

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

SECTION 301 - DISTRIBUTIONS OF PROPERTY

SECTION 316 - DIVIDEND DEFINED

SECTION 312 - EFFECT ON EARNINGS AND PROFITS

SECTION 317 - OTHER DEFINITIONS - PROPERTY DEFINED

SECTION 1.1502-33 - EARNINGS AND PROFITS

18 Can any resulting loss be recognized? ▶ THIS DISTRIBUTION WOULD NOT RESULT IN RECOGNITION OF ANY LOSS.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ ADJUSTMENT TO SHARE BASIS WOULD BE TAKEN INTO ACCOUNT IN THE TAX YEAR OF THE SHAREHOLDER DURING WHICH THE DISTRIBUTION WAS RECEIVED (E.G., 2020 FOR CALENDAR YEAR TAXPAYERS).


FOR ADDITIONAL DETAIL REGARDING THE SPIN-OFF, SEE DEF 14A (PROXY STATEMENT) AND OTHER SEC FILINGS (E.G., 8-K, 10-Q).

THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND PROVIDES A DESCRIPTION OF COMMON TAX CONSEQUENCES, BUT DOES NOT PURPORT TO DESCRIBE ALL TAX CONSEQUENCES THAT MAY APPLY TO ALL TYPES OF SHAREHOLDERS. TAX RULES REGARDING BASIS IMPACTS CAN BE COMPLEX. SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING ANY U.S. FEDERAL, STATE, LOCAL, & NON-U.S. INCOME TAX CONSEQUENCES, AS APPLICABLE, BASED ON THEIR SPECIFIC CIRCUMSTANCES. IN ADDITION, SHAREHOLDERS ARE ENCOURAGED TO READ THE "MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SPIN-OFF" SECTION OF THE INFORMATION STATEMENT (ATTACHED TO THE PROXY STATEMENT AS APPENDIX A) AND THE SECTION OF THE PROXY STATEMENT (DEF 14A) ENTITLED "PROPOSAL NO. 1 - THE SPIN-OFF."

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 11/16/2020

Print your name ▶ BRETT SHEPPARD Title ▶ CHIEF ACCOUNTING OFFICER

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	HOWARD WAGNER		11/16/2020		P00286652
	Firm's name ▶ CROWE LLP	Firm's EIN ▶ 35-0921680		Phone no. 502-326-3996	
Firm's address ▶ 9600 BROWNSBORO ROAD, SUITE 400, LOUISVILLE, KY 40241-3902					

BLUEGREEN VACATIONS HOLDING CORPORATION
(f/k/a BBX CAPITAL CORPORATION)
EIN: 59-2022148
Attachment to IRS Form 8937

**This attachment summarizes basic U.S. federal income tax information relevant to the September 30, 2020 distribution. Shareholders should consult their tax advisors to determine the federal, state, and local tax consequences of the distribution based on their specific circumstances.*

Part II, Question 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On September 30, 2020, Bluegreen Vacations Holding Corporation ("BVH" or the "Company") (f/k/a BBX Capital Corporation) distributed all issued and outstanding shares of BBX Capital, Inc. ("BBX Capital") pursuant to a Separation & Distribution Agreement dated September 25, 2020 in a transaction that did not qualify for tax free treatment under IRC §355 (the "Distribution").

BVH shareholders of record as of the close of trading on September 22, 2020 received one share of BBX Capital Class A common stock for each share of BVH Class A common stock held and one share of BBX Capital Class B common stock for each share of BVH Class B common stock held. BVH shareholders also retained their shares of BVH Class A and/or Class B common stock, as applicable.

The Distribution separated BVH's businesses, activities, and investments into two separate, publicly-traded companies: (1) BVH, which continues to hold its investment in Bluegreen Vacations Corporation, and (2) BBX Capital, which holds all other businesses and investments, including BBX Capital Real Estate LLC, BBX Sweet Holdings, LLC, and Renin Holdings, LLC.

Following the Distribution:

- BVH Class A shares are listed on the New York Stock Exchange ("NYSE") under trading symbol "BVH," and BVH Class B shares are quoted on the OTCQX market under trading symbol "BVHBB."
- BBX Capital Class A shares are quoted on the OTCQX Best Market under trading symbol "BBXIA," and BBX Capital Class B shares are quoted on the OTC Pink Market under trading symbol "BBXIB."

Other than voting rights,¹ the rights of BBX Capital Class B common shares are substantially the same as the rights of BBX Capital Class A common shares, and BBX Capital Class B common stock is convertible into Class A common stock on a share-for-share basis in the holder's discretion.

Part II, Question 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

For U.S. federal income tax purposes, the Distribution is expected to be treated as a distribution of property (as defined by Internal Revenue Code (IRC) §317(a)) in an amount equal to the fair market value ("FMV") of the BBX Capital shares received, pursuant to IRC §301. See Question 16 below for additional information relevant to determination of FMV of BBX Capital shares received in the Distribution.

¹ Holders of BBX Capital's Class A common stock are entitled to one vote per share, with Class A common stock (approximately 15.6 million shares) having in the aggregate 22% of the general voting power. Holders of BBX Capital's Class B common stock are entitled to super-voting rights with Class B common stock (approximately 3.7 million shares) having in the aggregate 78% of the general voting power. Class B shares are entitled to more than one vote per share based on the number of votes (including fractional votes) for Class B common stock to have 78% of the aggregate general voting power.

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Tax Basis in BBX Capital Shares

The basis of property distributed to a shareholder is the FMV of the property as of the date of the distribution, pursuant to IRC §301(d) and IRC §301(b)(3), respectively. Accordingly, the tax basis in each share of BBX Capital common stock received by shareholders will be equal to the FMV of the BBX Capital shares as of the September 30, 2020 Distribution date.²

Tax Basis in BVH Shares

The distribution would be treated as a taxable dividend to the extent of available current and/or accumulated earnings and profits (“E&P”) of BVH, with no effect on a shareholder’s tax basis in shares, pursuant to IRC §316(a) and IRC §301(c)(1). Any distribution in excess of E&P would constitute a non-dividend distribution, requiring a reduction to basis in each BVH share (to the extent thereof) and/or the recognition of gain to the extent of any non-dividend distribution in excess of a shareholder’s tax basis in BVH shares.³

BVH completed an E&P study computing accumulated E&P as of December 31, 2019, with an estimate of current E&P for the current taxable year ending December 31, 2020. Based on these calculations, BVH has an accumulated E&P deficit as of December 31, 2019 and expects to have a current year E&P deficit for 2020. Accordingly, the expectation is that no portion of the distribution will be treated as a taxable dividend, and the entire amount will be treated as a non-dividend distribution. Accordingly, a shareholder’s tax basis in each share of BVH following the Distribution will generally be equal to a shareholder’s tax basis in each share prior to the distribution, reduced by the amount of the non-dividend distribution received (but not below zero). However, the expected 2020 E&P deficit is based on the Company’s current estimates with respect to its taxable income/loss and related adjustments to calculate E&P for the taxable year ended December 31, 2020. Accordingly, there is no assurance that all or a portion of the distribution will not be deemed to be a dividend distribution when the Company calculates its actual E&P for 2020 in connection with the preparation of its 2020 U.S. federal income tax returns in 2021. A corrected Form 8937 would be filed to report any material change in the anticipated E&P outcome and corresponding basis impacts.

**We cannot tell you what your tax basis is in your BVH shares. You will need to determine tax basis based on how and when you acquired your shares.*

Part II, Question 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

As noted above, the amount of the expected non-dividend distribution received by shareholders will be equal to the FMV of BBX Capital shares received as of the September 30, 2020 distribution date.

Relevant market data for BBX Capital Class A Shares on October 1, 2020 (OTC Pink) and October 2, 2020 (OTCQX) is as follows:

	Oct. 1, 2020	Oct. 2, 2020
Open	\$3.12	\$2.65
Close	\$2.55	\$2.71
High	\$3.19	\$3.05
Low	\$2.55	\$2.40
Volume-Weighted Average	\$2.9341	\$2.6804

² Due to the FINRA review and approval process, there was a slight delay between the distribution of BBX Capital shares on September 30, 2020 (Wednesday) and the first full day of trading on the OTCQX Best Market on October 2, 2020 (Friday), with temporary listing and limited volume trading on the OTC Pink Market on October 1, 2020 (Thursday). BBX Capital Class A common stock was uplisted to the OTCQX Best Market for trading on October 2, 2020. Therefore, the first full day of trading on the OTCQX market was October 2, 2020.

³ In most cases, gain would be capital in character if shares have been held for more than 1 year.

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U.S. federal income tax law does not specifically provide how the FMV of shares received by a shareholder in a corporate distribution should be determined for purposes of calculating tax basis impacts. As previously indicated in the Schedule 14A (Proxy Statement) filed with the Securities and Exchange Commission, the Company believes that a reasonable approach for determining the FMV of BBX Capital shares distributed to shareholders would be to use the volume-weighted average price of BBX Capital Class A common stock for the first full trading day on the OTCQX market, and the Company anticipates utilization of this methodology for purposes of computing corporate-level gain/loss resulting from the distribution and for corporate information reporting (including any required Form 1099 reporting).⁴

It is noted that reasonable alternative share valuation methodologies may be available (e.g., opening trading price, closing trading price), and shareholders may, in consultation with their tax advisor, have the ability to use an alternative approach to determine the FMV of BBX Capital shares received for purposes of determining specific tax basis impacts. We cannot provide any assurances that the Internal Revenue Service will agree with any particular FMV methodology employed by a shareholder.

To illustrate the tax basis impacts of the Distribution, if a shareholder held 100 shares of BVH Class A common stock with a basis of \$1.00 per share,⁵ and the volume-weighted average price of \$2.6804 per share for the first full trading day on the OTCQX market (October 2, 2020) is used as the FMV for each share of BBX Capital stock distributed, the basis impacts to the shareholder would be calculated as follows:

FMV of distribution received	\$268
Compare to tax basis in BVH shares	\$100
FMV of distribution > basis in BVH	\$168
Reduction to Basis in BVH shares	\$100
Gain from Distribution in Excess of Basis	\$168
Post-Distribution Tax Basis in BVH shares	\$0
Post-Distribution Tax Basis in New BBX shares	\$268

⁴ While BBX Capital Class B shares are quoted on the OTC Pink Market, there is minimal trading volume. Other than voting rights, the rights of BBX Capital Class B common shares are substantially the same as the rights of BBX Capital Class A common shares, and the expectation is that holders of Class B shares would generally be required to convert Class B shares to Class A shares (on a share-for-share basis) in order to access the market. Accordingly, the Company believes that market data for BBX Capital Class A common stock is likely a reasonable proxy for the FMV of BBX Capital Class B common stock.

⁵ Special, more complex considerations may apply to the extent that a shareholder owns multiple classes of BVH stock or multiple blocks of BVH stock acquired on different dates with different basis amounts. Separate determinations are generally required for each separately acquired block of shares, and special rules may apply relative to identification of shares for purposes of determining applicable tax basis impacts. Shareholders should consult their tax advisors regarding identification of shares and related tax basis impacts.

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Alternatively, if a shareholder instead held 100 shares of BVH Class A common stock with a basis of \$5.00 per share, and the volume-weighted average price of \$2.6804 per share for the first full trading day on the OTCQX market (October 2, 2020) is used as the FMV for each share of BBX Capital stock distributed, the basis impacts to the shareholder would be calculated as follows:

Tax basis in BVH shares	\$500
<Less: FMV of distributed shares>	(\$268)
Post-Distribution Tax Basis in BVH shares	\$232
Post-Distribution Tax Basis in New BBX share	\$268

**The examples provided above are illustrative only.*