accordance with Woodbridge's Amended and Restated Articles of Incorporation. At the Woodbridge annual meeting, each outstanding share of Woodbridge's Class B Common Stock will be entitled to 60.5138 votes on each proposal.

A quorum will be present at the Woodbridge annual meeting if shares of Woodbridge's Class A Common Stock and Class B Common Stock representing a majority of the voting power of Woodbridge outstanding on the Woodbridge record date are represented, in person or by proxy, at the meeting. In the event that a quorum is not present, it is expected that the meeting will be adjourned to solicit additional proxies. Broker non-votes and abstentions will be counted for the purpose of establishing a quorum at the meeting.

### **Vote Required to Approve the Merger Agreement**

Under the FBCA, the affirmative vote of a majority of the votes entitled to be cast by holders of Woodbridge's Class A Common Stock and Class B Common Stock, voting together as a single class, is required to approve the merger agreement. In the absence of instructions from the beneficial owners of shares of Woodbridge's Class A Common Stock, brokers, banks and other nominees will not have discretionary voting authority with respect to the approval of the merger agreement. Shares represented by such broker non-votes, abstentions and failures to vote will have the same effect as votes against the approval of the merger agreement.

BFC is the owner of approximately 22% of the outstanding shares of Woodbridge's Class A Common Stock and all of the outstanding shares of Woodbridge's Class B Common Stock, and these shares represent in the aggregate 59% of Woodbridge's total voting power. BFC has agreed to vote its shares of Woodbridge's Class A Common Stock and Class B Common Stock in favor of the approval of the merger agreement and, accordingly, approval of the merger agreement by Woodbridge's shareholders is assured. It is also anticipated that BFC's directors and executive officers, who collectively own less than 1% of the outstanding shares of Woodbridge's Class A Common Stock (other than the shares beneficially owned through BFC), will vote their shares of Woodbridge's Class A Common Stock in favor of the approval of the merger agreement although they are not required to do so.

### **Vote Required to Approve the Election of Directors**

The affirmative vote of a plurality of the votes cast at the Woodbridge annual meeting is required to approve the election of directors. In the absence of instructions from the beneficial owners of shares of Woodbridge's Class A Common Stock, brokers, banks and other nominees will have discretionary voting authority with respect to the vote on the election of directors. Broker non-votes, failures to vote and abstentions will have no effect on the election of directors.

### **Shares Owned by Directors and Executive Officers of Woodbridge**

Woodbridge's directors and executive officers and their respective affiliates, which includes BFC, collectively own and are entitled to vote 3,848,530 shares, or approximately 23.1%, of Woodbridge's Class A Common Stock. BFC beneficially owns all of the outstanding shares of Woodbridge's Class B Common Stock.

### **Voting by Proxy**

Woodbridge's shareholders may vote their shares of Woodbridge's Class A Common Stock and Class B Common Stock by proxy. The method of voting by proxy differs for shares held as a record holder and shares held in street name. A proxy card is enclosed for the use of Woodbridge's shareholders of record and voting instructions are included on such proxy card. Woodbridge's shareholders of record may vote by completing, dating and signing the enclosed proxy card and promptly returning it in the enclosed, pre-addressed, postage-paid envelope or otherwise

transmitting their voting instructions as described on the proxy card. Shareholders of Woodbridge who hold their shares in street name, which means such shares are held of record by a broker, bank or other nominee, will receive instructions from their brokers, banks or other nominees that such shareholders must follow in order to vote their shares. The failure of street name holders to provide voting instructions to their brokers, banks or other nominees will result in broker non-votes for those shares, and

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such broker non-votes will count as votes against the approval of the merger agreement. However, in the absence of instructions from the beneficial owners of shares of Woodbridge's Class A Common Stock, brokers, banks and other nominees will have discretionary voting authority with respect to the vote on the election of directors. All properly signed proxies that are received prior to the Woodbridge annual meeting and that are not revoked will be voted at the Woodbridge annual meeting according to the instructions indicated on the proxies or, if no direction is indicated, FOR the approval of the merger agreement and FOR each of the nominees for director.

## **Voting in Person; Directions to the Woodbridge Annual Meeting**

Shareholders of record of Woodbridge that plan to attend the Woodbridge annual meeting and wish to vote in person will be given a ballot at the meeting. It should be noted, however, that a shareholder of Woodbridge who holds his, her or its shares in street name and wishes to vote at the Woodbridge annual meeting must bring to the meeting proxies from the record holders of the shares authorizing the shareholder to vote in person at the meeting.

Shareholders who wish to attend the Woodbridge annual meeting may contact Woodbridge's Investor Relations department at (954) 940-4995 for directions. Shareholders of Woodbridge should submit their proxies or otherwise provide their voting instructions even if they plan to attend the meeting. Shareholders of record and street name holders who have obtained proxies to vote their shares in person can always change their votes at the meeting.

***The votes of all shareholders of Woodbridge are important. Accordingly, all shareholders of Woodbridge should sign and return the enclosed proxy card or otherwise transmit their voting instructions as described on the proxy card, whether or not they plan to attend the Woodbridge annual meeting in person.***

## **Revocation of Proxies**

A Woodbridge shareholder of record may revoke his, her or its proxy at any time before such proxy is voted at the Woodbridge annual meeting by taking any of the following actions:

delivering to Woodbridge's Secretary a signed, written notice of revocation bearing a date later than the date of the previously executed proxy, stating that the proxy is revoked;

signing and delivering a new proxy, relating to the same shares and bearing a later date, or transmitting new voting instructions by telephone or internet as described on the proxy card; or

attending the Woodbridge annual meeting and voting in person, although attendance at the Woodbridge annual meeting will not, by itself, revoke a proxy.

If a shareholder of Woodbridge holds his, her or its shares in street name, however, the options described in the paragraph above do not apply. Instead, such shareholder must contact his, her or its broker, bank or other nominee to find out how to change his, her or its vote.

## **Proxy Solicitation**

Woodbridge is soliciting proxies for its 2009 annual meeting of shareholders. Woodbridge will bear the entire cost of soliciting proxies from its shareholders, except that BFC and Woodbridge have each agreed to share equally all expenses incurred in connection with the printing, mailing and filing with the SEC of this joint proxy statement/prospectus and the registration statement of which this joint proxy statement/prospectus is a part. In addition to the solicitation of proxies by mail, Woodbridge will request that brokers, banks and other nominees send proxies and proxy materials to Woodbridge's beneficial shareholders and secure their voting instructions, if necessary.

Woodbridge will reimburse those record holders for their reasonable expenses in so doing. Additionally, Woodbridge and BFC have engaged Georgeson Inc., a proxy solicitation firm, to assist in the solicitation of proxies from their respective shareholders with respect to the merger. Woodbridge and BFC have agreed to pay Georgeson Inc. customary fees for its services, as well as reimburse Georgeson Inc. for its out of pocket expenses for such items as mailing, copying, phone calls, faxes and other related

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matters, and indemnify Georgeson Inc. against any losses arising out of its proxy soliciting services. Woodbridge also may use its directors, officers and other employees, who will not be specially compensated, to solicit proxies from Woodbridge's shareholders, either personally or by telephone, the Internet, telegram, facsimile or special delivery letter.

**Other Business**

Woodbridge does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus will be brought before the Woodbridge annual meeting. However, if other matters are properly presented at the meeting or any adjournment or postponement thereof, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.

**Assistance**

If you are a shareholder of Woodbridge and you need assistance in completing your proxy card or otherwise providing your voting instructions, or if you have questions regarding the Woodbridge annual meeting or the merger, please call the information agent for the merger, Georgeson Inc., toll-free at (877) 255-0124. Woodbridge's shareholders may also contact Woodbridge Holdings Corporation, Attn: Investor Relations by mail at 2100 West Cypress Creek Road, Fort Lauderdale, FL 33309 or by telephone at (954) 940-4995.

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**THE MERGER**

**General**

The boards of directors of BFC and Woodbridge have each approved the merger agreement and the transactions contemplated thereby. Upon consummation of the merger, Woodbridge will merge with and into Merger Sub, a wholly owned subsidiary of BFC. Merger Sub will be the surviving company (the *Surviving Company*) and will remain a wholly owned subsidiary of BFC. Under the terms of the merger agreement, holders of Woodbridge's Class A Common Stock (other than BFC and holders who exercise and perfect their appraisal rights) will be entitled to receive 3.47 shares of BFC's Class A Common Stock in exchange for each share of Woodbridge's Class A Common Stock owned by such holders.

*The terms and conditions of the merger are contained in the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus. Please carefully read the merger agreement, as it is the legal document that governs the merger.*

**Background of the Merger**

BFC's management and board of directors are focused on the company's long-term strategic goals and, when appropriate, consider various strategic opportunities in order to maximize shareholder value. BFC believes that the best potential for growth is likely through the growth of the companies it currently controls and its focus is to provide overall support for its controlled subsidiaries with a view to the improved performance of the organization as a whole.

Woodbridge's operations are concentrated in the real estate industry and its primary activities currently relate to the development of master planned communities through its Core Communities subsidiary and its ownership position in Bluegreen. Like other companies involved in the real estate industry, Woodbridge has been adversely affected by the severe and prolonged downturn in the real estate market and the economy in general. As a result, over the past few years, Woodbridge has pursued opportunities to diversify its activities.

On January 30, 2007, BFC and Woodbridge (then Levitt Corporation) entered into a definitive agreement (the *2007 agreement*) pursuant to which Woodbridge was to merge with and into and become a wholly-owned subsidiary of BFC, and holders of Woodbridge's Class A Common Stock (other than BFC) were to receive 2.27 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock that they held. However, based on then-current circumstances, the conditions to closing the proposed merger could not in BFC's opinion be satisfied and, by letter dated August 14, 2007, BFC terminated the 2007 agreement.

In connection with the proposed merger between the companies in 2007, the boards of directors of BFC and Woodbridge, with the assistance of their respective legal and financial advisors, conducted extensive negotiations over a three-month period regarding the terms and conditions of the 2007 agreement and reviewed extensive information regarding the companies' respective businesses. Further, because Woodbridge is a subsidiary of BFC that is consolidated in BFC's financial statements, BFC's board of directors regularly reviews information regarding Woodbridge's business, financial condition, operating results and prospects, including the issues Woodbridge has faced during the sustained downturn in the real estate and financial markets over the last two years.

Consistent with its focus on providing overall support for its controlled subsidiaries, BFC's board of directors regularly discusses possible ways to maximize the utilization of assets and resources within the consolidated organization based on its assessment of the financial condition, cash requirements and prospects of its subsidiaries. Beginning in 2009,

these discussions focused on the possibility and potential benefits of a strategic transaction between BFC and Woodbridge.

At a meeting of Woodbridge's board of directors held on April 27, 2009, Alan B. Levan, Chairman of the boards of directors of both BFC and Woodbridge, advised the members of Woodbridge's board of directors of BFC's potential interest in re-establishing discussions with Woodbridge regarding a possible merger of equals between the two companies. Mr. Levan also discussed, and answered questions from Woodbridge's directors



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regarding, his view of the potential benefits of such a transaction to both Woodbridge and BFC, including that BFC has no debt at its parent company level and potentially greater access to financial resources than Woodbridge and that the merger would create a combined company with greater market capitalization than either company on a stand-alone basis and would potentially benefit shareholders of both companies by increasing the visibility and trading liquidity of BFC's Class A Common Stock. Mr. Levan also noted the limited business integration risks of a transaction between BFC and Woodbridge due to the preexisting relationships between the companies and the fact that the merger would likely result in decreased legal and accounting fees for the combined company. Based on this discussion, Woodbridge's board of directors indicated its willingness to further explore a potential transaction with BFC and, as a result, Mr. Levan indicated that he would further discuss with BFC's board of directors a potential transaction between the two companies with a view to presenting a more specific proposal.

On May 8, 2009, BFC's board of directors held a meeting where it discussed whether, and upon what terms, a potential transaction should be proposed to Woodbridge. BFC's directors discussed the material aspects of the proposal, which contemplated, among other things, a merger of equals in which BFC would acquire Woodbridge in a stock-for-stock transaction with an exchange ratio of 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock (other than shares of Woodbridge's Class A Common Stock owned by BFC). The exchange ratio was based on the book value of BFC and Woodbridge at March 31, 2009, and would result in Woodbridge's shareholders, other than BFC, holding an approximate 50% equity ownership interest in BFC following the merger. BFC's board of directors also discussed Woodbridge's business, financial condition and cash position, including the challenges facing Core Communities and the issues relating to its outstanding indebtedness. BFC's directors additionally discussed the potential long-term benefits of the transaction to the companies and the process for approving and completing the merger, including the retention of outside legal and financial advisors. After this discussion, BFC's board of directors authorized Mr. Levan to submit the merger proposal to Woodbridge. BFC's board of directors requested that Stearns Weaver, regular outside counsel to BFC, serve as legal advisor to BFC with respect to the merger.

On May 11, 2009, Woodbridge's board of directors held a meeting to review and discuss BFC's proposal, which was distributed to Woodbridge's directors prior to the meeting. Mr. Levan described BFC's merger proposal in detail, including BFC's proposed conditions to completing the merger and the contemplated percentage that Woodbridge's shareholders would hold in BFC following the merger. Mr. Levan also answered questions from Woodbridge's directors regarding the proposal and shared with Woodbridge's directors his view of the potential advantages and disadvantages of the proposed transaction to each of the companies. It was then decided that the independent directors would convene an executive session to further discuss BFC's proposal and, if the independent directors determined that it was advisable to further consider the proposal, to form a special committee to pursue a transaction and take all actions that it deemed necessary, including the hiring of independent legal and financial advisors. During that executive session, Woodbridge's independent directors expressed their interest in continuing discussions and negotiations with respect to a transaction with BFC. As a result, a special committee of Woodbridge's independent directors was formed, and Messrs. Joel Levy, Blosser, Kahn, Alan Levy and Nicholson, representing all of the independent directors of Woodbridge, were appointed to the committee. Mr. Joel Levy was subsequently appointed Chairman of the special committee. Messrs. Dornbush and Scherer were subsequently designated as non-voting members of the special committee and agreed to work as advisors to the special committee as requested.

On May 13, 2009, Woodbridge's special committee held a meeting for the purpose of discussing the proposed merger with BFC and determining how to proceed with respect to the merger. The special committee determined to engage, and discussed the qualifications of potential firms to engage as, independent legal counsel and independent financial advisor to assist the special committee with respect to the merger. The special committee also reviewed and discussed information relating to the evaluation process undertaken with respect to the proposed merger between Woodbridge and BFC in 2007 in order to assist the special committee in its process of evaluating the currently proposed merger between the companies.

On May 15, 2009, Woodbridge's special committee held a meeting at which it approved the engagement of Akerman Senterfitt, P.A. ( Akerman ) as independent legal counsel. The special committee selected

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Akerman based on its experience with respect to merger and acquisition transactions and its knowledge of Florida law, specifically as it may relate to the merger. Akerman discussed generally with the members of the special committee the purpose of the special committee, the process and procedure of conducting committee meetings and the fiduciary and legal duties that may be applicable to them in connection with their evaluation of a potential transaction with BFC. Akerman also discussed with the special committee the provisions of Florida law applicable to a potential transaction between Woodbridge and BFC. At the meeting, the special committee also determined to continue to explore and discussed the qualifications of possible independent financial advisors. The members of the special committee additionally discussed their responsibilities on behalf of the committee and the appropriate compensation to be paid to them in consideration for their efforts. After this discussion, the members of the special committee determined to recommend to Woodbridge's full board of directors a proposal for Woodbridge to pay a fee of \$15,000 to each member of the special committee other than Messrs. Dornbush and Scherer, who would not be compensated for their service as non-voting members of and advisors to the special committee.

On May 18, 2009, Woodbridge's board of directors held a meeting. At the meeting, Mr. Joel Levy, as the Chairman of the special committee, updated Woodbridge's full board of directors on the status of the process related to the proposed merger, including the status of the special committee's engagement of independent legal and financial advisors with respect to the merger. At the meeting, Woodbridge's board of directors also discussed at length and approved without modification the proposal relating to the compensation to be paid to the members of the special committee.

Following the board meeting on May 18, 2009 and again on each of May 20 and May 22, 2009, the special committee met to consider and discuss candidates to serve as the committee's independent financial advisor. At the meeting held on May 22, 2009, the special committee preliminarily determined that, based on the special committee's view of the importance of BankAtlantic Bancorp's results to the consolidated financial condition of BFC and Ewing's reputation and expertise in assessing and analyzing financial institutions generally, and thrifts in particular, it should meet with Ewing to determine whether to engage Ewing as the committee's independent financial advisor.

On May 26, 2009, the special committee held a meeting attended by representatives of Ewing and Akerman. At the meeting, the representatives of Ewing discussed with the members of the special committee Ewing's experience and qualifications, and specifically its expertise in assessing and analyzing financial institutions generally, and thrifts in particular. The members of the special committee also discussed with Ewing's representatives the terms of the proposed engagement letter between Ewing and the special committee (on behalf of Woodbridge), a copy of which was distributed to the members of the special committee prior to the meeting. Following this discussion, the representatives of Ewing left the meeting so that the members of the special committee could discuss among themselves Ewing's qualifications and the advisability of engaging Ewing to serve as the committee's independent financial advisor. After further discussions and considerations, the special committee determined to engage Ewing as its independent financial advisor with respect to the merger. The members of the special committee then discussed with Akerman the status of the merger as well as the terms and conditions of BFC's proposal, including the condition which gives BFC the right to terminate the merger agreement if more than 10% of the holders of Woodbridge's Class A Common Stock exercise, or, immediately prior to the effective time of the merger, remain entitled to exercise, their appraisal rights.

On June 1, 2009, BFC's board of directors held a meeting. At the meeting, Stearns Weaver discussed generally with BFC's directors the relationships of Messrs. Levan and Abdo to both BFC and Woodbridge and the fiduciary and legal duties that may be applicable to BFC's directors in connection with their evaluation and negotiation of a transaction between BFC and Woodbridge. Following this discussion, Mr. Levan advised BFC's directors that the merger proposal was presented to Woodbridge's board of directors, who subsequently indicated its interest in pursuing discussions regarding the proposal. Mr. Levan reported that a special committee comprised of Woodbridge's independent directors was formed to preside over Woodbridge's process in evaluating and pursuing a transaction with BFC and that the special committee had engaged Akerman as its independent legal counsel and Ewing as its independent financial

advisor. Mr. Levan then informed BFC's directors that Ewing had commenced its due diligence process.

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During June 2009, Ewing conducted its due diligence review of BFC and its subsidiary, BankAtlantic Bancorp, and analyzed the fairness of the proposed merger consideration to Woodbridge's shareholders.

On June 15, 2009, Woodbridge's board of directors held a meeting. At the meeting, Woodbridge's directors discussed the status of the proposed transaction between BFC and Woodbridge, including the status of Ewing's due diligence review and analysis of BFC and BankAtlantic Bancorp.

On June 23, 2009, Stearns Weaver sent a preliminary draft of the merger agreement to Akerman. Thereafter, Woodbridge's special committee and BFC's board of directors, through their legal and financial advisors, discussed and negotiated the terms of the proposed merger agreement.

On June 24, 2009, Woodbridge's special committee held a meeting at which, among other things, Ewing provided the committee with a preliminary report as to its views with respect to Woodbridge, BFC and BankAtlantic Bancorp. Ewing discussed its methodology in reviewing BankAtlantic Bancorp and in determining the relative valuations of BFC and Woodbridge. In particular, Ewing concluded that book value, which is the basis for the proposed exchange ratio, was the appropriate methodology for determining the relative values of the two companies.

On June 25, 2009, BFC's board of directors held a meeting to discuss the status of the proposed merger. The members of BFC's board of directors were updated on the progress of the proposed merger, including the status of the merger agreement as well as Ewing's due diligence review of BFC and BankAtlantic Bancorp. Mr. Levan also discussed with BFC's board of directors his views of certain of the potential benefits and risks of the merger, including the risks relating to Woodbridge's and Core Communities' outstanding debt and the possibility of Woodbridge recording impairment charges relating to Core's assets in the future. At the meeting, BFC's board of directors also considered the desirability of engaging a financial advisor to analyze and issue a fairness opinion with respect to the proposed exchange ratio and discussed, specifically, the qualifications of JMP Securities to serve as financial advisor to BFC's board of directors with respect to the merger. After this discussion, BFC's board of directors approved the engagement of JMP Securities as financial advisor to BFC's board of directors with respect to the merger. BFC selected JMP Securities based on JMP Securities' qualifications, expense and reputation and its knowledge of the business and affairs of BFC. JMP Securities thereafter conducted its due diligence review of Woodbridge and analyzed the fairness of the proposed exchange ratio to BFC's shareholders.

On June 29, 2009, Woodbridge's special committee met again with Ewing to allow any members of the committee who were not present at the previous meeting to have the opportunity to hear, discuss and ask questions regarding Ewing's presentation. The members of the special committee discussed Ewing's presentation and asked, and Ewing answered, numerous questions regarding Ewing's methodology and preliminary conclusions. After this discussion, the members of the special committee voted unanimously to preliminarily recommend approval of the proposed merger with BFC to Woodbridge's full board of directors, subject to the finalization of Ewing's analyses, its receipt of Ewing's fairness opinion and the satisfactory negotiation of the terms and conditions of the merger agreement (as discussed with Akerman).

On June 30, 2009, Akerman delivered Woodbridge's special committee's initial comments to the merger agreement to Stearns Weaver, which included, among other things, the requirement that the no solicitation provisions of the merger agreement apply to BFC (as well as Woodbridge). Thereafter, Woodbridge's special committee and BFC's board of directors, through their respective legal and financial advisors, continued to review, negotiate and discuss the terms and conditions of the merger agreement and the potential merger. On July 1, 2009, Stearns Weaver distributed a revised draft of the merger agreement to Akerman.

On July 2, 2009, BFC's board of directors met with its legal and financial advisors. A copy of the proposed final draft of the merger agreement and materials outlining JMP Securities' analysis of the merger and the exchange ratio had

previously been delivered to BFC's board of directors. At the meeting, BFC's board of directors discussed with its advisors the proposed final draft of the merger agreement. JMP Securities presented to BFC's board of directors its analysis of the exchange ratio. Based on such analysis, JMP Securities presented to BFC's board of directors a summary of its written opinion, dated as of July 2, 2009, and provided an oral opinion that the exchange ratio was, as of that date, fair from a financial point of view to

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BFC's shareholders. JMP Securities subsequently provided a written copy of its fairness opinion. Stearns Weaver reviewed and discussed with BFC's board of directors the terms, conditions and provisions of the revised merger agreement. Messrs. Levan and Abdo and other members of management then left the meeting so that BFC's independent directors could discuss the merger and the merger agreement among themselves and with their legal and financial advisors outside of the presence of management. A discussion ensued, after which the independent directors unanimously determined to approve the merger agreement. At that point, Messrs. Levan and Abdo returned to the meeting. After further discussions and deliberations, BFC's board of directors, with Messrs. Levan and Abdo abstaining, unanimously approved the merger agreement as well as the merger and the related transactions, and recommended that BFC's shareholders approve the merger and the related transactions.

On July 2, 2009, Woodbridge's special committee met with its legal and financial advisors. A copy of the proposed final draft of the merger agreement and materials outlining Ewing's analysis of the merger had previously been delivered to the members of the special committee. At the meeting, Woodbridge's special committee discussed with its advisors the proposed final draft of the merger agreement. Ewing presented to Woodbridge's special committee its analysis of the exchange ratio and, based on such analysis, Ewing provided to Woodbridge's special committee its oral opinion, subsequently confirmed in writing and delivered to Woodbridge's special committee, that the consideration to be received in the merger was, as of that date, fair from a financial point of view to Woodbridge's shareholders. After discussions and deliberations, Woodbridge's special committee unanimously approved the merger agreement and the transactions contemplated thereby and agreed to recommend that Woodbridge's board of directors approve the merger agreement and the transactions contemplated thereby.

On July 2, 2009, following the meeting of Woodbridge's special committee, Woodbridge's board of directors met to consider the merger. A copy of the proposed final draft of the merger agreement and materials outlining Ewing's analysis of the merger had previously been delivered to each member of Woodbridge's board of directors. At the meeting, Ewing presented to Woodbridge's full board of directors its analysis of the exchange ratio and its oral opinion that the consideration to be received in the merger was, as of that date, fair from a financial point of view to Woodbridge's shareholders. Woodbridge's special committee then informed Woodbridge's board of directors of its recommendation to approve the merger agreement and the transactions contemplated thereby. At that time, Messrs. Levan and Abdo left the meeting, and Woodbridge's non-management directors discussed the merger and the merger agreement among themselves and with their legal and financial advisors outside of the presence of management. Messrs. Levan and Abdo then returned to the meeting. After additional discussions and deliberations, Woodbridge's board of directors, with Messrs. Levan and Abdo abstaining, unanimously approved the merger, the merger agreement and the transactions contemplated thereby, and recommended that Woodbridge's shareholders approve the merger agreement. Woodbridge's board of directors specifically noted that its approval constituted the approval of Woodbridge's disinterested directors in accordance with the FBCA's affiliated transaction statute and, therefore, exempted the merger from the provisions of the FBCA's control share statute. In connection with its approval, Woodbridge's board of directors also authorized Woodbridge's management to take all actions that it deemed necessary or desirable relating to the merger, including, without limitation, to cause Woodbridge's shareholder rights plan to be inapplicable to the merger and to be terminated as of the effective time of the merger.

The merger agreement was thereafter entered into on July 2, 2009 and publicly announced prior to the opening of the market on the next trading day, July 6, 2009.

## **Recommendation of the BFC Board and its Reasons for the Merger**

The board of directors of BFC believes that there are substantial benefits to BFC and its shareholders that can be obtained as a result of the merger. Accordingly, the board of directors of BFC has determined that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of BFC and its shareholders, has approved the merger agreement and the transactions contemplated thereby, and recommends that

BFC's shareholders vote FOR the merger and the related transactions.



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The board of directors of BFC, in reaching its decision to approve the merger agreement and the transactions contemplated thereby, consulted with JMP Securities, BFC's financial advisor, and Stearns Weaver, BFC's outside legal counsel, and considered a variety of material factors weighing positively in favor of the merger, including, without limitation, the following:

the fact that, based on BFC's financial portfolio as of March 31, 2009, upon consummation of the merger, BFC will realize an increase in BFC shareholders' equity from approximately \$104.5 million to approximately \$206.8 million;

the fact that, based on share and market price information as of July 2, 2009, the date of the merger agreement, upon consummation of the merger, BFC will realize an increase in unaffiliated public float from approximately 28.5 million shares to approximately 72.9 million shares and an increase in global market capitalization from approximately \$18.1 million to approximately \$36.0 million;

the fact that the merger will result in tax consolidation, thereby eliminating the potential for double taxation on BFC's share of Woodbridge's earnings;

the potential increased visibility and trading liquidity for BFC's capital stock resulting from the merger;

the efficiencies that could be realized as a result of the merger in legal, accounting and internal audit fees as well as fees relating to SEC reporting;

the opinion of JMP Securities, BFC's financial advisor, to the effect that, as of the date of the opinion, and subject to and based on the qualifications and assumptions set forth in the opinion, the exchange ratio was fair, from a financial point of view, to BFC's shareholders (see "The Merger" Opinion of BFC's Financial Advisor);

the limited business integration risks due to the preexisting relationships between BFC and Woodbridge, including, without limitation, management commonality and BFC's long-term investment in Woodbridge;

current financial market conditions and historical market prices, volatility and trading information with respect to BFC's Class A Common Stock and Woodbridge's Class A Common Stock; and

the belief that the terms of the merger agreement, including the parties' respective representations, warranties and covenants contained therein, are reasonable.

The board of directors of BFC, in reaching its decision to approve the merger agreement and the transactions contemplated thereby, also considered potential detriments related to the merger, including, without limitation, the following:

the substantial costs to be incurred in connection with the merger, including transaction expenses arising from the merger, whether or not the merger is consummated;

the risks relating to Woodbridge's and Core Communities' outstanding debt, including the risk that certain of such debt may need to be restructured in the near future (which may not be possible on favorable terms or at all) and the risk of future impairment charges relating to Woodbridge's assets, and specifically Core's assets;

the risk that the current economic downturn, if prolonged, may continue to have an adverse impact on Woodbridge's financial condition and operating results;

the potential negative impact on BFC's cash flow if a significant amount of Woodbridge's shareholders exercise their appraisal rights;

the risks inherent in the fluctuating market price of BFC's Class A Common Stock, such as the risk that the value of the shares of BFC's Class A Common Stock issuable in connection with merger at the effective time of the merger may exceed the value of those shares as of the date on which the board of directors of BFC approved the merger;

possible disruptions to BFC's operations and management distractions that could arise from the merger;

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the possibility that the expected benefits from the merger described above may not be realized;

the limitations imposed in the merger agreement on the solicitation or consideration by BFC of alternative business combinations prior to the consummation of the merger;

the interests that certain executive officers and directors of BFC have with respect to the merger in addition to their interests as shareholders of BFC generally, as described under The Merger Interests of Certain Persons in the Merger; and

various other risks associated with the merger set forth under the section entitled Risk Factors.

After consideration of these material factors, the board of directors of BFC determined that the potential benefits of the merger and the related transactions outweighed the potential risks of the merger and the related transactions.

This discussion of the information and factors considered by the board of directors of BFC is not intended to be exhaustive and may not include all of the factors considered by the board of directors of BFC. In reaching its determination to approve the merger agreement and the transactions contemplated thereby and recommend to BFC's shareholders that they approve the merger and the related transactions, the board of directors of BFC did not quantify or assign any relative or specific weights to the various factors that it considered. Rather, the board of directors of BFC viewed its determination and recommendation as being based on an overall analysis and on the totality of the information presented to and factors considered by it. In addition, in considering the factors described above, individual members of the board of directors of BFC may have given different weight to different factors or taken into account other factors. After considering this information, the board of directors of BFC approved the merger agreement and the transactions contemplated thereby and recommends that BFC's shareholders approve the merger and the related transactions.

### **Role and Recommendation of Woodbridge's Special Committee**

The board of directors of Woodbridge designated a special committee comprised solely of independent directors to, among other things, negotiate, review and evaluate the terms and conditions of the merger agreement and determine the advisability of the merger. The special committee negotiated the terms and conditions of the merger agreement on behalf of Woodbridge and, after careful review and consideration, determined that the merger is advisable, fair to and in the best interests of Woodbridge's shareholders. The special committee therefore recommended that the board of directors of Woodbridge approve the merger agreement and the transactions contemplated thereby and recommend to the shareholders of Woodbridge that they approve the merger agreement.

The special committee was aware of the interests of certain officers and directors of Woodbridge in the merger, as described under The Merger Interests of Certain Persons in the Merger, including the fact that the merger agreement contemplates that the members of the special committee are to be appointed to the board of directors of BFC in connection with the merger.

In arriving at its determination, the special committee consulted with Woodbridge's senior management, as well as Akerman Senterfitt, outside legal counsel to the Woodbridge special committee, and Ewing, Woodbridge's financial advisor, with respect to strategic, operational, legal, regulatory and other matters. In arriving at its determination, the special committee also independently considered the factors described below in The Merger Recommendation of the Woodbridge Board and its Reasons for the Merger. In light of the number and wide variety of factors considered in connection with its evaluation of the merger, the special committee did not consider it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its

determination. The special committee viewed its determination and recommendation as being based on all of the information available and the factors presented to and considered by it. In addition, individual directors serving on the special committee may have given different weight to different factors.

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**Recommendation of the Woodbridge Board and Its Reasons for the Merger**

After considering the recommendation of Woodbridge's special committee and the other factors discussed below and consulting with Ewing, Woodbridge's financial advisor, the board of directors of Woodbridge determined that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of Woodbridge's shareholders, has approved the merger agreement and the transactions contemplated thereby, and recommends that Woodbridge's shareholders vote FOR the approval of the merger agreement. In reaching this determination, the board of directors of Woodbridge considered a variety of material factors weighing positively in favor of the merger, including, without limitation, the following:

the fact that shareholders of Woodbridge (other than BFC) will own approximately 54% of the outstanding shares of BFC's Class A Common Stock and approximately 50% of BFC's total common equity immediately following the merger (subject to reduction to the extent shareholders elect to exercise and perfect their appraisal rights) and will therefore have a significant economic interest in BFC;

the implied value of Woodbridge's Class A Common Stock of \$1.39 per share based on the closing prices of BFC's Class A Common Stock and Woodbridge's Class A Common Stock on the Pink Sheets on July 2, 2009, the last trading day prior to the announcement of the signing of the merger agreement, representing a premium of approximately 26% over the closing price of Woodbridge's Class A Common Stock on that day, and a premium of approximately 67% over the average market price of Woodbridge's Class A Common Stock during the six-month period preceding the date of the merger agreement;

the fact that Woodbridge's shareholders, as a result of the merger and the exchange of their shares of Woodbridge's Class A Common Stock for BFC's Class A Common Stock, will hold shares in a company with a more diversified portfolio of assets, which is consistent with Woodbridge's stated objective of diversification;

the fact that, based on share and market price information as of July 2, 2009, the date of the merger agreement, BFC, after the merger, will have a pro forma market capitalization of approximately \$36.0 million compared to Woodbridge's stand-alone market capitalization of \$18.6 million;

the limited business integration risks due to the preexisting relationships between BFC and Woodbridge, including, without limitation, management commonality and BFC's long-term investment in Woodbridge;

the efficiencies that could be realized as a result of the merger in legal, accounting and internal audit fees as well as fees relating to SEC reporting;

the fact that, as of March 31, 2009, Woodbridge had a debt-to-total capitalization ratio of approximately 67% and that BFC currently has no outstanding long-term debt at its parent company level and, therefore, may have greater access to financial resources;

the opinion of Ewing, Woodbridge's financial advisor, to the effect that, as of the date of the opinion and subject to and based on the qualifications, limitations and assumptions set forth in the opinion, the consideration to be received by holders of Woodbridge's Class A Common Stock in the merger was fair, from a financial point of view, to such holders (see The Merger Opinion of Woodbridge's Financial Advisor );

current financial market conditions and historical market prices, volatility and trading information with respect to BFC's Class A Common Stock and Woodbridge's Class A Common Stock;

the opportunity for holders of Woodbridge's Class A Common Stock to benefit from any increase in the trading price of BFC's Class A Common Stock between the date of the merger agreement and the effective time of the merger because the exchange ratio is fixed;

the absence of any termination fee payable by Woodbridge to BFC if the merger agreement is terminated prior to completion of the merger;

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the fact that, in connection with the merger, the seven directors of Woodbridge who are not currently directors of BFC (as well as Seth Wise, the President of Woodbridge) are to be appointed to BFC's board of directors, which is expected to provide a degree of continuity and involvement by directors of Woodbridge in BFC following the merger;

the expected qualification of the merger as a reorganization within the meaning of Section 368(a) of the Code, resulting in the shares of BFC's Class A Common Stock to be received by holders of Woodbridge's Class A Common Stock in connection with the merger not being subject to federal income tax, as described under the section entitled "The Merger - Material U.S. Federal Income Tax Consequences of the Merger"; and

the belief that the terms of the merger agreement, including the parties' respective representations, warranties and covenants contained therein, are reasonable.

The board of directors of Woodbridge, in reaching its decision to approve the merger agreement and the transactions contemplated thereby also considered potential detriments related to the merger, including, without limitation, the following:

the substantial costs to be incurred in connection with the merger, including transaction expenses arising from the merger, whether or not the merger is consummated;

the possibility that holders of Woodbridge's Class A Common Stock could be adversely affected by a decrease in the trading price of BFC's Class A Common Stock between the date of the merger agreement and the effective time of the merger;

possible disruptions to Woodbridge's operations and management distractions that could arise from the merger;

the possibility that the expected benefits from the merger described above may not be realized, including the fact that BFC's potentially greater access to financial resources may not be realized and BFC's cash flow may be negatively impacted as a result of Woodbridge's shareholders exercising their appraisal rights or otherwise;

the limitations imposed in the merger agreement on the solicitation or consideration by Woodbridge of alternative business combinations prior to the consummation of the merger and the fact that Woodbridge did not seek out any alternative transactions prior to signing the merger agreement;

the interests that certain executive officers and directors of Woodbridge have with respect to the merger in addition to their interests as shareholders of Woodbridge generally, as described under "The Merger - Interests of Certain Persons in the Merger";

the fact that holders of Woodbridge's Class A Common Stock who receive shares of BFC's Class A Common Stock in the merger will become subject to the risks inherent to businesses in the diverse mix of industries in which BFC has investments, including, primarily, the banking industry, which has been adversely impacted by the current economic downturn; and

various other risks associated with the merger and the operations of BFC following the merger set forth under the section entitled "Risk Factors."

After consideration of these material factors, the board of directors of Woodbridge determined that the potential benefits of the merger agreement and the transactions contemplated thereby outweighed the potential detriments of the

merger agreement and such transactions.

This discussion of the information and factors considered by the board of directors of Woodbridge is not intended to be exhaustive and may not include all of the factors considered. In reaching its determination to approve and recommend the merger agreement, the board of directors of Woodbridge did not quantify or assign any relative or specific weights to the various factors that it considered. Rather, the board of directors of Woodbridge viewed its determination and recommendation as being based on an overall analysis and on the totality of the information presented to and factors considered by it. In addition, in considering the factors



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described above, individual members of the board of directors of Woodbridge may have given different weight to different factors or taken into account other factors. After considering this information, the board of directors of Woodbridge approved the merger agreement and the transactions contemplated thereby and recommends that Woodbridge's shareholders approve the merger agreement.

### **Opinion of BFC's Financial Advisor**

#### ***General***

BFC retained JMP Securities to serve as its financial advisor in connection with the merger. The board of directors of BFC selected JMP Securities based on JMP Securities' qualifications, experience and reputation and its knowledge of the business and affairs of BFC. At the meeting of the board of directors of BFC held on July 2, 2009, JMP Securities rendered its oral opinion, subsequently confirmed in writing, that, as of July 2, 2009, based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the exchange ratio was fair from a financial point of view to BFC's shareholders.

**The full text of JMP Securities' opinion, dated as of July 2, 2009, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by JMP Securities in rendering its opinion is attached as Annex B to this joint proxy statement/prospectus. You are urged to read the opinion carefully and in its entirety. JMP Securities' opinion is directed to the board of directors of BFC, addresses only the fairness from a financial point of view of the exchange ratio to BFC's shareholders and does not address any other aspect of the merger or constitute a recommendation to any BFC shareholder as to how to vote on the merger and the related transactions at BFC's special meeting. This summary is qualified in its entirety by reference to the full text of JMP Securities' opinion.**

In connection with rendering its opinion, JMP Securities, among other things:

reviewed certain publicly available financial statements and other business and financial information of BFC and Woodbridge;

reviewed the reported prices and trading activity for BFC's and Woodbridge's respective Class A Common Stock;

compared the financial performance of BFC and the prices and trading activity of BFC's Class A Common Stock with that of certain other publicly-traded companies that it believed were generally comparable to BFC;

compared the financial performance of Woodbridge and the prices and trading activity of Woodbridge's Class A Common Stock with that of certain other publicly-traded companies that it believed were generally comparable to Woodbridge;

reviewed the financial terms, to the extent publicly available, of certain merger transactions that it believed were generally comparable to the proposed merger between BFC and Woodbridge;

participated in discussions among representatives of BFC and Woodbridge and their respective legal advisors;

reviewed the July 1, 2009 draft of the merger agreement and certain other related documents which BFC provided to it; and

considered such other factors, and performed such other analysis, as it deemed appropriate.

In arriving at its opinion, JMP Securities, among other things, assumed and relied upon, without independent verification, the accuracy and completeness of the information supplied or otherwise made available to it by BFC and Woodbridge for the purposes of its opinion. JMP Securities further relied upon the assurance of the management of BFC and Woodbridge that they were not aware of any facts that would make any of such information inaccurate or misleading. In addition, JMP Securities assumed that the proposed merger would be consummated in accordance with the terms set forth in the merger agreement without: the

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occurrence of any material adverse effect; the occurrence of any litigation, arbitration or other proceeding which enjoins or prohibits the transactions contemplated by the merger agreement; the enactment of any law which prohibits the consummation of the merger; or the issuance of any order which precludes consummation of the merger. JMP Securities assumed that, in connection with the receipt of all the necessary governmental, regulatory or other approvals, permits, consents and orders required for the merger, no delays, limitations, conditions, restrictions or orders would be imposed that would have an adverse effect on the contemplated benefits expected to be derived in the merger. JMP Securities is not a legal, tax or regulatory advisor and relied upon, without independent verification, the assessment of BFC and their legal, tax or regulatory advisors with respect to legal, tax or regulatory matters. JMP Securities did not make any independent valuation or appraisal of the assets or liabilities of BFC or Woodbridge, nor was it furnished with any such appraisals. JMP Securities' opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion. Events occurring after the date of the opinion may affect the opinion and the assumptions used in preparing it, and JMP Securities did not assume any obligation to update, revise or reaffirm its opinion; provided, however, subject to the foregoing, and without providing the board of directors of BFC with any assurance as to the contents thereof, JMP Securities has agreed, if requested to do so by the board of directors of BFC, to update its opinion as of a date reasonably proximate to the date of this joint proxy statement/prospectus.

JMP Securities was not requested to consider, and its opinion did not address, BFC's underlying business decision to enter into the merger agreement or the relative merits of the merger as compared to any alternative business strategies that might exist for BFC or the effect of any other transaction in which BFC might engage. JMP Securities was not asked to consider, and its opinion did not address, the non-financial terms of the merger agreement, nor does it address the terms of any related agreements which may be entered into by the parties in connection with the merger. In addition, JMP Securities expressed no view or opinion as to the fairness of the amount or nature of, or any other aspect relating to, the compensation to any officers, directors or employees of any parties to the merger or class of such persons, relative to the merger consideration or otherwise.

The following is a summary of the material financial analyses provided by JMP Securities in connection with rendering its opinion. Although each analysis was provided to the board of directors of BFC, in connection with arriving at its opinion, JMP Securities considered all of its analysis as a whole and did not attribute any particular weight to any analysis described below. These summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by JMP Securities, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.

In connection with rendering its opinion, JMP Securities advised BFC that it conducted various analytical work, including, the following:

- a contribution analysis (i) for the three month period ended March 31, 2009 and (ii) for the twelve month period ended December 31, 2008;

- a comparable public company analysis (which was based on public company peer group trading valuations);

- an exchange ratio analysis (which was based on the relative stock price performance of Woodbridge's and BFC's respective Class A Common Stock); and

- a premiums paid analysis (which was based on precedent comparable transactions).

JMP Securities noted that the exchange ratio for the merger, as contemplated by the terms and conditions of the merger agreement, is 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common

Stock (other than shares owned by BFC).

**Table of Contents****Summary of Financial Analyses Provided by JMP Securities****CONTRIBUTION ANALYSIS**

JMP Securities conducted a contribution analysis based on the contribution of BFC's and Woodbridge's stand-alone financial metrics. The financial metrics exclude the effects of the merger and any potential synergies therefrom.

**For the three months ended March 31, 2009.**

BFC's financials are based on the Parent Company Condensed Statements of Financial Condition and Operations, as set forth in BFC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009. The contribution analysis was based upon the applicable numbers for the three months ended March 31, 2009 and assumed that the 12.9 million shares of Woodbridge's Class A Common Stock not then owned by BFC were converted into 44.8 million shares of BFC's Class A Common Stock based on the exchange ratio of 3:47:1.00 shares.

Based upon Woodbridge's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, Woodbridge's total revenue, total assets and shareholders' equity for such period were \$4.3 million, \$524.1 million and \$135.4 million, respectively, and, after netting out the 23.6% interest represented by Woodbridge's Class A Common Stock owned by BFC (or \$1.0 million in revenue, \$123.6 million in assets and \$31.9 million in shareholders' equity), the residual Woodbridge contribution was \$3.3 million, \$400.6 million and \$103.5 million, respectively.

The combined Woodbridge and BFC revenue, assets and shareholders' equity (in dollars and percentages) for the three months ended March 31, 2009 were as follows (dollars in millions):

|              | Revenue       |       | Assets       |                 | Shareholders' Equity |              |                 |     |
|--------------|---------------|-------|--------------|-----------------|----------------------|--------------|-----------------|-----|
|              | \$            | %     | \$           | %               | \$                   | %            |                 |     |
|              | Total         | Total | Total        | Total           | Total                | Total        |                 |     |
| Woodbridge   | \$ 3.3        | 92%   | Woodbridge   | \$ 400.6        | 77%                  | Woodbridge   | \$ 103.5        | 50% |
| BFC          | 0.3           | 8%    | BFC          | 122.8           | 23%                  | BFC          | 104.5           | 50% |
| <b>Total</b> | <b>\$ 3.6</b> |       | <b>Total</b> | <b>\$ 523.4</b> |                      | <b>Total</b> | <b>\$ 207.9</b> |     |

JMP noted that the pro forma ownership of BFC after giving effect to the merger would be 50% owned by BFC's shareholders and 50% owned by Woodbridge's shareholders (other than BFC).

**For the twelve months ended December 31, 2008.**

BFC's financials are based on the Parent Company Condensed Statements of Financial Condition and Operations, as set forth in BFC's Annual Report on Form 10-K for the year ended December 31, 2008. The contribution analysis was based upon the applicable numbers for the twelve months ended December 31, 2008 and assumed that the 12.9 million shares of Woodbridge's Class A Common Stock not then owned by BFC (and referenced in Woodbridge's Annual Report on Form 10-K for the year ended December 31, 2008) were converted into 44.8 million shares of BFC's Class A Common Stock based on the exchange ratio of 3.47:1.00 shares.

Based upon Woodbridge's Annual Report on Form 10-K for the year ended December 31, 2008, Woodbridge's total revenue, total assets and shareholders' equity for 2008 were \$25.5 million, \$559.3 million and \$119.5 million,

respectively, and, after netting out the 23.6% interest represented by Woodbridge's Class A Common Stock owned by BFC (or \$6.0 million in revenue, \$131.8 million in assets and \$28.2 million in shareholders' equity), the residual Woodbridge contribution was \$19.5 million, \$427.4 million and \$91.4 million, respectively.

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The combined Woodbridge and BFC revenue, assets and shareholders' equity (in dollars and percentages) for the twelve months ended December 31, 2008 were as follows (dollars in millions):

|              | Revenue        |       | Assets       |                 | Shareholders' Equity |              |                 |     |
|--------------|----------------|-------|--------------|-----------------|----------------------|--------------|-----------------|-----|
|              |                | %     |              | %               |                      | %            |                 |     |
|              | Total          | Total | Total        | Total           | Total                | Total        |                 |     |
| Woodbridge   | \$ 19.5        | 89%   | Woodbridge   | \$ 427.4        | 77%                  | Woodbridge   | \$ 91.4         | 45% |
| BFC          | 2.5            | 11%   | BFC          | 131.2           | 23%                  | BFC          | 112.9           | 55% |
| <b>Total</b> | <b>\$ 22.0</b> |       | <b>Total</b> | <b>\$ 558.6</b> |                      | <b>Total</b> | <b>\$ 204.2</b> |     |

**COMPARABLE PUBLIC COMPANY ANALYSIS**

JMP Securities conducted a comparable public company analysis based upon public company peer group trading valuations.

**BFC's Peer Group**

BFC's peer group classification was determined based upon its subsidiaries' largest exposure by industry, which was comprised of two segments: (i) Southeast regional banks and thrifts, because of BFC's interest in BankAtlantic Bancorp and its federal savings bank subsidiary, BankAtlantic; and (ii) land developers, because of BFC's interest in Woodbridge and its Core Communities subsidiary. In the case of both the regional banks and thrifts and the land developers, JMP Securities analyzed the following data points as of June 30, 2009 for each of the peer companies in the data set: the price per share; the fully diluted shares outstanding; the market capitalization; the tangible book value; and the price to tangible book value. The mean and median figures of the price to tangible book value for the data set of (a) the regional banks and thrifts was 0.92x and 1.04x, respectively, and (b) the land developers was 0.90x and 0.44x, respectively. For comparative purposes, in the case of BFC, the following was determined by JMP Securities as of June 30, 2009: the share price was \$0.41; the fully diluted shares outstanding were 45.1 million; the market capitalization was \$18.5 million; the tangible book value was \$104.5 million; and the price to tangible book value was 0.18x.

The foregoing data is set forth below in tabular form (dollars in millions, except share data):

**Price/Tangible Book Value Multiple****Land Developers**

Avatar Holdings

|                                |               |              |
|--------------------------------|---------------|--------------|
| Brookfield Homes               | <b>Mean</b>   | <b>0.90x</b> |
| California Coastal Communities | <b>Median</b> | <b>0.44x</b> |
| The St. Joe Companies          |               |              |

**Banks and Thrifts**

Bancorp South

BankAtlantic Bancorp

Colonial BancGroup  
First Citizens BancShares

|                                   |               |              |
|-----------------------------------|---------------|--------------|
| Hancock Holding Company           | <b>Mean</b>   | <b>0.92x</b> |
| Seacoast Banking Corp. of Florida | <b>Median</b> | <b>1.04x</b> |
| South Financial Group             |               |              |
| Trustmark Corporation             |               |              |
| United Bankshares                 |               |              |
| United Community Banks            |               |              |
| WesBanco                          |               |              |



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|                                     | <b>Share<br/>Price<br/>6/30/09</b> | <b>Fully<br/>Diluted<br/>Shares(1)</b> | <b>Market<br/>Cap.(1)</b> | <b>Tangible<br/>Book Value</b> | <b>Price /<br/>Tang. B V</b> |
|-------------------------------------|------------------------------------|--|---------------------------|--------------------------------|------------------------------|
| <b>BFC Financial Corporation(2)</b> | \$ 0.41                            | 45.1                                   | \$ 18.5                   | \$ 104.5                       | 0.18x                        |

(1) Fully diluted shares outstanding is calculated using the Treasury Stock Method and accounts for in-the-money outstanding options and warrants.

(2) Excludes goodwill associated with consolidation of BFC's investments in subsidiaries.

**Woodbridge's Peer Group**

Woodbridge's peer group classification was also determined based upon its subsidiaries' largest exposure by industry, which was also comprised of two segments: (i) timeshare operators, because of Woodbridge's interest in Bluegreen; and (ii) land developers, because of Woodbridge's Core Communities subsidiary. In the case of both the timeshare operators and the land developers, JMP Securities analyzed the following data points as of June 30, 2009 for each of the peer companies in the data set: the price per share; the fully diluted shares outstanding; the market capitalization; the tangible book value; and the price to tangible book value. The mean and median figures of the price to tangible book value for the data set of (a) the timeshare operators was 0.23x and 0.23x, respectively, and (b) the land developers was 0.90x and 0.44x, respectively. For comparative purposes, in the case of Woodbridge, the following was determined by JMP Securities as of June 30, 2009: the price per share was \$1.10; the fully diluted shares outstanding were 16.9 million; the market capitalization was \$18.6 million; the tangible book value was \$130.1 million; and the price to tangible book value was 0.14x.

The foregoing data is set forth below in tabular form (dollars in millions, except share data):

**Price/Tangible Book Value Multiple****Timeshare Operators**

|                       |               |              |
|-----------------------|---------------|--------------|
| Bluegreen Corporation | <b>Mean</b>   | <b>0.23x</b> |
| Silverleaf Resorts    | <b>Median</b> | <b>0.23x</b> |

**Land Developers**

|                                |               |              |
|--------------------------------|---------------|--------------|
| Avatar Holdings                |               |              |
| Brookfield Homes               | <b>Mean</b>   | <b>0.90x</b> |
| California Coastal Communities | <b>Median</b> | <b>0.44x</b> |
| The St. Joe Companies          |               |              |

**Fully**

|  | <b>Share<br/>Price<br/>6/30/09</b> | <b>Diluted<br/>Shares(1)</b> | <b>Market<br/>Cap.(1)</b> | <b>Tangible<br/>Book Value</b> | <b>Price /<br/>Tang. B V</b> |
|--|------------------------------------|------------------------------|---------------------------|--------------------------------|------------------------------|
| <b>Woodbridge Holdings Corporation</b> | \$ 1.10                            | 16.9                         | \$ 18.6                   | \$ 130.1                       | 0.14x                        |

(1) Fully diluted shares outstanding is calculated using the Treasury Stock Method and accounts for in-the-money outstanding options and warrants.

### **HISTORICAL EXCHANGE RATIO ANALYSIS**

JMP Securities also conducted an exchange ratio analysis based on the relative stock price performance of Woodbridge's and BFC's respective Class A Common Stock.

JMP Securities analyzed over the July 2008 through June 2009 period the 10, 30, 60, 120, 180 and 240-trading day averages of the closing stock prices of each of Woodbridge's and BFC's Class A Common Stock

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in order to ascertain an implied exchange ratio. This analysis produced the following data, as shown in tabular form:

| <b>Time Period</b>      | <b>Closing Stock Price</b> |            | <b>Implied Exchange Ratio</b> |
|-------------------------|----------------------------|------------|-------------------------------|
|                         | <b>Woodbridge</b>          | <b>BFC</b> |                               |
| 10-trading day average  | \$ 1.15                    | \$ 0.43    | 2.70x                         |
| 30-trading day average  | \$ 1.43                    | \$ 0.42    | 3.42x                         |
| 60-trading day average  | \$ 1.09                    | \$ 0.37    | 2.94x                         |
| 120-trading day average | \$ 0.88                    | \$ 0.28    | 3.18x                         |
| 180-trading day average | \$ 0.84                    | \$ 0.29    | 2.96x                         |
| 240-trading day average | \$ 1.53                    | \$ 0.36    | 4.21x                         |

JMP Securities noted that the exchange ratio with respect to the merger, as contemplated by the merger agreement, is 3.47x.

**PREMIUMS PAID ANALYSIS**

JMP Securities reviewed and compared the proposed financial terms and premium implied in the merger to corresponding publicly available financial terms and premiums of selected transactions. In selecting these transactions, JMP Securities reviewed selected finance and banking transactions in merger of equals transactions since May 31, 2001 through November 29, 2007 in the range of \$15.0 million to \$500.0 million of equity value. In its analysis, JMP Securities reviewed the precedent transactions set forth in the chart below:

| <b>Announcement</b> | <b>Target</b>                         | <b>Acquiror</b>                |
|---------------------|---------------------------------------|--------------------------------|
| 11/29/07            | Columbia Financial Corp.              | CCFNB Bancorp Inc.             |
| 11/09/07            | Omega Financial Corp.                 | FNB Corp.                      |
| 09/12/07            | MidWestOne Financial Group Inc.       | ISB Financial Corp.            |
| 07/26/07            | FNB Corp.                             | Virginia Financial Group, Inc. |
| 02/27/07            | FNB Financial Services Corp.          | LSB Bancshares, Inc.           |
| 09/21/06            | Main Street Trust Inc.                | First Busey Corp.              |
| 07/01/06            | Centrue Financial Corp.               | UnionBancorp Inc.              |
| 09/06/01            | BancFirst Ohio Corp.                  | UNB Corp.                      |
| 08/15/01            | MCB Financial Corp.                   | Business Bancorp               |
| 06/13/01            | Virginia Commonwealth Financial Corp. | Virginia Financial Corp.       |
| 05/31/01            | First Gaston Bank of North Carolina   | Catawba Valley Bancshares      |

JMP Securities derived from these selected transactions a reference range of premiums paid relative to the trading share prices at six different points in time preceding the announcement of the selected transactions. The premium paid for each of the selected transactions relative to the applicable share prices was determined based on (a) the percentage premium paid based on the closing price on the applicable date and (b) the percentage premium paid based on the average price over the applicable period, in each case for each of the following number of days prior to the announcement of the applicable merger: 1; 7; 30; 60; 90; and 120. The mean and median of the percentage premium paid for each of the applicable points in time follows:

*based on the closing price on the applicable date*, the mean/median at that date was: at 1 day prior (21.2%/18.6%); at 7 days prior (20.2%/19.4%); at 30 days prior (19.8%/17.9%); at 60 days prior (19.2%/16.3%);

at 90 days prior (26.0%/17.8%); and at 120 days prior (21.6%/22.6%); and

*based on the average price over the applicable period*, the mean/median over the period was: at 1 day (21.2%/18.6%); at 7 days prior (20.5%/19.0%); at 30 days prior (18.5%/16.9%); at 60 days prior (19.0%/17.6%); at 90 days prior (20.1%/17.8%); and at 120 days prior (21.0%/17.0%).

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For comparative purposes, JMP Securities determined that the percentage premium paid for the proposed merger between BFC and Woodbridge at each of the same points in time was as follows:

*based on the closing price on the applicable date*, the premium was: at 1 day prior (29.3%); at 7 days prior (23.7%); at 30 days prior (-13.3%) at 60 days prior (137.1%); at 90 days prior (77.8%); and at 120 days prior (122.3%); and

*based on the average price over the applicable period*, the premium was: at 1 day prior (29.3%); at 7 days prior (25.0%); at 30 days prior (-0.8%); at 60 days prior (30.9%); at 90 days prior (54.0%); and at 120 days prior (62.0%).

The foregoing is set forth below in tabular format:

| Acquiror                          |        | % Premium Paid to Spot(1) |                |                    |                    |                    |                     | % Premium      |                |                    |
|-----------------------------------|--------|---------------------------|----------------|--------------------|--------------------|--------------------|---------------------|----------------|----------------|--------------------|
|                                   |        | 1 Day<br>Prior            | 7 Day<br>Prior | 30<br>Day<br>Prior | 60<br>Day<br>Prior | 90<br>Day<br>Prior | 120<br>Day<br>Prior | 1 Day<br>Prior | 7 Day<br>Prior | 30<br>Day<br>Prior |
| Transactions Since 2001           |        |                           |                |                    |                    |                    |                     |                |                |                    |
| CCFNB Bancorp<br>Inc.             |        |                           |                |                    |                    |                    |                     |                |                |                    |
| FNB Corp.                         |        |                           |                |                    |                    |                    |                     |                |                |                    |
| SB Financial Corp.                |        |                           |                |                    |                    |                    |                     |                |                |                    |
| Virginia Financial<br>Group, Inc. |        |                           |                |                    |                    |                    |                     |                |                |                    |
| SB Bancshares,<br>Inc.            |        |                           |                |                    |                    |                    |                     |                |                |                    |
| First Busey Corp.                 | Mean   | 21.2%                     | 20.2%          | 19.8%              | 19.2%              | 26.0%              | 21.6%               | 21.2%          | 20.5%          | 18.5%              |
| UnionBancorp Inc.                 | Median | 18.6%                     | 19.4%          | 17.9%              | 16.3%              | 17.8%              | 22.6%               | 18.6%          | 19.0%          | 16.9%              |
| UNB Corp.                         |        |                           |                |                    |                    |                    |                     |                |                |                    |
| Business Bancorp                  |        |                           |                |                    |                    |                    |                     |                |                |                    |

Virginia Financial  
Corp.

Catawba Valley  
 Bancshares

**BFC Financial  
Corporation(4)**

**29.3%    23.7%    (13.3)%    137.1%    77.8%    122.3%    29.3%    25.0%    (0.8)**

- (1) Based on the closing price on the applicable date.
- (2) Based on the average price over the applicable periods.
- (3) Merger of equals transactions.
- (4) Based on 3.47x exchange ratio and Woodbridge's Class A Common Stock closing price of \$1.10 and BFC's Class A Common Stock closing price of \$0.41 (as of 6/30/2009).

No company or transaction utilized in the selected precedent transactions analysis is identical to BFC or the proposed merger. In evaluating the precedent transactions, JMP Securities made judgments and assumptions with regard to industry performance, general business, economic market and financial conditions, and other matters, many of which are beyond the control of BFC, such as the impact of competition on BFC and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of BFC or in the financial markets in general. Mathematical analysis, such as determining the mean or median, or the high or the low, is not in itself a meaningful method of using comparable transaction data.

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***Other Matters Relating to JMP Securities Opinion***

In connection with the review of the merger in its capacity as BFC's financial advisor, JMP Securities performed a variety of financial and comparative analysis for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, JMP Securities considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. JMP Securities believes that the summary provided and the analyses described above must be considered as a whole and that selecting portions of these analyses, without considering all of them as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, JMP Securities may have given various analyses and factors more or less weight than other analyses and factors and may have deemed various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described above should therefore not be taken to be JMP Securities' view of the actual value of BFC.

In performing its analyses, JMP Securities made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of BFC. Any estimates contained in JMP Securities' analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by these estimates. The analyses performed were prepared solely as a part of the analyses of JMP Securities of the fairness from a financial point of view of the exchange ratio to BFC's shareholders and were conducted in connection with the delivery by JMP Securities of its opinion, dated July 2, 2009, to the board of directors of BFC. JMP Securities' analyses do not purport to be appraisals or to reflect the prices at which shares of BFC's Class A Common Stock might actually trade. The exchange ratio in the merger, as set forth in the merger agreement, was agreed to through arm's-length negotiations between BFC and Woodbridge and was approved by the board of directors of BFC and by the special committee and board of directors of Woodbridge. JMP Securities did not recommend any specific exchange ratio to BFC or that any exchange ratio constituted the only appropriate exchange ratio to be used in the merger and to be set forth in the merger agreement.

In addition, JMP Securities' opinion and its presentation to the board of directors of BFC was one of many factors taken into consideration by the board of directors of BFC in deciding to approve the merger. Consequently, the analyses described above should not be viewed as determinative of the opinion of the board of directors of BFC with respect to the exchange ratio, or of whether the board of directors of BFC would have been willing to agree to a different exchange ratio.

JMP Securities is a nationally recognized investment banking and advisory firm. JMP Securities has advised BFC that, as part of its investment banking and financial advisory business, JMP Securities is continuously engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the ordinary course of business, JMP Securities may from time to time trade in the securities of or indebtedness of BFC and Woodbridge for its own account, the accounts of investment funds and other clients under the management of JMP Securities and for the accounts of its customers and, accordingly, may at any time hold a long or short position in these securities or indebtedness.

BFC paid JMP Securities an engagement fee of \$50,000 in connection with JMP Securities' services as BFC's financial advisor with respect to BFC's consideration of a merger with Woodbridge, and an additional fee of \$200,000 upon JMP Securities' delivery of its fairness opinion to BFC's board of directors. BFC has also agreed to reimburse JMP Securities for its reasonable expenses incurred in performing its services and to indemnify JMP Securities and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling JMP Securities or any of its affiliates against certain liabilities and expenses, including certain liabilities under federal securities laws, related to or arising out of JMP Securities' engagement and any related transactions.





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**Opinion of Woodbridge's Financial Advisor**

***General***

Woodbridge's special committee retained Ewing to serve as its financial advisor with respect to the merger. Woodbridge's special committee chose Ewing as its financial advisor based on the special committee's view of the importance of BankAtlantic Bancorp's results to the consolidated financial condition of BFC and Ewing's reputation and expertise in assessing and analyzing financial institutions generally, and thrifts in particular.

On July 2, 2009, Ewing delivered to Woodbridge's special committee and full board of directors its opinion to the effect that, as of the date thereof and subject to the assumptions, factors and limitations set forth in the opinion and described below, the consideration to be exchanged by BFC in the merger is fair to Woodbridge's shareholders from a financial point of view.

**The full text of Ewing's opinion, which is attached to this joint proxy statement/prospectus as Annex C, describes, among other things, the assumptions made, general procedures followed, matters considered and limitations on the review undertaken by Ewing in rendering its opinion. The opinion was furnished for Woodbridge's special committee and board of directors in evaluating the advisability of the merger. The opinion does not constitute a recommendation to any shareholder of Woodbridge on whether to approve the merger agreement. The opinion was furnished for the use and benefit of Woodbridge's special committee and board of directors in connection with its consideration of the merger and, by its terms, is not intended to be used, and may not be used, for any other purpose without the written consent of Ewing, except to the extent required by applicable law. The summary of Ewing's opinion presented below is qualified in its entirety by reference to the full text of the opinion, which is attached to this joint proxy statement/prospectus as Annex C. Woodbridge's shareholders are urged to read the opinion carefully and in its entirety.**

Ewing has not been requested to, and did not initiate any discussions with, or solicit any indications of interest from, third parties with respect to the merger or any alternatives to the merger. Ewing also did not advise Woodbridge's special committee or board of directors or any other party with respect to alternatives to the merger, nor did Ewing recommend the amount or type of consideration to be paid in the merger to holders of Woodbridge's Class A Common Stock. Ewing's opinion is based on financial, economic, market and other conditions as in effect on, and the information made available to Ewing as of, the date of the opinion. Ewing has not undertaken, and is under no obligation, to update, revise or withdraw the opinion, or otherwise comment on or consider events occurring after the date of the opinion unless Woodbridge's special committee requests Ewing to do so.

Ewing was not requested to opine as to, and did not address, among other things:

the underlying business decision of Woodbridge with respect to the merger;

the terms of any arrangements, understandings, agreements or documents related to, or the form of any other portion or aspect of, the merger or otherwise, except as expressly addressed in the opinion;

the relative merits of the merger as compared to any alternative business strategies that might exist for Woodbridge or any other party or the effect of any other transaction in which Woodbridge, BFC, their respective shareholders, or any other party might engage;

the tax or legal consequences of the merger to either Woodbridge, BFC, their respective shareholders, or any other party; or

the solvency, creditworthiness or fair value of Woodbridge or BFC under any applicable laws relating to bankruptcy, insolvency, fraudulent conveyance or similar matters.

Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, regulatory, accounting, insurance, tax or other similar professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources. Furthermore, Ewing relied, with the consent of Woodbridge's special committee, on the assessment by that committee, Woodbridge

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and BFC and their respective advisors, as to all legal, regulatory, accounting, insurance and tax matters with respect to Woodbridge, BFC and the merger.

In connection with its opinion, Ewing made and performed such reviews, analyses and inquiries as it deemed necessary and appropriate under the circumstances. Among other things, Ewing:

reviewed the filings of Woodbridge, BFC and BankAtlantic Bancorp with the SEC, including each company's Annual Reports on Form 10-K for the year ended December 31, 2008 and 2007 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, including, without limitation, the financial statements contained therein;

reviewed certain other publicly available financial data for Woodbridge, BFC and BankAtlantic Bancorp and other financial and operating information prepared by the management of Woodbridge, BFC and BankAtlantic Bancorp;

reviewed the historical market prices and trading volume for the publicly traded securities of Woodbridge and BFC;

reviewed the terms and conditions of the merger agreement; and

conducted such other studies, analyses and inquiries as Ewing deemed appropriate.

***Summary of Financial Analyses Provided by Ewing***

In performing its analysis of the fairness of the proposed exchange ratio and the terms of the merger, Ewing examined the assets and liabilities of Woodbridge and BFC, and analyzed the operations and capital adequacy of BankAtlantic Bancorp and BankAtlantic, the largest investment of BFC. Ewing examined the financial ability of BankAtlantic to continue to satisfy regulatory capital requirements. Ewing's assumption regarding the performance of BankAtlantic was based on the consensus outlook that the recession would end in mid-2010 with a subsequent slow recovery.

Historically, Woodbridge, through its subsidiaries, Levitt and Sons and Core Communities, engaged in both homebuilding and the development of master-planned communities. Its revenues during 2005 and 2006 were \$588 million and \$591 million, respectively, and Woodbridge's success in those years was the result of the convergence of many favorable demographic factors, including:

the ready availability of mortgage financing and very low interest rates resulting from the Federal Reserve's decision to help the economy after the collapse of the high-tech stock bubble in 1999-2000;

reduced residential loan underwriting standards resulting from the acceptance of securitized and sub-prime securities by the markets and their endorsement by Fannie Mae and Freddie Mac;

a strong economy;

a favorable stock market;

increased personal wealth and liquidity created by the stock market and the liquidity created by the advent of home equity loans; and

steadily increasing home prices.

With the collapse of the housing market and the economy, the revenues of Woodbridge dropped precipitously by 25% in 2007 to \$442 million and by 90% in 2008 to \$42 million. Levitt and Sons filed a voluntary bankruptcy petition in November 2007, and Core Communities sales declined significantly.

**Ewing's Overview of Assets and Investments of Woodbridge**

The following is a description of the assets and investments of Woodbridge (on a consolidated basis, including the assets of Core) as of March 31, 2009.

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**List and Percentages of Woodbridge's Assets**  
As of March 31, 2009

| <b>Assets</b>                       | <b>Balance Sheet<br/>Asset Values</b> | <b>Percent of<br/>Woodbridge<br/>Assets</b> |
|-------------------------------------|---------------------------------------|---|
| Cash & CDs                          | \$ 127,000,000                        | 24.0%                                       |
| Real Estate Development Land        | 242,000,000                           | 46.6%                                       |
| Shopping Centers & Equipment        | 107,000,000                           | 20.0%                                       |
| 31% of Bluegreen (9,500,000 Shares) | 16,600,000                            | 3.0%  |
| 49% of Pizza Fusion                 | 3,300,000                             | 0.6%  |
| Office Depot (1,400,000 Shares)     | 1,900,000                             | 0.4%  |
| Other Assets                        | 27,000,000                            | 5.4%  |
| <b>TOTAL</b>                        | <b>\$ 524,500,000</b>                 | <b>100.0%</b>                               |

As indicated above, the primary assets of Woodbridge consist of land, shopping centers, and equipment which represent 66.6% of the total assets. The land consists primarily of large tracts of developed and undeveloped land located in Hardeeville, South Carolina (Tradition Hilton Head) and in Port St. Lucie, Florida (Tradition, Florida). These large tracts of land and their related debt are held directly or indirectly by Core Communities.

Ewing observed the following attributes of the various Woodbridge assets:

A.) Core Communities

1.) Tradition, Florida (Port St. Lucie, FL)

The following represent salient facts regarding Core's investment at Tradition, Florida, an 8,200 gross-acre, master-planned community:

Tradition DRI

The Tradition DRI was commenced in 2002 and comprises 2,904 acres. All of the developed residential land units were sold to national and local homebuilders. Several thousand residential living units have been constructed and sold by the homebuilders, but many unsold houses remain.

The infrastructure of the Tradition DRI is financed by community development district bonds.

The Landing at Tradition is a completed 359,864 square foot power retail center located on 79 acres in the town center of Tradition, Florida and includes a number of national big box retailers. The retail center is 92% leased. The property is financed by a \$58,300,000 loan.

The Village Center at Tradition is a Publix-anchored 112,421 rentable square foot shopping center (97% leased) that is part of a 23-acre mixed-use project located in the town center. There is also a completed 28,000 square foot office building on the property. Two separate loans on the property total \$13,700,000, which mature in June and July of 2010.

Western Grove DRI

The Western Grove DRI consists of 1,593 acres with entitlements for 4,062 residential units, 365,904 square feet of retail, 250,906 square feet of office space, an 86-acre city park, and a 20-acre school site. In addition, the undeveloped 640 acres mentioned above in the Tradition DRI has entitlements for 1,784 residential units and was considered in Ewing's analysis to be a part of the Western Grove DRI property.

The infrastructure of the Western Grove DRI is to be financed by community development district bonds. The property has undergone some site improvements, including extensions of electric service and water and sewer mains, the installation of a pumping station and the clearing of some acreage. The Western Grove property is unencumbered, other than obligations for community development district bond debt service in the future.

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A metro study survey prepared for Woodbridge in April 2009 indicated that, due to the current excess of lot inventories in the immediate market area and the West Palm Beach market, sales absorption within the Western Grove DRI will not commence until 2021.

**Southern Grove DRI**

The Southern Grove DRI consists of 2,104 acres with entitlements for 6,919 residential units and 13,164,528 square feet of commercial usage.

The infrastructure of the Southern Grove DRI is being financed by community development district bonds.

The horizontal infrastructure for a 120-acre bio-tech/research mixed-use commercial park immediately south of Tradition Parkway and west of I-95 has been completed. Torrey Pines Institute for Molecular Studies has purchased a 23-acre site and completed a 100,000 square foot center. Prospective tenants in the park are Oregon Health & Science University Vaccine & Gene Therapy Institute, Mann Research Center and Martin Memorial Health Systems Hospital. Construction is commencing on the Becker Road interchange and on Village Parkway, the primary north-south spine road in the Southern Grove DRI between Tradition Parkway and Becker Road. Financing is provided by the community development district bonds.

The Southern Grove DRI is collateral for an \$86,700,000 loan maturing in June 2011.

2.) **Tradition Hilton Head (Hardeeville, SC)**

The following represent salient facts regarding Core's investment at Tradition, South Carolina, a 5,300-acre, master-planned community:

Development and construction activities at Tradition Hilton Head have virtually ceased.

There are entitlements for 9,500 residential units and 2,000,000 square feet of potential commercial building. An 18-hole Fazio golf course and practice center is completed and open. The golf course, which was originally intended as a member-only course, is now open to the public in an effort to defray some of the operating and maintenance costs.

Financing of the subdivision improvements has been provided in the amount of \$27,900,000 due October 2019, and in the amount of \$25,000,000 due February 2012.

Combined negative cash flow for 2009 is projected to be over \$8,200,000, and there appears to be little asset value in Tradition Hilton Head.

3.) **Carolina Oak Homes**

A 150-acre tract in Tradition, South Carolina to be developed into a 504-unit attached town home project.

Fourteen model homes have been constructed, of which nine have been sold.

Financing has been provided via an \$80,000,000 line of credit, which has been frozen at \$37,400,000.

Development has ceased other than limited marketing by the Tradition Hilton Head sales force to sell model homes and/or the remaining lots.

The aforementioned major projects represent \$349 million, or 67%, of Woodbridge's assets as of March 31, 2009. They serve as collateral for \$264 million in loans made to Core Communities, of which approximately \$37 million is guaranteed by Woodbridge.

B.) Other Assets of Woodbridge

The other assets of Woodbridge consist of investments in various companies, which as of March 31, 2009 had a total value of \$21.8 million, or 4%, of the total assets of Woodbridge. Two of the four assets are shares of publicly traded stocks which were valued at their market value as of March 31, 2009. Woodbridge has



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determined the value of the other two assets based on methods prescribed by generally accepted accounting principles.

These assets are as follows:

### 1.) Cypress Creek Sportsline Office Building

This is a 79,000 square foot, three-story, multi-tenant office building located immediately west of the BankAtlantic administrative headquarters on Cypress Creek Road in Ft. Lauderdale.

Sportsline.com occupies 41,000 square feet, which encompasses 52%, of the building, and its lease expires during the first quarter of 2010.

The administrative headquarters of Pizza Fusion occupies 4,900 square feet of the space.

The remaining 33,000 square feet of the building is vacant. Woodbridge is currently in discussions relating to the lease of 21,000 square feet of office space. The building has been financed by an \$11,800,000 term loan that matures on April 15, 2015.

### 2.) Pizza Fusion Stock

Pizza Fusion Holdings, Inc. was founded in 2006 and is an operator and franchisor of upscale, organic pizza restaurants. There are 19 Pizza Fusion operations currently open, and Pizza Fusion anticipates opening an additional 17 franchises during 2009. Pizza Fusion projects that it will have 320 franchises open by 2015. However, the current adverse economic and credit environment may create an obstacle to the success of that expansion program.

Woodbridge invested \$3,000,000 in 2,700,000 shares of Pizza Fusion Series B Convertible Preferred Stock in September of 2008 and, in July 2009, made an additional investment of \$600,000 in the Series B Convertible Preferred Stock at a price of \$1.15 per share. The additional investment made in July 2009 also entitles Woodbridge to 10-year warrants for 300,000 shares of Series B Convertible Preferred Stock at a price of \$1.44 per share. Woodbridge's investment represents an approximate 45% economic interest in Pizza Fusion.

### 3.) Bluegreen Corporation Stock

Woodbridge owns 9,500,000 shares of the common stock of Bluegreen Corporation, representing 31% of outstanding shares of Bluegreen. Bluegreen's common stock is listed on the NYSE. Bluegreen is a developer of timeshare resorts nationally, but primarily in Florida, Texas and the southeastern United States.

The investment in Bluegreen was valued at \$16,500,000 as of March 31, 2009, based on a closing stock price of \$1.74 on that date.

Due to difficulties in the financial markets (specifically in securitization of time share receivables), Bluegreen's ability to continue to finance time share receivables has become very difficult. Woodbridge is attempting to assist Bluegreen in developing a financing source for the purchase of its time share receivables.

### 4.) Office Depot Stock

Woodbridge owns 1,435,000 shares of Office Depot's common stock. Office Depot's common stock is listed on the NYSE, and the shares owned by Woodbridge represent less than 1% of the outstanding shares of such

stock.

The investment in Office Depot was valued at \$1,880,000 as of March 31, 2009, based on a closing stock price of \$1.31 per share on that date.

5.) Cash and Other Assets

As of March 31, 2009, Woodbridge held cash and certificates of deposit totaling \$127 million.

Other assets totaling \$27 million consisted of intangible assets and goodwill.

**Table of Contents****Observations by Ewing Concerning the Operations of Woodbridge**

Woodbridge had a loss from operations of \$140 million in 2008. Ewing estimated the cash flows of Woodbridge for 2009, 2010, and 2011 based on the existing cash flows of the major properties of Woodbridge and management's estimates of revenues over the three years. Ewing's estimates indicate that the cash flows of Woodbridge will total a negative \$100 million to \$140 million over the three-year period absent resumption of sales by Core. Ewing noted that, because the profitability and asset values of Woodbridge's real estate assets have been adversely impacted by the deterioration of the real estate market, as reported in Woodbridge's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, there are doubts regarding the ability of Core Communities to continue as a going concern if Woodbridge chooses not to provide Core Communities with the cash needed to meet any of its obligations when and if they arise.

Ewing observed that, unlike the favorable real estate years prior to 2008, the current and future markets for housing, and particularly for second home and retirement housing, are very bleak as evidenced by the 90% reduction in the revenues of Woodbridge in 2008. Ewing noted that the 25% - 40% decline in house prices, the over supply of existing houses, the significant reductions in personal wealth, the recession and the resulting high unemployment, and the sharp decline in the stock markets have had and may continue to have a depressing effect on commercial and residential land development for many years. Ewing also noted that the burden of debt service will create a cash drain on Woodbridge until the markets for new houses and the cash flow of Woodbridge greatly improve.

**Ewing's Overview of Assets and Investments of BFC**

Ewing examined the assets and liabilities of BFC, whose major holding (other than its interest in Woodbridge) is its controlling interest in BankAtlantic Bancorp and its wholly owned subsidiary, BankAtlantic. BFC owns 2,389,697 shares of BankAtlantic Bancorp's Class A Common Stock and all 975,225 shares of BankAtlantic Bancorp's Class B Common Stock, which collectively gives BFC voting control over, and a 30% economic interest in, BankAtlantic Bancorp. BFC also holds controlling interest in Woodbridge via its ownership of 3,735,392 shares of Woodbridge's Class A Common Stock and all 243,807 shares of Woodbridge's Class B Common Stock, which collectively represent a 58.9% voting interest and 23.6% economic interest in Woodbridge. BFC owns a non-controlling interest in Benihana, Inc., which operates Asian-theme restaurants in the United States.

BFC is a unitary savings bank holding company regulated by the Office of Thrift Supervision (OTS). As of March 31, 2009, BFC had consolidated assets of approximately \$6.1 billion and its gross equity was approximately \$357 million, which includes its non-controlling equity interests of approximately of \$253 million for a net equity of \$105 million.

A list of BFC's unconsolidated assets and their balance sheet values as of March 31, 2009 is provided below:

**List and Percentages of BFC's Assets (Unconsolidated)**

As of March 31, 2009

| <b>Assets</b>                      | <b>Balance Sheet<br/>Asset Values</b> | <b>Percentage<br/>BFC Assets</b> |
|------------------------------------|---------------------------------------|----------------------------------|
| Cash                               | \$ 7,554,000                          | 6.2%                             |
| Investment in BankAtlantic Bancorp | 55,854,000                            | 45.5%                            |
| Investment in Woodbridge           | 39,417,000                            | 32.1%                            |
| Investment in Benihana             | 16,458,000                            | 13.4%                            |

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|              |                |        |
|--------------|----------------|--------|
| Other Assets | 3,490,000      | 2.8%   |
| TOTAL        | \$ 122,773,000 | 100.0% |

As indicated above, the primary assets of BFC consist of its investment in BankAtlantic Bancorp and its investment in Woodbridge. These two investments represent 77% of the total assets of BFC.

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Additionally, BFC owns 800,000 shares of Benihana's Series B Convertible Preferred Stock which is convertible into an aggregate of 1,578,943 shares of Benihana's Common Stock (BNHN). As of January 30, 2009, 5,612,139 shares of Benihana's Common Stock and 9,684,511 shares of Benihana's Class A Common Stock (BNHNA) were outstanding. As of June 19, 2009, Benihana's Common Stock was trading at \$6.15 per share, and Benihana's Class A Common Stock was trading at \$5.80 per share. BFC's investment in Benihana on an as if converted basis represented 13.4% of the total shares outstanding as of March 31, 2009. The average trading volume of Benihana's Common Stock and Class A Common Stock is 20,000 shares per day and 40,000 shares per day, respectively.

Benihana's operations were profitable through the fiscal year ended March 31, 2008, but as a result of the recession, Benihana incurred a loss of \$642,000 for the ten months ended January 4, 2009. At March 31, 2009, BFC carried its investment in Benihana at \$16,458,000 based on its calculation of the present value of the Series B Convertible Preferred Stock.

**Observations by Ewing Concerning BFC**

BFC has no long-term debt at its parent company level.

BFC's revenues consisted primarily of dividends from BankAtlantic Bancorp and Woodbridge, but both companies have discontinued the payment of dividends on their common stock. As a result, revenues have declined from \$522,000 in the first quarter of 2008 to \$283,000 in the first quarter of 2009. BFC's future cash flow must come from future dividends from BankAtlantic Bancorp and Woodbridge and/or the sale of assets.

BFC lost \$10,591,000 in the first quarter of 2009, reflecting its loss of dividend income and its equity interests in write-downs in its consolidated subsidiaries.

Woodbridge has net-operating-loss carry forwards totaling approximating \$70 million.

**Ewing's Overview of Assets and Investments of BankAtlantic Bancorp and BankAtlantic**

Ewing examined the assets and liabilities of BankAtlantic Bancorp and BankAtlantic, whose shares represent BFC's primary asset (45.5% of BFC's total assets). BankAtlantic Bancorp is the largest publicly traded banking institution based in Florida with \$5.5 billion in assets and approximately \$405 million in equity as of March 31, 2009. In performing this review, Ewing relied on publicly available information and documents provided by BankAtlantic's management. BankAtlantic Bancorp's Class A Common Stock (BBX) trades on the NYSE and, as of the close of business on July 2, 2009, the shares were traded at \$3.84 per share.

The objectives of Ewing's review were to:

review BankAtlantic's assets and reserves;

review the anticipated migration of loan problems and losses to loss reserves; and

determine whether BankAtlantic holds capital at well-capitalized regulatory levels, and whether such capital ratio levels are expected to continue.

Ewing noted that, in March 2008, BankAtlantic sold \$101,500,000 in loans to BankAtlantic Bancorp. These loans have been reduced in number from 64 to 50 loans, and the outstanding balance on these loans as of March 31, 2009 was \$76,200,000. Specific impairment reserves for these loans have been established by BankAtlantic Bancorp in the amount of \$11,800,000, which represents 15.4% of the loans. The loss provisions for these loans are taken at

BankAtlantic Bancorp s holding company level and not at BankAtlantic.

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**Ewing's Observations Concerning BankAtlantic Bancorp and BankAtlantic**

Ewing analyzed the capital adequacy of BankAtlantic and concluded that BankAtlantic currently has capital which meets well capitalized regulatory standards. In addition, BankAtlantic may have access to additional capital to be provided by BankAtlantic Bancorp and BFC. If needed, these two entities could provide \$65,000,000 to \$90,000,000 to BankAtlantic by selling the \$76,200,000 in loans held indirectly by BankAtlantic Bancorp, by selling other assets for approximately \$11,000,000 or by utilizing existing cash of approximately \$15,000,000. These resources could represent a source of a 15%-20% capital cushion for BankAtlantic.

BankAtlantic Bancorp, as a bank holding company, currently has no regulatory capital requirements to meet.

At March 31, 2009, BankAtlantic had \$352,000,000 in nonperforming loans and \$22,000,000 in REO. BankAtlantic had loan loss reserves of \$146,600,000 as of March 31, 2009, which represented 3.4% of its gross loans and 40% of its nonperforming assets.

BankAtlantic Bancorp has elected not to pay dividends on its trust preferred securities as allowed by the applicable indentures. BankAtlantic ceased paying dividends to BankAtlantic Bancorp in December 2008 and has no plans to resume payment of dividends to BankAtlantic Bancorp.

BankAtlantic Bancorp and BankAtlantic are subject to several lawsuits that could have an adverse effect on BankAtlantic Bancorp and BankAtlantic if the plaintiffs prevail.

**Ewing's Analysis of the Exchange Ratio**

Ewing observed that exchange ratios in mergers are typically based on current and projected earnings, discounted cash flows, market values of net assets and the terms of merger of comparable transactions. Ewing observed that this merger is being proposed in an economic environment in which real estate values, which greatly affect the market values of both Woodbridge and BFC, are very depressed and volatile and neither company is expected to be profitable in 2009.

Ewing noted that the future profitability of Woodbridge, whose major asset is land (46.6%), is dependent on a substantial recovery of real estate values and that, similarly, the ability of BankAtlantic to return to profitability will depend on a stabilization of the economy and credit markets and a decline in nonperforming assets. Because of the volatility and downward trend of real estate values, it is not feasible, in Ewing's opinion, to calculate a meaningful exchange ratio based on the market values of the real estate and real estate related assets of the two companies. Similarly, as neither company had operating profits in 2008, nor is either expected to be profitable in 2009, an exchange ratio based on current or projected earnings is also not meaningful as the projected earnings for both companies for 2010 and beyond will depend on the timing of a recovery of the real estate markets.

Book values are often used in valuing banks and other financial institutions. Ewing calculated the book value for Woodbridge and BFC as of March 31, 2009 and confirmed the exchange ratio based on the book value of the two companies of 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock (other than shares owned by BFC). Ewing observed that the book values of the two companies provided the best method for determining the exchange ratio for the proposed merger.

Woodbridge and BFC both have public markets for the shares of their Class A Common Stock, as each trades on the Pink Sheets. The average trading volume of Woodbridge's Class A Common Stock and BFC's Class A Common Stock is 6,000 shares per day and 2,000 shares per day, respectively. While the market values of thinly traded stocks do not

always reflect the fair market value of a company's shares, they reflect, over time, the major trends in values created either by economic conditions and/or the operations of the companies.

Ewing observed that the average price of Woodbridge's Class A Common Stock and BFC's Class A Common Stock during June 2009 was \$1.32 and \$0.41, respectively, reflecting a ratio of 3.22. Ewing noted



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that this ratio supports the exchange ratio of 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock (other than shares owned by BFC) which was based on the book values of the companies.

The market capitalization of Woodbridge's Class A Common Stock as of March 31, 2009 was \$23,660,000 (\$1.40 per share x 16,900,332 shares), and the market capitalization of BFC's Class A Common Stock as of June 17, 2009 was \$18,052,000 (\$0.40 per share x 45,129,493 shares).

### **Accounting for the Merger**

Ewing observed that FAS-160 addresses a change in ownership interest by controlling corporations, which applies to this proposed transaction and it simplifies the accounting for the transaction. The effect of the merger on BFC's balance sheet is to transfer the book value of Woodbridge as of the effective date of the merger from non-controlling interest to BFC's shareholders' equity account.

Approximately 90,000,000 shares of BFC's common stock will be outstanding after consummation of the merger with a pro forma book value of approximately \$2.30 per share. Woodbridge's shareholders (other than BFC) are expected to hold an approximately 50% equity ownership interest in BFC following the merger. As the outstanding options of both companies are substantially out of the money, no consideration has been given to them in these calculations.

### **Ewing's Views of the Projected Advantages of the Merger to Woodbridge**

Ewing observed that the advantages of the proposed merger to Woodbridge and its shareholders are as follows.

That, as a result of the merger, Woodbridge's shareholders would be exchanging their ownership interest in Woodbridge's various assets for an ownership interest in BFC's various assets, which (other than its investment in Woodbridge) consist primarily of its investments in BankAtlantic Bancorp and Benihana. The resulting diversification of Woodbridge's interests would appear to be consistent with Woodbridge's board's stated objective of diversification.

The economic recovery of the land development assets of Core is likely to take longer than the recovery of BankAtlantic. If so, the merger will better position Woodbridge's shareholders to benefit earlier and from more diversified revenue producing sources when an improving economy occurs.

The two companies are under common control and many staff functions have already been combined. There should be nominal operating savings created by the merger in the form of reduced accounting, legal and SEC fees.

The resulting larger number of shares and shareholders may improve the marketability of BFC's Class A Common Stock.

### ***Other Matters Relating to Ewing's Opinion***

The preparation of a fairness opinion involves various determinations as to the most appropriate methods of financial analysis and the application of those methods to the particular circumstance. In arriving at its opinion, Ewing did not attribute any particular weight to any one factor but rather made judgments as to the relative significance of each. Ewing believes that its opinion must be considered as a whole and that not doing so could create a misleading view of the process underlying its opinion.

In arriving at its opinion, Ewing assumed and relied upon the accuracy and completeness of the financial and other information provided to it by the companies, and Ewing did not perform any independent verification of such information. Ewing relied upon the assurances of the management of the companies that they are not aware of any circumstances that would make such information inaccurate or misleading. Ewing did not conduct a physical inspection of the properties and facilities of Woodbridge. Ewing's opinion, necessarily, is based upon the economic conditions as they existed as of the date of the opinion.

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In the ordinary course of business and in compliance with applicable laws, certain of Ewing's affiliates, as well as investment funds in which Ewing or its affiliates may have financial interests, may acquire, hold or sell long or short positions, or trade or otherwise effect transactions, in debt, equity and other securities and financial instruments (including bank loans and other obligations) of, or investments in, Woodbridge, BFC, any other party that may be involved in the merger and their respective affiliates.

Woodbridge paid Ewing a fee in the aggregate amount of \$150,000 for Ewing's services as financial advisor to Woodbridge's special committee with respect to the merger and the delivery of its fairness opinion to Woodbridge's special committee and board of directors. Woodbridge has also agreed to reimburse Ewing for certain of its reasonable out-of-pocket expenses incurred from time to time in connection with its services as Woodbridge's financial advisor with respect to the merger and to indemnify Ewing and its affiliates for certain liabilities that may arise in connection with Ewing's engagement. Ewing may in the future provide investment banking and other financial services to Woodbridge for which they will receive compensation.

## **Operations of Woodbridge and BFC Prior to and After the Effective Time of the Merger**

Both Woodbridge and BFC expect to, and have agreed in the merger agreement to, conduct their respective businesses prior to the effective time of the merger in the usual and ordinary course, consistent with their existing business and investment strategies and operational plans. With respect to Woodbridge, this may include, among other things, the continued pursuit of investments and acquisitions within or outside of the real estate industry and providing support to its existing investments, including additional investments in affiliates such as Bluegreen, among others. Further, BFC expects to continue providing support for its controlled subsidiaries with a view to the improved performance of the organization as a whole, and this business strategy may include additional investments in its controlled subsidiaries such as BankAtlantic Bancorp.

Following the merger, BFC expects that both it and Woodbridge (as a wholly owned subsidiary of BFC) will continue to conduct their respective businesses in the usual and ordinary course. BFC intends to allocate resources within the consolidated group among BFC's investments and subsidiaries in a manner which its board of directors believes to be beneficial to BFC's shareholders. It is currently anticipated that BFC will make additional investments in BankAtlantic Bancorp, whether in BankAtlantic Bancorp's previously announced \$100 million rights offering to its shareholders or otherwise, and may also make additional investments in Bluegreen, Core Communities or Benihana.

## **Interests of Certain Persons in the Merger**

In considering the recommendation of the board of directors of BFC to vote in favor of the merger and the related transactions and the recommendation of the board of directors of Woodbridge to vote in favor of the merger agreement, shareholders should be aware that certain directors and executive officers of each of BFC and Woodbridge have interests in the merger that are different from, or are in addition to, the interests of BFC's and Woodbridge's respective shareholders, generally. The boards of directors of each of BFC and Woodbridge and the Woodbridge special committee were aware of these interests during their deliberations on the merits of the merger agreement and the transactions contemplated thereby and in determining to make their recommendations.

### ***Interests of Alan B. Levan, John E. Abdo and their Affiliates***

Alan B. Levan, the Chairman, Chief Executive Officer and President of BFC, Chairman and Chief Executive Officer of Woodbridge and BankAtlantic Bancorp and Chairman of Bluegreen, John E. Abdo, the Vice Chairman of each of BFC, Woodbridge, BankAtlantic Bancorp and Bluegreen, and their respective affiliates collectively beneficially own approximately 27.7% of the outstanding shares of BFC's Class A Common Stock and approximately 87.4% of the outstanding shares of BFC's Class B Common Stock (in each case, including shares which may be acquired by them

pursuant to the exercise of stock options), representing approximately 74.2% of the general voting power and approximately 37.4% of the total common equity of BFC.

After completion of the merger, Alan B. Levan and John E. Abdo, together with their affiliates, are expected to beneficially own approximately 12.9% of the outstanding shares of BFC's Class A Common Stock

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and approximately 87.4% of the outstanding shares of BFC's Class B Common Stock (in each case, including shares which may be acquired by them pursuant to the exercise of stock options), which would represent in the aggregate approximately 71.0% of the general voting power and 19.0% of the total common equity of BFC.

Alan B. Levan is also the father of Jarett S. Levan, who, as described below, is anticipated to be appointed to BFC's board of directors in connection with the merger.

### ***Appointments to BFC's Board of Directors and Management Team***

As described in further detail below in Board of Directors and Executive Officers of BFC Following the Merger, in connection with the merger, BFC has agreed to cause Messrs. James Blosser, Darwin Dornbush, S. Lawrence Kahn, III, Alan J. Levy, Joel Levy, William Nicholson and William Scherer, all of whom are members of the board of directors of Woodbridge, as well as Seth Wise, the President of Woodbridge, and Jarett S. Levan, the son of Alan B. Levan and the President of BankAtlantic Bancorp and Chief Executive Officer and President of BankAtlantic, to be appointed to BFC's board of directors to serve for a term expiring at BFC's 2010 annual meeting of shareholders. In addition, Mr. Wise will serve as Executive Vice President of BFC effective upon consummation of the merger.

### ***Anticipated Issuance of BFC Stock Options; Compensation for Service of Behalf of BFC***

It is anticipated that some or all of the directors and executive officers of Woodbridge, including Alan B. Levan and John E. Abdo, will be granted BFC stock options or other equity-based compensation awards of BFC following the merger. Further, while the Woodbridge stock options, if any, held by these individuals will be canceled, those stock options currently have exercise prices which are far greater than the market price of Woodbridge's Class A Common Stock. It is expected that the new BFC stock options granted to them will have exercise prices equal to the closing market price of BFC's Class A Common Stock on the date of grant. Additionally, following the merger, BFC's directors and executive officers will continue to receive compensation, including equity-based compensation, from BFC for their services and, as permitted by the terms of BFC's stock incentive plan, it is contemplated that BFC's compensation committee will, following consummation of the merger, consider BFC's outstanding stock options with a view to re-pricing some or all of the BFC stock options currently held by BFC's directors and executive officers or cancelling those stock options in connection with the issuance of new stock options having more favorable terms, including lower exercise prices.

### ***Indemnification and Insurance Provisions in the Merger Agreement***

The merger agreement provides that the Surviving Company will indemnify, defend and hold harmless each present and former director and officer of Woodbridge for each such director's and officer's liabilities with respect to acts or omissions occurring prior to the effective time of the merger, to the same extent as provided for under the FBCA and in Woodbridge's Articles of Incorporation or By-laws.

The merger agreement also provides that for six years after the effective time of the merger, the Surviving Company will maintain or cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by Woodbridge or a substitute policy of at least the same coverage and amount as, and containing terms and conditions which are substantially no less advantageous than, the Woodbridge policy, in each case, with respect to claims arising from facts or events which occurred before the effective time of the merger. Alternatively, the Surviving Company may obtain single limit tail directors' and officers' liability insurance coverage providing at least the same coverage and amount as, and containing terms and conditions which are substantially no less advantageous than, the Woodbridge policy for such six-year period with respect to claims arising from facts or events which occurred before the effective time of the merger.

**Articles of Incorporation and By-laws of BFC Following the Merger**

In connection with the merger, BFC's Articles of Incorporation will be amended to increase the authorized number of shares of BFC's Class A Common Stock from 100,000,000 to 150,000,000. In addition, BFC's board of directors has approved amendments to BFC's By-laws which, effective upon consummation of the merger, will increase the maximum number of members of the board of directors of BFC from 12 to 15

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and provide that each director elected or appointed to BFC's board of directors on or after the effective date of the merger will serve for a term expiring at BFC's next annual meeting of shareholders. As a result of the latter amendment (and subject to any future amendments), following BFC's 2012 annual meeting of shareholders, BFC's board of directors will no longer be divided into multiple classes serving staggered terms. Shareholder approval of the amendments to BFC's By-laws is not required. The Articles of Amendment to BFC's Articles of Incorporation and the Amended and Restated By-laws of BFC to be adopted in connection with the merger are as set forth on Annexes D and E hereto, respectively, and you are urged to read them carefully.

## **Board of Directors and Executive Officers of BFC Following the Merger**

Currently, there are five persons serving on the board of directors of BFC, each of whom will continue to serve as directors of BFC following the merger. A summary of the background and experience of each of these individuals is set forth under Information About BFC Management Board of Directors. Additionally, in connection with the merger, BFC has agreed to cause each of Messrs. James Blosser, Darwin Dornbush, S. Lawrence Kahn, III, Alan J. Levy, Joel Levy, William Nicholson and William Scherer, the seven current directors of Woodbridge who are not also directors of BFC, as well as Seth M. Wise, the President of Woodbridge, and Jarett S. Levan, the President of BankAtlantic Bancorp and Chief Executive Officer and President of BankAtlantic, to be appointed to the board of directors of BFC to serve for a term expiring at BFC's 2010 annual meeting of shareholders.

Upon the completion of the merger, the executive officers of BFC in office immediately prior to the effective time of the merger will be the executive officers of BFC. In addition, Mr. Wise will serve as Executive Vice President of BFC effective upon consummation of the merger.

A summary of the background and experience of each of the seven current Woodbridge directors to be appointed to the board of directors of BFC in connection with the merger is set forth under Information About Woodbridge Management Board of Directors. A summary of the background and experience of Mr. Wise is set forth under Information About Woodbridge Management Executive Officers. A summary of the background and experience of Mr. Jarett S. Levan is set forth under Information About BFC Management Board of Directors.

## **Ownership of BFC Following the Merger**

Based on the number of outstanding shares of Woodbridge's Class A Common Stock (other than shares owned by BFC) and BFC's Class A Common Stock, and assuming no holders of Woodbridge's Class A Common Stock choose to exercise and perfect their appraisal rights, immediately following the merger, Woodbridge's shareholders (other than BFC) will own approximately 54% and BFC's shareholders will own approximately 46% of the then-outstanding shares of BFC's Class A Common Stock, and each of Woodbridge's shareholders (other than BFC) and BFC's shareholders will own approximately 50% of BFC's total common equity. Immediately following the merger, shares of BFC's Class A Common Stock and Class B Common Stock will represent in the aggregate 22% and 78%, respectively, of the general voting power of BFC and approximately 92% and 8%, respectively, of the total outstanding common equity of BFC.

## **Termination of Woodbridge's Shareholder Rights Plan; Anticipated Adoption by BFC of Shareholder Rights Plan**

Woodbridge currently has in place a shareholder rights plan which was adopted in an effort to preserve Woodbridge's ability to utilize its net operating loss carryforwards to offset future taxable income. The shareholder rights plan was designed to prevent Woodbridge from experiencing an ownership change for purposes of Section 382 of the Code by causing substantial dilution to any person or group that acquires 5% or more of the outstanding shares of Woodbridge's Class A Common Stock without the approval of Woodbridge's board of directors. Woodbridge's board of directors has

agreed to exempt the merger from the operation of the shareholder rights plan and committed to exercise its right to terminate the shareholder rights plan at the effective time of the merger.

In connection with the termination of Woodbridge's shareholder rights plan, BFC intends to adopt a shareholder rights plan substantially similar to the one in place at Woodbridge in an effort to preserve



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available net operating loss carryforwards for potential utilization as an offset against future taxable income. As contemplated, the plan, if triggered, would result in substantial dilution to any person or group that acquires 5% or more of BFC's outstanding common stock without the approval of BFC's board of directors.

### **Trading of BFC's Class A Common Stock**

BFC's Class A Common Stock is currently listed for trading, and it is anticipated that the shares of BFC's Class A Common Stock to be issued in the merger will be listed for trading, on the Pink Sheets under the symbol BFCF.PK. In the future, BFC may apply for its Class A Common Stock to be listed on the New York Stock Exchange or the NASDAQ Stock Market if its Class A Common Stock meets the requirements for listing on either of those exchanges.

### **Deregistration of Woodbridge's Class A Common Stock**

If the merger is consummated, all of the shares of Woodbridge Class A Common Stock and Class B Common Stock will be canceled, and Woodbridge's Class A Common Stock will no longer be listed for trading on the Pink Sheets and will be deregistered under the Exchange Act.

### **Appraisal Rights**

Holders of Woodbridge's Class A Common Stock who do not vote to approve the merger agreement and who properly assert and exercise appraisal rights with respect to their shares will be entitled to appraisal rights in connection with the merger under the FBCA. Under the FBCA, BFC's shareholders will not be entitled to appraisal rights in connection with the merger.

Each holder of Woodbridge's Class A Common Stock who complies with the procedures set forth in Sections 607.1301 to 607.1333 of the FBCA relating to appraisal rights is entitled to receive in cash the fair value of his, her or its shares of Woodbridge's Class A Common Stock. A holder of Woodbridge's Class A Common Stock must strictly comply with the procedures set forth in such sections. Failure to follow these procedures will result in a termination or waiver of a shareholder's appraisal rights.

To assert appraisal rights, a holder of Woodbridge's Class A Common Stock must not vote in favor of the approval of the merger agreement and must provide written notice to Woodbridge before the vote is taken at the Woodbridge annual meeting indicating that such shareholder intends to demand payment if the merger is effectuated. Such written notification must be received by Woodbridge before the vote on the merger agreement is taken at the Woodbridge annual meeting and must be delivered either in person or by mail (certified mail, return receipt requested, being the recommended form of transmittal) to Woodbridge Holdings Corporation, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309, Attention: Linda Drapos, Secretary. All such notices must be signed in the same manner as the shares are registered on the books of Woodbridge. If a holder of Woodbridge's Class A Common Stock has not provided written notice of his, her or its intent to demand payment before the vote is taken at the Woodbridge annual meeting, the shareholder will be deemed to have waived his, her or its appraisal rights.

Within ten days after the date the merger becomes effective, the Surviving Company will provide each former holder of Woodbridge's Class A Common Stock who has properly provided a notice of intent to demand payment of fair value a written appraisal notice and form, which will indicate the Surviving Company's estimate of the per share fair value of Woodbridge's Class A Common Stock, as well as a copy of Woodbridge's financial statements and a copy of Sections 607.1301 to 607.1333 of the FBCA.

A holder of Woodbridge's Class A Common Stock asserting appraisal rights must execute and return the form to the Surviving Company and deposit the holder's certificates in accordance with the terms of the notice before the date

specified in the appraisal notice, which will not be fewer than 40 or more than 60 days after the date on which the appraisal notice and form were sent to the holder. A holder of Woodbridge's Class A Common Stock who deposits shares in accordance with the assertion of appraisal rights has no further rights as a shareholder of Woodbridge, but only has the right to receive fair value for the shares in accordance with the appraisal procedures, unless the appraisal demand is withdrawn. The fair value of the shares of Woodbridge's Class A Common Stock held by a shareholder exercising appraisal rights means the value of such shares determined immediately preceding the consummation of the merger excluding any appreciation or

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depreciation in anticipation of the merger and could be more than, less than or equal to the value of the shares of BFC's Class A Common Stock that the shareholder would otherwise have received in connection with the merger.

A holder of Woodbridge's Class A Common Stock who does not execute and return the form and deposit his, her or its certificates by the date set forth in the appraisal notice will no longer be entitled to appraisal rights, will be bound by the terms of the merger agreement and, pursuant to the merger agreement, will be entitled to receive 3.47 shares of BFC's Class A Common Stock in exchange for each share of Woodbridge's Class A Common Stock owned by such holder. A holder of Woodbridge's Class A Common Stock who complies with the requirements and wishes to withdraw from the appraisal process may do so by notifying the Surviving Company in writing before the date set forth in the appraisal notice as the due date to execute and return the form. A shareholder who fails to withdraw from the appraisal process may not thereafter withdraw without the Surviving Company's written consent.

A holder of Woodbridge's Class A Common Stock must assert appraisal rights with respect to all of the shares registered in his, her or its name, except that a record shareholder may assert appraisal rights as to fewer than all of the shares registered in the record shareholder's name but which are owned by a beneficial shareholder, if the record shareholder objects with respect to all shares owned by the beneficial shareholder. A record shareholder must notify the Surviving Company in writing of the name and address of each beneficial shareholder on whose behalf appraisal rights are being asserted. A beneficial shareholder may assert appraisal rights as to any shares held on behalf of the shareholder only if the shareholder submits to the Surviving Company the record shareholder's written consent to the assertion of such appraisal rights before the date specified in the appraisal notice and does so with respect to all shares that are beneficially owned by the beneficial shareholder.

If a holder of Woodbridge's Class A Common Stock timely accepts the Surviving Company's offer to pay the fair value of the shares of Woodbridge's Class A Common Stock as set forth in the appraisal notice, payment will be made within 90 days after the Surviving Company receives the form from the holder. A holder of Woodbridge's Class A Common Stock who is dissatisfied with the offer must include in his, her or its returned form a demand for payment of that holder's estimate of the fair value of the shares plus interest, otherwise the holder will be entitled to payment of only the amount offered. Interest shall accrue from the effective date of the merger until the date of payment at the interest rate on judgments in Florida on the effective date of the merger, as determined by the court. Once the Surviving Company has made payment of an agreed upon value to a holder of Woodbridge's Class A Common Stock, such holder will cease to have any interest in his, her or its shares.

If the Surviving Company and a holder of Woodbridge's Class A Common Stock who has exercised appraisal rights are unable to agree on the fair value of the shares of Woodbridge's Class A Common Stock owned by such holder, the Surviving Company would be required to file an appraisal action within 60 days after receiving the payment demand in a court of competent jurisdiction in Broward County, Florida, requesting that the fair value of the shares of Woodbridge's Class A Common Stock be determined. If the Surviving Company fails to file such proceeding within the 60-day period, any shareholder who has exercised appraisal rights may do so in the name of Woodbridge. All such shareholders, other than shareholders who have agreed upon a value with the Surviving Company, are deemed to be parties to the proceeding. In such proceeding, the court may, if it so elects, appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The Surviving Company shall pay each shareholder that is a party to such proceeding the amount found to be due within ten days after final determination of the proceeding. Upon payment of such judgment, all such shareholders will cease to have any interest with respect to their shares of Woodbridge's Class A Common Stock.

The court in an appraisal proceeding will determine the cost and expense of such proceeding, and such costs and expenses will be assessed against the Surviving Company. However, all or any part of such costs and expenses may be apportioned and assessed against all or some of the shareholders that are parties to the proceeding in such amount as the court deems equitable if the court determines that such shareholders acted arbitrarily, vexatiously or not in good

faith with respect to their appraisal rights. The court may also assess the

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fees and expenses of counsel and experts for the respective parties in the amounts the court finds equitable against the Surviving Company if the court finds that the Surviving Company did not substantially comply with the requirements applicable to it under Sections 607.1320 and 607.1322 of the FBCA, or, against any party which the court finds acted arbitrarily, vexatiously, or not in good faith with respect to the appraisal rights. In the event the Surviving Company fails to make any required payments, the shareholders to which such payments are due may sue directly for the amount owed and, to the extent successful, will be entitled to recover all costs and expenses of the suit, including attorney's fees.

BFC's obligation to consummate the merger is conditioned upon holders of not more than 10% of the outstanding shares of Woodbridge's Class A Common Stock exercising, or remaining entitled to exercise, appraisal rights for their shares.

**The foregoing discussion is not a complete statement of the law pertaining to appraisal rights under the FBCA and is qualified in its entirety by reference to the full text of Sections 607.1301 to 607.1333 of the FBCA, which is attached to this joint proxy statement/prospectus as Annex F. The foregoing discussion does not constitute any legal or other advice nor does it constitute a recommendation that holders of Woodbridge's Class A Common Stock exercise or waive their appraisal rights.**

## **Material U.S. Federal Income Tax Consequences of the Merger**

### *General*

The following summary discusses the material U.S. federal income tax consequences of the merger to U.S. holders of shares of Woodbridge's Class A Common Stock. This discussion is based upon the Code, Treasury regulations, administrative rulings and judicial decisions currently in effect, all of which are subject to change, possibly with retroactive effect. Any such change could affect the accuracy of this discussion. This discussion assumes that holders of Woodbridge's Class A Common Stock hold their shares of Woodbridge's Class A Common Stock, and will hold their shares of BFC's Class A Common Stock, as capital assets within the meaning of Section 1221 of the Code. Further, this discussion does not constitute tax advice and does not address all aspects of U.S. federal income taxation that may be relevant to a particular holder of Woodbridge's Class A Common Stock in light of his, her or its personal investment circumstances or to holders of Woodbridge's Class A Common Stock subject to special treatment under the U.S. federal income tax laws such as:

insurance companies;

tax-exempt organizations;

dealers in securities or foreign currency;

banks or trusts;

persons that hold shares of Woodbridge's Class A Common Stock as part of a straddle, a hedge against currency risk, a constructive sale or conversion transaction;

persons that have a functional currency other than the U.S. dollar;

investors in pass-through entities;

holders who acquired their shares of Woodbridge's Class A Common Stock through the exercise of options or otherwise as compensation or through a tax-qualified retirement plan; or

holders of options or restricted shares granted under any Woodbridge benefit plan.

Furthermore, this discussion does not consider the potential effects of any state, local or foreign tax laws.

**You should consult your own tax advisor regarding the specific tax consequences to you of the merger, including the applicability and effect of federal, state, local and foreign income and other tax laws, in light of your particular circumstances.**

For purposes of this discussion, you are a U.S. Holder if you beneficially own shares of Woodbridge's Class A Common Stock and you are:

a citizen or resident of the United States;

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a corporation or other entity taxable as a corporation created or organized under the laws of the United States or any of its political subdivisions;

a trust, if a United States court is able to exercise primary supervision over the administration of the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust; or

an estate that is subject to United States federal income tax on its income regardless of its source.

Neither BFC nor Woodbridge has requested a ruling from the United States Internal Revenue Service (the IRS) with respect to any of the U.S. federal income tax consequences of the merger and, as a result, there can be no assurance that the IRS will not disagree with any of the conclusions described below. Stearns Weaver will issue an opinion to BFC and Woodbridge as of the date on which the merger is consummated to the effect that the merger will qualify as a tax-free reorganization under Section 368(a) of the Code and that BFC and Woodbridge will each be a party to that reorganization under Section 368(b) of the Code. This opinion will be given in reliance on customary representations of BFC and Woodbridge and customary assumptions as to certain factual matters and will not bind the courts or the IRS, nor will it preclude the IRS from adopting a position contrary to those expressed in the opinion.

***Holders of Woodbridge's Class A Common Stock who Receive Shares of BFC's Class A Common Stock in the Merger***

*Exchange of Woodbridge's Class A Common Stock for BFC's Class A Common Stock.* U.S. Holders who receive shares of BFC's Class A Common Stock in exchange for shares of Woodbridge's Class A Common Stock will not recognize gain or loss in the merger. Such U.S. Holder's aggregate tax basis in the shares of BFC's Class A Common Stock received in connection with the merger will be equal to the aggregate tax basis of the shares of Woodbridge's Class A Common Stock surrendered, and his, her or its holding period in shares of BFC's Class A Common Stock will include his, her or its holding period in the shares of Woodbridge's Class A Common Stock surrendered.

*Information Reporting and Backup Withholding.* A U.S. Holder may be subject to information reporting with respect to the cash received in lieu of a fractional share of BFC's Class A Common Stock. A U.S. Holder may also be subject to backup withholding unless (i) such holder is an exempt holder (such as a corporation or a tax-exempt organization), (ii) such holder furnishes a correct taxpayer identification number and certifies that he, she or it is not subject to backup withholding on the substitute Form W-9 or successor form or (iii) such holder is otherwise exempt from backup withholding. A U.S. Holder may credit any amount withheld under the backup withholding rules against his, her or its U.S. federal income tax liability and may seek a refund of any excess amount withheld under the backup withholding rules by filing the appropriate form with the IRS.

*Miscellaneous.* Under Treasury Regulation Section 1.368-3T, if a U.S. Holder owned immediately before the merger either (i) five percent or more, by vote or value, of the publicly traded stock of Woodbridge or (ii) securities of Woodbridge with a tax basis of \$1.0 million or more, such U.S. Holder will be required to file a statement with his, her or its U.S. federal income tax return for the year of the consummation of the merger. That statement must set forth such U.S. Holder's tax basis in, and the fair market value of, the shares of Woodbridge's Class A Common Stock that he, she or it surrendered pursuant to the merger, the date of the merger, and the name and employer identification number of BFC and Woodbridge, and the U.S. Holder will be required to retain permanent records of these facts.

***Treatment of the Companies***

No gain or loss will be recognized by BFC or Woodbridge as a result of the merger.

***Cash Received by Shareholders who Exercise Appraisal Rights***

An eligible holder of Woodbridge's Class A Common Stock that asserts and exercises his, her or its appraisal rights should generally recognize capital gain or loss in an amount equal to the difference between the amount realized and the tax basis of such holder's shares of Woodbridge's Class A Common Stock. Such gain or loss will be a long-term capital gain or loss if the holder's holding period is more than one year from



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the date that the holder asserts and exercises his, her or its appraisal rights. In addition, a portion of any proceeds received following the effective time of the merger may be characterized as interest, taxable as ordinary income, thus reducing the amount of such capital gain or increasing the amount of such capital loss (as the case may be).  **Holders of Woodbridge s Class A Common Stock are encouraged to consult their tax advisors as to the tax consequences of asserting and exercising appraisal rights.**

## **Anticipated Accounting Treatment**

The merger will be accounted for as an equity transaction by BFC for financial reporting and accounting purposes under U.S. generally accepted accounting principles. The results of operations of Woodbridge will continue to be included in the consolidated financial statements of BFC.

## **Regulatory Matters**

BFC must comply with applicable federal and state securities laws in connection with the issuance of shares of its Class A Common Stock in connection with the merger and the filing of this joint proxy statement/prospectus with the SEC.

As a unitary savings bank holding company, BFC is subject to regulation by the OTS. Among other things, ownership of control of BFC is subject to applicable OTS regulations. Under the applicable regulations of the OTS, if, after giving effect to the number of shares of BFC s Class A Common Stock a shareholder of Woodbridge receives in the merger, that shareholder, directly or indirectly, or through one or more subsidiaries, or acting in concert with one or more other persons or entities, owns (i) more than 10% of BFC s common stock and one or more specified control factors exist, then the shareholder will be determined, subject to the right of rebuttal, to have acquired control of BFC or (ii) more than 25% of BFC s common stock, then the shareholder will be conclusively determined to have acquired control of BFC, regardless of whether any control factors exist. Accordingly, subject to certain limited exceptions, any Woodbridge shareholder who receives shares in the merger which causes its ownership of BFC s common stock to exceed such thresholds will be required to file an application, notice or rebuttal with the OTS. Pending favorable action by the OTS on such application, notice, rebuttal, the shareholder s actions with respect to BFC will be limited as set forth in the applicable regulation. If the OTS disapproves of the application, notice or rebuttal, then the shareholder will be required to divest such portion of its shares of BFC s common stock necessary to cause its ownership to fall below the applicable regulatory threshold. Woodbridge s shareholders should consult with their legal counsel regarding any regulatory limitations on their ownership of BFC s common stock that may be applicable to them, including whether they are required to submit an application, notice or rebuttal to the OTS relating to their share ownership.

## **Resale of BFC s Class A Common Stock**

The shares of BFC s Class A Common Stock to be received by holders of Woodbridge s Class A Common Stock in connection with the merger will be registered under the Securities Act and, except as described in this section, may be freely traded without restriction. BFC s registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, does not cover the resale of shares of BFC s Class A Common Stock to be received in connection with the merger by persons who are deemed to be affiliates of Woodbridge or BFC. The shares of BFC s Class A Common Stock to be issued in the merger and received by persons who are deemed to be affiliates of Woodbridge or BFC may be resold by them only in transactions permitted by the resale provisions of Rule 145 under the Securities Act or as otherwise permitted under the Securities Act. Persons who are deemed to be affiliates of Woodbridge or BFC include individuals or entities that control, are controlled by, or are under common control with Woodbridge or BFC and may include officers, directors and principal shareholders of Woodbridge or BFC.



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**THE MERGER AGREEMENT**

*The following summary describes certain material provisions of the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference into this joint proxy statement/prospectus. This summary may not contain all the information about the merger agreement that is important to you and is qualified in its entirety by reference to the merger agreement. You are encouraged to carefully read the merger agreement in its entirety.*

**Form of the Merger**

Subject to the terms and conditions of the merger agreement and in accordance with Florida law, at the effective time of the merger, Woodbridge will be merged with and into Merger Sub, a wholly owned subsidiary of BFC. As a result of the merger, the separate corporate existence of Woodbridge will cease, and Merger Sub will survive and continue as a direct, wholly owned subsidiary of BFC.

**Effective Time of the Merger**

The consummation of the merger will occur as promptly as practicable after the satisfaction or waiver of the conditions to consummation of the merger set forth in the merger agreement. The merger will become effective as of 5:00 p.m., Eastern Time, on the date on which the merger is consummated.

**Consideration to be Received Pursuant to the Merger**

Upon consummation of the merger, each holder of Woodbridge's Class A Common Stock (other than BFC and holders who exercise and perfect their appraisal rights) will be entitled to receive 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock that such holder owns. All of the shares of Woodbridge's Class A Common Stock and Class B Common Stock held by BFC will be canceled in the merger, reflecting Florida law which provides that BFC cannot own shares of its own stock. BFC will not issue fractional shares of its Class A Common Stock in the merger, but instead, the aggregate number of shares of BFC's Class A Common Stock to which holders of Woodbridge's Class A Common Stock will be entitled to receive will be rounded up to the next largest whole number.

**Treatment of Woodbridge Restricted Stock Awards and Stock Options**

Upon consummation of the merger, Woodbridge's Amended and Restated 2003 Stock Incentive Plan will be assumed by BFC and all outstanding restricted stock awards issued thereunder will be converted into restricted stock awards of shares of BFC's Class A Common Stock on the same terms and conditions and with the same restrictions, but with appropriate adjustments made to the number of shares subject to such restricted stock awards based on the exchange ratio of 3.47 shares of BFC's Class A Common Stock for each share of Woodbridge's Class A Common Stock.

All options to purchase shares of Woodbridge's Class A Common Stock outstanding at the effective time of the merger will be canceled in connection with the merger, and the holders thereof will not receive any consideration as a result of such cancellation. In agreeing to this treatment of Woodbridge's options, Woodbridge's special committee and board of directors considered the fact that, as of the date of the merger agreement, all such options were, and, for the foreseeable future, all such options are expected to be, out-of-the-money with exercise prices greatly exceeding the current market price of Woodbridge's Class A Common Stock. However, it is anticipated that some or all of the directors and executive officers of Woodbridge will be granted BFC stock options or other equity-based compensation

awards of BFC following the merger.

**Procedures for Exchange of Certificates**

The merger agreement contemplates that, as promptly as practicable following the effective time of the merger, but in no event later than three business days after the effective time of the merger, the exchange agent for the merger will mail to each record holder of Woodbridge's Class A Common Stock immediately prior to the effective time of the merger (other than BFC and holders of Woodbridge's Class A Common Stock who have exercised and perfected their appraisal rights) a letter of transmittal and instructions for surrendering

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and exchanging the record holder's certificates representing shares of Woodbridge's Class A Common Stock. The merger agreement provides that, upon surrender of such stock certificates for exchange to the exchange agent, together with a duly signed letter of transmittal and such other customary documents as may be required, the holder of the Woodbridge Class A Common Stock certificates will be entitled to receive, and the exchange agent will deliver to such holder, (i) certificates representing the number of whole shares of BFC's Class A Common Stock to which such holder is entitled and (ii) any dividends or other distributions declared or paid on shares of BFC's Class A Common Stock after the effective time of the merger.

After the effective time of the merger, all holders of certificates representing shares of Woodbridge's Class A Common Stock that were outstanding immediately prior to the effective time of the merger will cease to have any rights as shareholders of Woodbridge, and until such certificates are surrendered, each such certificate will evidence only the right to receive the merger consideration and any dividends or other distributions declared or paid on shares of BFC's Class A Common Stock after the effective time of the merger. In addition, no transfer of Woodbridge's Class A Common Stock after the effective time of the merger will be registered on the stock transfer books of Woodbridge.

If any certificate representing shares of Woodbridge's Class A Common Stock has been lost, stolen or destroyed, as a condition to the delivery of the merger consideration in exchange therefor, the owner of such certificate must deliver an affidavit claiming that such certificate has been lost, stolen or destroyed and, if requested by BFC, post a bond in such amount as BFC may reasonably direct as indemnity against any claim that may be made with respect to that certificate.

**Certificates representing shares of Woodbridge's Class A Common Stock should not be surrendered for exchange before the effective time of the merger and should be sent only pursuant to instructions mailed to holders of such certificates by the exchange agent, which the merger agreement provides will be mailed to such holders as promptly as practicable following the effective time of the merger, but in no event later than three business days after the effective time of the merger. In all cases, the certificates representing shares of BFC's Class A Common Stock and dividends or other distributions declared or paid on shares of BFC's Class A Common Stock after the effective time of the merger will be delivered only in accordance with the procedures set forth in the letter of transmittal and exchange instructions provided by the exchange agent.**

The merger agreement contemplates that the exchange agent will deliver to BFC any certificates representing shares of BFC's Class A Common Stock and any funds which have not been disbursed to holders of certificates representing shares of Woodbridge's Class A Common Stock as of nine months after the effective time of the merger. Any holders of certificates representing shares of Woodbridge's Class A Common Stock who have not surrendered such certificates in compliance with the above-described procedures may thereafter look only to BFC for certificates representing shares of BFC's Class A Common Stock and any dividends or distributions with respect to such shares. If any certificate representing shares of Woodbridge's Class A Common Stock are not surrendered prior to the date that is seven years after the effective time of the merger (or immediately prior to such earlier date on which any merger consideration would otherwise escheat to, or become the property of, any governmental entity), any certificates representing shares of BFC's Class A Common Stock and dividends or distributions with respect thereto that the holder of the certificate representing shares of Woodbridge's Class A Common Stock would otherwise have been entitled to receive will, to the extent permitted by applicable law, become the property of BFC, free and clear of all claims or interest.

## **Conditions to Consummation of the Merger**

Each of BFC and Woodbridge is required to consummate the merger only if specific conditions are satisfied or waived, including the following:

the approval of the merger and the related transactions and the merger agreement, respectively, by BFC s and Woodbridge s shareholders;

the absence of any legal restraints or prohibitions preventing the completion of the merger or litigation or other proceeding seeking to enjoin or prohibit the merger;

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the declaration by the SEC that the registration statement of which this joint proxy statement/prospectus is a part is effective and the absence of any stop order or proceeding, initiated or threatened in writing by the SEC, suspending or threatening to suspend such effectiveness;

the receipt of all consents, approvals, assignments and authorizations reasonably necessary to consummate the merger and continue in full force and effect certain material contracts to which Woodbridge is a party; and

the receipt by BFC and Woodbridge from Stearns Weaver of an opinion, dated as of the date on which the merger is consummated, stating that the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

The obligation of BFC to consummate the merger is subject to the satisfaction or waiver at or prior to the closing of the merger of the following additional conditions:

the representations and warranties of Woodbridge contained in the merger agreement being true and correct, subject to certain materiality qualifications;

the performance in all material respects by Woodbridge of all obligations required to be performed by it under the merger agreement;

the delivery by Woodbridge to BFC of a certificate, dated as of the date on which the merger is consummated and signed by the president and chief financial officer of Woodbridge, certifying the satisfaction of each of the two foregoing conditions;

the fairness opinion of JMP Securities, BFC's financial advisor, not being withdrawn, revoked or materially modified;

holders of not more than 10% of the outstanding shares of Woodbridge's Class A Common Stock duly and validly exercising, or remaining entitled to exercise, their appraisal rights in accordance with the FBCA; and

Woodbridge not having recorded, or determining that it is reasonably likely to record, other-than-temporary impairment charges in an aggregate amount greater than \$15 million.

The obligations of Woodbridge to consummate the merger are subject to the satisfaction or waiver at or prior to the closing of the merger of the following additional conditions:

the representations and warranties of BFC contained in the merger agreement being true and correct, subject to certain materiality qualifications;

the performance in all material respects by BFC of all obligations required to be performed by it under the merger agreement;

the delivery by BFC to Woodbridge of a certificate, dated as of the date on which the merger is consummated and signed by the chief executive officer and chief financial officer of BFC, certifying the satisfaction of each of the two foregoing conditions;

the fairness opinion of Ewing, Woodbridge's financial advisor, not being withdrawn, revoked or materially modified; and

BFC not having recorded, or determining that it is reasonably likely to record, other-than-temporary impairment charges in an aggregate amount greater than \$15 million (except for other-than-temporary impairment charges relating to an asset owned by Woodbridge or any of Woodbridge's subsidiaries or relating to BFC's investment in Woodbridge).

The board of directors of either BFC or Woodbridge may in its sole discretion choose to waive any of the conditions to consummation of the merger and choose to proceed to closing notwithstanding that the condition waived has not been fulfilled. No additional shareholder vote will be required in connection with the waiver of a condition to consummation of the merger.



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**Representations and Warranties**

The merger agreement contains customary representations and warranties of each of BFC and Woodbridge, including representations and warranties relating to, among other things:

organization, good standing and similar matters;

capitalization;

due authorization, execution, delivery and enforceability of the merger agreement and the transactions contemplated thereby;

absence of conflicts with each such party's governing documents, applicable laws and contracts;

documents filed with the SEC, including financial statements, compliance with applicable SEC filing requirements and accuracy of information contained in such documents;

absence of any event or occurrence of any condition since March 31, 2009 that (i) has had or could reasonably be expected to have a material adverse effect with respect to such party, (ii) could reasonably be expected to render any of the representations and warranties of such party contained in the merger agreement incorrect or untrue as of the effective time of the merger or (iii) would result in a violation of the covenants of such party contained in the merger agreement had such event or condition occurred after the date of the merger agreement;

filing of tax returns and payment of taxes;

material contracts, and the enforceability of such contracts;

pending or threatened litigation;

engagement and payment of fees of brokers and finders;

accuracy of information supplied by such party in connection with this joint proxy statement/prospectus and the registration statement of which it is a part;

the qualification of the merger as a reorganization under Section 368(a) of the Code;

the receipt of fairness opinions from BFC's and Woodbridge's respective financial advisors;

accuracy and sufficiency of information contained in the merger agreement;

compliance with laws;

related party transactions;

insurance;

compliance with the Sarbanes-Oxley Act of 2002;

certain business practices;

employee benefit plans; and

labor and employment matters.

**Conduct of Business by BFC and Woodbridge Prior to Consummation of the Merger**

BFC and Woodbridge have each agreed that, during the period from the date of the merger agreement to the earlier of the consummation of the merger and the termination of the merger agreement, except as expressly contemplated by the merger agreement or consented to in writing by BFC or Woodbridge, as the case may be, each of BFC and Woodbridge will not, among other things:

conduct its business in a manner that is not consistent with its ordinary course of business and past practice or in a manner that would cause it to default under certain material contracts to which it is a party;

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change or amend its Articles of Incorporation or By-laws (except that BFC may amend its Amended and Restated Articles of Incorporation and By-laws as described in this joint proxy statement/prospectus);

divide, combine or reclassify any of its capital stock or otherwise make any changes in its capital structure;

declare, pay or set aside for payment any dividend or other distribution in respect of its capital stock, except as consistent with past practice;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization;

engage in any action that could reasonably be expected to cause the merger to fail to qualify as a reorganization under Section 368(a) of the Code;

take any action that would cause its representations and warranties contained in the merger agreement to be untrue in any material respect;

take any action that would reasonably be likely to materially delay the merger; or

agree to take, or make any commitment to take, any of the foregoing actions.

In addition, Woodbridge has agreed that, during the period from the date of the merger agreement to the earlier of the consummation of the merger and the termination of the merger agreement, except as expressly contemplated by the merger agreement or consented to in writing by BFC, Woodbridge will not:

issue, sell, or grant any shares of its capital stock (except shares of Woodbridge's Class A Common Stock to be issued upon exercise of options which are outstanding on the date of the merger agreement); or

issue, sell or grant any options, warrants, or rights to purchase or subscribe to, or enter into any arrangement or contract with respect to the issuance or sale of, any of its capital stock or rights or obligations convertible into or exchangeable for any such shares of capital stock, except in the ordinary course of business consistent with past practices.

BFC has also agreed that, during the period from the date of the merger agreement to the earlier of the consummation of the merger and the termination of the merger agreement, except as expressly contemplated by the merger agreement or consented to in writing by Woodbridge, BFC will not cause its directors' and officers' liability insurance policy, and any excess liability policy related thereto, to be canceled, terminated or otherwise not be renewed or replaced with at least an equivalent amount of coverage and on other terms no less favorable to BFC and its officers and directors.

**Other Covenants and Agreements**

The merger agreement contains other covenants and agreements relating to the period of time between the date of the merger agreement and the earlier of the consummation of the merger and the termination of the merger agreement, whereby each of BFC and Woodbridge has agreed to, among other things:

give prompt notice to the other party of (i) any event known to such party which has or is reasonably likely to have a material adverse effect on such party, (ii) any event or circumstance that constitutes or could reasonably be expected to constitute a breach of any of the representations, warranties, or covenants of such party

contained in the merger agreement or (iii) any event or circumstance which could materially and adversely affect such party's ability to satisfy the conditions to the merger;

permit the other party and its authorized representatives reasonable access during regular business hours to the properties of such party and make their respective directors, management and other employees and agents and authorized representatives (including counsel and independent public accountants) available to confer with the other party and its authorized representatives at reasonable times and upon reasonable request;

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disclose and make available to the other party, and cause its agents and authorized representatives to disclose and make available to the other party, all books, papers and records relating to the assets, properties, operations, obligations and liabilities of such party, and to maintain the confidentiality of such information, except as otherwise required by law;

consult with the other party before issuing, and provide the other party the opportunity to review, comment upon and approve, subject to applicable law, regulation or stock exchange rules, any press release or other public announcement with respect to the merger agreement or the merger;

use its reasonable efforts (i) in good faith to take or cause to be taken as promptly as practicable all reasonable actions within its control to cause the conditions precedent to its obligations to consummate the merger to be fulfilled and (ii) to obtain all consents and approvals required in connection with the consummation of the transactions contemplated by the merger agreement;

hold a meeting of its shareholders as promptly as reasonably practicable after the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part and use its reasonable efforts to secure the required vote or consent of its shareholders;

provide the other party with the information pertaining to such party required by the Securities Act or the Exchange Act, as the case may be, for inclusion in this joint proxy statement/prospectus and the registration statement of which this joint proxy statement/prospectus is a part;

use all reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable on the part of such party, to consummate and make effective the transactions contemplated by the merger agreement at the earliest practicable date, including obtaining all required consents, approvals, waivers, exemptions, amendments and authorizations, giving all notices, and making or effecting all filings, registrations, applications, designations and declarations;

use reasonable best efforts to cause the merger to qualify as a reorganization under Section 368(a) of the Code and use reasonable best efforts not to, and not to permit or cause any of its affiliates (or subsidiaries, in the case of BFC) to, take any action or cause any action to be taken which would cause the merger to fail to so qualify as a reorganization under Section 368(a) of the Code;

use its commercially reasonable efforts to cause to be delivered to the other party reasonable and customary comfort letters from its independent accountant; and

cooperate and consult with the other party, to the fullest extent possible, in connection with any shareholder litigation against it or any of its directors or officers with respect to the transactions contemplated by the merger agreement.

In addition, between the date of the merger agreement and the earlier of the consummation of the merger and the termination of the merger agreement, BFC has agreed to, among other things:

prepare and file with the SEC, with Woodbridge's assistance, the registration statement of which this joint proxy statement/prospectus is a part and use all commercially reasonable efforts to cause the registration statement to become effective as promptly as practicable after filing and to maintain such effectiveness until all of the shares of BFC's Class A Common Stock to be issued in connection with the merger have been issued and distributed;

use its best efforts to cause the seven directors of Woodbridge who are not also directors of BFC as well as Seth M. Wise and Jarett S. Levan to be appointed to the board of directors of BFC in connection with the merger;

use its best efforts to cause Seth M. Wise to be appointed Executive Vice President of BFC in connection with the merger; and

take any action required under applicable federal or state securities laws in connection with the issuance of the shares of BFC's Class A Common Stock in connection with the merger.

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Further, between the date of the merger agreement and the earlier of the consummation of the merger and the termination of the merger agreement, Woodbridge has agreed to, among other things:

discontinue the sale or contribution (for any applicable period not commenced as of the date of the merger agreement) of Woodbridge's Class A Common Stock and Class B Common Stock pursuant to any of Woodbridge's employee benefit plans which are subject to Section 401(a) of the Code;

cause all outstanding options to purchase shares of Woodbridge's Class A Common Stock to be canceled as of the effective time of the merger; and

terminate its shareholder rights plan as of the effective time of the merger and take such actions as may be necessary to cause the shareholder rights plan to be inapplicable to the merger and the other transactions contemplated by the merger agreement.

## **No Solicitation**

The merger agreement provides that, from and after the date of the merger agreement until the effective time of the merger, without the prior written consent of the other company, and subject to the rights described under "Superior Proposal" below, neither BFC nor Woodbridge will, and neither will permit its directors, officers, employees, investment bankers, attorneys, accountants or other representatives, agents or affiliates to, directly or indirectly:

solicit, initiate, or knowingly encourage any acquisition proposal or any inquiries or proposals that could reasonably be expected to lead to any acquisition proposal;

engage in negotiations or discussions concerning, or provide any non-public information to any person in connection with, any acquisition proposal or under circumstances that could reasonably be expected to result in an acquisition proposal; or

agree to, approve, recommend or otherwise endorse or support any acquisition proposal.

As defined in the merger agreement, the term "acquisition proposal" means, other than the merger or any proposal or modification thereof, any proposal relating to a possible:

merger, consolidation, share exchange, business combination or similar transaction involving Woodbridge or any of its subsidiaries or BFC;

sale, lease, exchange, transfer or other disposition (other than sales of inventory in the ordinary course of business consistent with past practices), directly or indirectly, by merger, consolidation, share exchange or otherwise (whether in one or more transactions), of all or substantially all of the assets of Woodbridge and its subsidiaries on a consolidated basis or BFC;

liquidation, dissolution, recapitalization or other similar type of transaction;

tender or exchange offer for ten percent or more of the outstanding shares of Woodbridge's Class A Common Stock and Class B Common Stock or BFC's Class A Common Stock and Class B Common Stock or other transaction with Woodbridge or BFC in which any person or group shall acquire or have the right to acquire beneficial ownership of ten percent or more of the outstanding shares of Woodbridge's Class A Common Stock and Class B Common Stock or BFC's Class A Common Stock and Class B Common Stock; or

other transaction which is similar in form, substance or purpose to any of the foregoing transactions.

The merger agreement further provides that, with respect to an acquisition proposal, Woodbridge or BFC, as the case may be, will:

notify the other company immediately, and in any event within 24 hours, if (i) an acquisition proposal is made or is modified in any respect (including any written material provided by the offeror, the principal terms and conditions of any such acquisition proposal or modification thereto and the identity of the offeror), in which case Woodbridge or BFC will provide a copy of the acquisition proposal



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concurrently with such notice or (ii) if either of them furnishes non-public information to, or enters into discussions or negotiations with respect to an acquisition proposal with, any third party;

as promptly as practicable, advise the other company orally and in writing of any request for information that could reasonably be expected to lead to an acquisition proposal as well as the material terms and conditions of such request or inquiry and keep the other company informed in all respects of the status of any such request or inquiry; and

provide the other company with prior telephonic (promptly confirmed in writing) or written notice of any board of directors or committee meeting at which an acquisition proposal is expected or could reasonably be expected to be considered, together with a copy of the documentation relating to such acquisition proposal to the extent such documentation is then available (and otherwise provide such documentation as soon as available).

## **Superior Proposal**

The merger agreement provides further that, notwithstanding the restrictions described above, if at any time prior to the effective time of the merger, any third party submits to BFC's board of directors or Woodbridge's special committee or board of directors an unsolicited, bona fide, written acquisition proposal not resulting from a breach of the no solicitation provisions of the merger agreement, and BFC's board of directors or Woodbridge's special committee or board of directors, as the case may be, reasonably determines in good faith, (i) after consultation with their financial, legal and other advisors, that such acquisition proposal will result in, or upon further discussion with or due diligence by such person could reasonably be expected to constitute or result in, a superior proposal and (ii) after consultation with their outside legal counsel, that the failure to take the following actions may be inconsistent with their fiduciary duties under applicable law, then BFC or Woodbridge, as the case may be, may:

furnish information about its business to such person under protection of an appropriate confidentiality agreement containing customary limitations on the use and disclosure of all non-public written or oral information furnished to such person, provided that Woodbridge contemporaneously furnishes to BFC or BFC contemporaneously furnishes to Woodbridge, as the case may be, all the non-public information furnished to such person; and

negotiate and participate in discussions with such person.

The merger agreement provides that the term superior proposal means any unsolicited, bona fide, written acquisition proposal for consideration consisting of cash (not subject to a financing contingency) and/or securities, and otherwise on terms which BFC's board of directors or Woodbridge's special committee or board of directors, as the case may be, determines, after consultation with their legal, financial and other advisors, are more favorable to the respective company's shareholders from a financial point of view than the merger, taking into account the ability of the offeror to consummate the superior proposal on substantially the terms proposed.

Nothing contained in the merger agreement will prohibit BFC or Woodbridge from taking, and disclosing to its shareholders, a position required by Rule 14d-9 or Rule 14e-2(a) of the Exchange Act or Item 1012(a) of Regulation M-A promulgated thereunder.

## **Change of Recommendation**

The merger agreement provides that the board of directors of Woodbridge and BFC may withhold, withdraw, modify or change its approval or recommendation of the merger agreement and the merger and the related transactions, respectively, or approve or recommend to the applicable company's shareholders a superior proposal if, after the date

of the merger agreement and prior to the effective time of the merger, the company receives a superior proposal not in violation of the no solicitation provisions of the merger agreement and BFC's board of directors or Woodbridge's special committee or board of directors, as the case may be, determines, in good faith and after consultation with their financial advisors and legal counsel, that the failure to do so would be inconsistent with their fiduciary duties under applicable law. In the case of such

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an event, Woodbridge or BFC, as the case may be, must provide the other company with at least two business days prior written notice stating that its intention to take such actions and such notice must include the principal terms and conditions of any such superior proposal and the identity of the offeror.

### **Termination of the Merger Agreement**

The merger agreement may be terminated at any time prior to the effective time of the merger by the mutual written consent of Woodbridge and BFC. In addition, the merger agreement may be terminated by Woodbridge or BFC in certain circumstances, including if:

the merger has not been consummated by September 15, 2009 or, provided the companies are proceeding in good faith to consummate the merger, December 15, 2009;

the shareholders of BFC do not approve the merger and the related transactions or the shareholders of Woodbridge do not approve the merger agreement;

any order, decree, ruling or other judgment issued by any court or other governmental entity prohibiting the consummation of the merger is in effect and has become final and nonappealable;

any law is enacted which makes consummation of the merger illegal; or

BFC's board of directors or Woodbridge's special committee or board of directors determines to approve or recommend a superior proposal after complying with the no solicitation provisions of the merger agreement or withholds or withdraws its recommendation of the merger agreement or the merger in a manner adverse to the other company.

The merger agreement also may be terminated by Woodbridge if:

BFC breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the merger agreement, which breach is incapable of being cured or is not cured within 15 days following the giving of written notice to BFC and which breach or failure to perform would result in the failure of a condition to Woodbridge's obligation to consummate the merger; or

Ewing, Woodbridge's financial advisor, withdraws, revokes, annuls or materially modifies its fairness opinion.

The merger agreement also may be terminated by BFC if:

Woodbridge breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the merger agreement, which breach is incapable of being cured or is not cured within 15 days following the giving of written notice to Woodbridge and which breach or failure to perform would result in the failure of a condition to BFC's obligation to consummate the merger;

JMP Securities, BFC's financial advisor, withdraws, revokes, annuls or materially modifies its fairness opinion; or

a tender offer or exchange offer for ten percent or more of the outstanding shares of Woodbridge's Class A Common Stock and Class B Common Stock is commenced or a registration statement or statement on Schedule TO with respect thereto is filed (other than by BFC or certain of its affiliates) and the board of directors of Woodbridge, notwithstanding its obligations under the merger agreement, recommends that the

shareholders of Woodbridge tender their shares in such tender or exchange offer or publicly announces its intention to take no position with respect to such tender offer.

Neither BFC nor Woodbridge is required to pay a fee to the other company in the event the merger agreement is terminated. In addition, neither company will be subject to any liability in the event the merger agreement is terminated, except in the case of a termination relating to a breach by that company of the provisions of the merger agreement.

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**Expenses**

All fees and expenses incurred in connection with the merger will be paid by the party incurring such fees or expenses, except that BFC and Woodbridge have each agreed to share equally all expenses incurred in connection with the printing, mailing and filing with the SEC of this joint proxy statement/prospectus and the registration statement of which this joint proxy statement/prospectus is a part.

**Indemnification and Insurance**

The merger agreement provides that the Surviving Company will indemnify, defend and hold harmless each present and former director and officer of Woodbridge for each such director's and officer's liabilities with respect to acts or omissions occurring prior to the effective time of the merger, to the same extent as provided for under the FBCA and in Woodbridge's Amended and Restated Articles of Incorporation or By-laws.

The merger agreement also provides that for six years after the effective time of the merger, the Surviving Company will maintain or cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by Woodbridge or a substitute policy of at least the same coverage and amount as, and containing terms and conditions which are substantially no less advantageous than, the Woodbridge policy, in each case, with respect to claims arising from facts or events which occurred before the effective time of the merger. Alternatively, the Surviving Company may obtain single limit tail directors' and officers' liability insurance coverage providing at least the same coverage and amount as, and containing terms and conditions which are substantially no less advantageous than, the Woodbridge policy for such six-year period with respect to claims arising from facts or events which occurred before the effective time of the merger, in which event and upon the request of BFC, Woodbridge shall purchase such coverage immediately prior to the consummation of the merger.

**Amendment and Waiver**

The merger agreement may be amended or modified, in whole or in part, at any time only by a writing signed by BFC and Woodbridge. However, except as may be required by applicable law, prior to the effective time of the merger, any consent, waiver or other determination to be made, or action to be taken, by Woodbridge under the merger agreement will be made or taken only upon the approval of the Woodbridge special committee.

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

The following unaudited pro forma condensed combined financial statements present the pro forma combined financial position and results of operations of BFC, with Woodbridge as its wholly-owned subsidiary, based upon the historical financial statements of BFC and Woodbridge, after giving effect to the merger and adjustments described in the accompanying footnotes, and are intended to reflect the impact of the merger on BFC. The unaudited pro forma condensed combined financial statements are based upon and have been developed from the historical consolidated financial statements of BFC and Woodbridge contained elsewhere in this joint proxy statement/prospectus. The unaudited pro forma condensed combined financial statements are prepared reflecting the merger as an equity transaction and as if the merger had been consummated on June 30, 2009 for purposes of the unaudited pro forma condensed combined balance sheet as of such date, and on January 1, 2008 for purposes of the unaudited pro forma condensed combined statements of operations for the year ended December 31, 2008 and the six months ended June 30, 2009.

The following unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the actual consolidated financial position of BFC would have been had the merger occurred on the dates assumed, nor should they be relied on as being indicative of the future consolidated results of operations or the future consolidated financial position of BFC following the merger. The unaudited pro forma condensed combined financial statements should be read in conjunction with the consolidated financial statements and accompanying notes of BFC and Woodbridge that are included elsewhere in this joint proxy statement/prospectus.

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**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET  
AS OF JUNE 30, 2009**

|  | <b>BFC<br/>Consolidated</b>                  | <b>Proforma<br/>Adjustments</b> | <b>Pro forma</b> |
|--|--|---------------------------------|------------------|
|  | <b>(In thousands, except for share data)</b> |                                 |                  |
| <b>ASSETS</b>  |  |                                 |                  |
| Cash and cash equivalents                            | \$ 271,873                                   | (745)(2)                        | 271,128          |
| Securities investment                                | 690,596                                      |                                 | 690,596          |
| Loans receivable and residential loans held for sale | 4,028,761                                    |                                 | 4,028,761        |
| Real estate held for development and sale            | 270,958                                      |                                 | 270,958          |
| Real estate owned                                    | 34,317                                       |                                 | 34,317           |
| Investments in unconsolidated affiliates             | 40,583                                       |                                 | 40,583           |
| Properties and equipment, net                        | 304,291                                      |                                 | 304,291          |
| Goodwill and other intangible assets                 | 35,363                                       |                                 |                  |