BLUEGREEN CORP
Form 10-K/A
February 28, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

(Mark One)

|X| ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2002

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 0-19292

BLUEGREEN CORPORATION
(Exact name of registrant as specified in its charter)

Massachusetts	03-0300793
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4960 Conference Way North, Suite 100, Boca Raton, Florida 33431
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (561) 912-8000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value	New York Stock Exchange, Pacific Stock Ex
8.25% Convertible Subordinated Debentures due 2012	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No |_|

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in the definitive proxy statement incorporated by reference into Part III of this Form 10-K. |_|

State the aggregate market value of the voting stock held by non-affiliates of the registrant: $50,195,971 based upon the closing sale price of the Company's Common Stock on the New York Stock Exchange on June 24, 2002 ($3.52 per share). For this purpose, "affiliates" include members of the Board of Directors of the Company, members of executive management and all persons known to be the beneficial owners of more than 5% of the Company's outstanding common stock. The market value of voting stock held by non-affiliates excludes any shares issuable upon conversion of any 8.25% Convertible Subordinated Debentures which are convertible at a current conversion price of $8.24 per share.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of June 24, 2002, there were 24,385,807 shares of the registrant's common stock, $.01 par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Specifically identified portions of the Company's definitive proxy statement to be filed for its Annual Meeting of Shareholders to be held on August 22, 2002 (the "Proxy Statement") are incorporated by reference into Part III hereof.

BLUEGREEN CORPORATION
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Note: The term "Bluegreen(R)" is registered in the U.S. Patent and Trademark office by Bluegreen Corporation.

The term "Big Cedar(R)" is registered in the U.S. Patent and Trademark office by Big Cedar L.L.C.

PART I

Item 1. BUSINESS.

Summary

Bluegreen Corporation (the "Company") is a leading marketer of vacation and residential lifestyle choices through its resorts and residential land and golf businesses. The Company's resorts business (the "Resorts Division") acquires, develops and markets timeshare interests in resorts generally located in popular high-volume, "drive-to" vacation destinations. "Timeshare Interests" are of two types: one which entitles the fixed-week buyer to a fully-furnished vacation residence for an annual one-week period in perpetuity and the second which entitles the buyer of the Company's points-based Bluegreen Vacation Club(TM) product to an annual allotment of "points" in perpetuity (supported by an underlying deeded fixed timeshare week being held in trust for the buyer). "Points" may be exchanged by the buyer in various increments for lodging for varying lengths of time in fully-furnished vacation residences at any of the Company's participating resorts. A Timeshare Interest also entitles the buyer to access over 3,700 resorts worldwide through the Company's participation in timeshare exchange networks. The Company currently develops, markets and sells Timeshare Interests in 11 resorts located in the United States and one resort located in the Caribbean. The Company also markets and sells Timeshare Interests at two off-site sales locations serving the Indianapolis, Indiana and Detroit, Michigan markets. Prior to investing in new timeshare projects, the Company performs market research and testing and, prior to completion of development, seeks to pre-sell a significant portion of its Timeshare Interests inventory. The Company's residential land and golf business (the "Residential Land and Golf Division") acquires, develops and subdivides property and markets the subdivided residential lots (hereinafter referred to as "home sites") to retail customers seeking to build a home in a high quality residential setting, in some cases on properties featuring a golf course and related amenities. The Residential Land and Golf Division's strategy is to locate its projects (i) near major metropolitan centers but outside the perimeter of intense subdivision development or (ii) in popular retirement areas. The Company has focused the Residential Land and Golf Division's activities in certain core markets in which the Company has developed substantial marketing expertise and has a strong track record of success. Prior to acquiring Residential Land and Golf Division properties, the Company typically utilizes market research, conducts due diligence and, in the case of new project locations, engages in pre-marketing techniques to evaluate market response and price acceptance. Once a parcel of property is acquired, the Company seeks to pre-sell a significant portion of its planned home sites on such property prior to extensive capital investment as a result of the Company's ability to bond its projects to completion. The Company also generates significant interest income through its financing of individual purchasers of Timeshare Interests and, to a nominal extent, home sites sold by the Residential Land and Golf Division.

For the purposes of this discussion, "estimated remaining life-of-project sales" assumes sales of the existing, currently under construction or development, and planned Timeshare Interests or home sites, as the case may be, at current retail prices. No assurances can be given that actual sales will meet expectations.

Market and industry data used throughout this Form 10-K were obtained from internal Company surveys, industry publications, unpublished industry data and estimates, discussions with industry sources and currently available information. The sources for this data include, without limitation, the American Resort Development Association ("ARDA"), a non-profit industry organization. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as the accuracy and completeness of such information. The Company has not independently verified such market data. Similarly, internal Company surveys, while believed by the Company to be reliable, have not been verified by any independent sources. Accordingly, no assurance can be given that any such data are accurate.

The Resorts Division. The Company's Resorts Division was founded in 1994 to capitalize on the growth of the timeshare industry. According to ARDA and other industry sources, timeshare industry sales grew at growth rates ranging from 14% to 17% annually during the period from 1992 through 2001. No assurances can be given that these industry growth rates will continue. The Company currently markets and sells Timeshare Interests in twelve resorts located in the Smoky Mountains of Tennessee (two resorts); Myrtle Beach (two resorts) and Charleston, South Carolina; Orlando and Surfside, Florida; Branson and Ridgedale, Missouri; Gordonsville, Virginia; Wisconsin Dells, Wisconsin and Aruba. In addition, the Company also markets and sells Timeshare Interests at two off-site sales offices. Through March 31, 2002, the Company has generated approximately 67,000 Timeshare Interests sales transactions at its resorts. As of March 31, 2002, the Company had 69,509 completed Timeshare Interests at its resorts, 8,913 Timeshare Interests under construction or development and plans to develop approximately 78,196 additional Timeshare Interests at existing resorts. Based on the foregoing, the Resorts Division's estimated remaining life-of-project sales were approximately $914 million as of March 31, 2002, based on retail prices at that date. The Company also manages 20 timeshare resorts (including ten of its own resorts) with an aggregate of approximately 87,000 members.

The Resorts Division uses a variety of techniques to attract prospective purchasers of Timeshare Interests, including telemarketing mini-vacations, marketing kiosks in retail and hotel locations, targeted mailings, marketing to current owners of Timeshare Interests and referrals. To support its marketing and sales efforts, the Company has developed and continues to enhance its database to track its timeshare marketing and sales programs. Management believes that, as the Company's timeshare operations grow, this database will become an increasingly significant asset, enabling it to take advantage of, among other things, less costly marketing and referral opportunities.

According to ARDA, the primary reason cited by consumers for purchasing a Timeshare Interest is the ability to exchange a Timeshare Interest for accommodations at other resorts through worldwide exchange networks. Each of the Company's timeshare resorts is affiliated with either Resort Condominium International, Inc. ("RCI") or Interval International ("II"), the two largest worldwide timeshare exchange companies. Participation in an exchange network entitles owners to exchange their annual Timeshare Interests for occupancy at over 3,700 participating RCI resorts or over 1,900 participating II resorts located in over 100 countries worldwide. To further enhance the ability of its Timeshare Interest owners to customize their vacation experience, the Company has also implemented the points-based Bluegreen Vacation Club system which permits its Timeshare Interest owners to purchase an annual allotment of points which can be redeemed for occupancy rights at most Company-owned and certain participating managed resorts. At March 31, 2002, the Company's approximately 51,000 Bluegreen Vacation Club members could choose to use their points at 32 resorts in the Bluegreen system. The Company also has implemented the Bluegreen Vacation Club Sampler program, which allows Sampler package purchasers to enjoy substantially the same amenities, activities and services offered to the regular Bluegreen Vacation Club(TM) members for a one-year trial period. The Company benefits from the Sampler program by recapturing some of the costs incurred in initially marketing to prospective customers through the price of the Sampler package and having the opportunity to remarket the Company's Timeshare Interests to the Sampler customers when they use their trial memberships at the Company's resorts.

Prior to acquiring property for resorts, the Resorts Division undertakes a full property review, including physical and environmental assessments, which is presented for approval to the Company's Investment Committee, which was established in 1990 and consists of certain key members of senior management. During the review process, acquisition specialists analyze market, tourism and demographic data as well as the quality and diversity of the location's existing amenities and attractions to determine the potential strength of the timeshare market in such area and the availability of a variety of recreational opportunities for prospective Timeshare Interest purchasers. The geographic areas in which the Company currently intends to pursue the acquisition of real estate or interests in real estate for the Resorts Division are the areas in which the Resorts Division currently operates (as noted above), the northeastern and western United States and the Caribbean, although the Company may pursue acquisitions in other areas. No assurances can be given that the Company will be able to acquire property in its current target areas or be successful in its acquisitions strategy.

The Company has historically provided financing to approximately 99% of its timeshare customers, who are required to make a downpayment of at least 10% of the Timeshare Interest sales price and who typically finance the balance of the sales price over a period of seven to ten years. As of March 31, 2002, the Company had a timeshare receivables portfolio totaling approximately $50.9 million in principal amount, with a weighted-average contractual yield of approximately 15.4% per annum. During fiscal 2002, the Company maintained a timeshare receivables warehouse facility and a separate timeshare receivables purchase facility to accelerate cash flows from the Company's timeshare receivables. The warehouse facility expired in April 2002, and the Company is currently negotiating a new combined warehouse and purchase facility. No assurances can be given that such negotiation will be successful or that the Company will obtain a new facility on favorable terms if at all. See "Liquidity and Capital Resources" for further discussion of the Company's timeshare receivable facilities and certain risks relating to such facilities.

The Residential Land and Golf Division. The Residential Land and Golf Division is focused primarily on land and golf community projects located in states in which the Company has developed marketing expertise and has a track record of success, such as Texas, North Carolina and Virginia. The aggregate carrying amount of Residential Land and Golf Division inventory at March 31, 2002 was $101.4 million. The Residential Land and Golf Division's estimated remaining life-of-project sales were approximately $357.6 million at March 31, 2002, based on retail prices at that date. The Company believes no other company in the United States of comparable size or financial resources markets and sells residential home sites directly to retail customers.

The Residential Land and Golf Division targets families seeking a quality lifestyle improvement, which is generally unavailable in traditional, intensely subdivided suburban developments. Based on the Company's experience in marketing and selling home sites to its target customers, the Company has been able to develop a marketing and sales program that generates a significant number of on-site sales presentations to potential prospects through low-cost, high-yield newspaper advertising. In addition, STARS, the Residential Land and Golf Division's customer relationship management computer software system, enables the Company to compile, process and maintain information

concerning future sales prospects within each of its operating regions and track the effectiveness of its advertising and marketing programs relative to sales generated. Through the Company's targeted sales and marketing program, the Company believes that it has been able to achieve an attractive conversion ratio of sales to prospects receiving on-site sales presentations.

The Residential Land and Golf Division acquires and develops land in two markets: (i) near major metropolitan centers but outside the perimeter of intense subdivision development; and (ii) popular retirement areas. Prior to acquiring undeveloped land, the Company researches market depth and forecasts market absorption. In new market areas, the Company typically supplements its research with a structured classified advertisement test marketing system that evaluates market response and price acceptance. The Company's sales and marketing efforts begin as soon as practicable after the Company enters into an agreement to acquire a parcel of land. The Company's ability to bond projects to completion generally allows it to sell a significant portion of its residential land inventory on a pre-development basis, thereby reducing the amount of external capital needed to complete improvements. As is the case with the Resorts Division, all acquisitions of Residential Land and Golf Division properties are subject to Investment Committee approval.

In fiscal 1997, the Company began construction of its first daily-fee golf course as part of its long-term plan to participate in the growing daily-fee golf market. The Company believes that daily-fee golf courses are an attractive amenity that increase the marketability of the Company's adjacent home sites in certain projects. The Company's first golf course, the Carolina National(TM) Golf Club ("Carolina National"), is located near Southport, North Carolina, just 30 miles north of Myrtle Beach, South Carolina, one of the nation's most popular golf destinations, and was designed by Masters Champion Fred Couples. The Company opened the first 18 holes of Carolina National for play in July 1998. In fiscal 2000, the Company opened an additional nine holes at Carolina National along with a new clubhouse, featuring food and beverage operations and an expanded pro shop. In fiscal 2000, the Company began construction at Brickshire(TM), a new residential land and golf course community in New Kent County, Virginia. Brickshire opened its 18-hole golf course, designed by two-time U.S. Open Champion Curtis Strange, in fiscal 2002. In fiscal 2001, the Company began construction of an 18-hole golf course designed by PGA Champion Davis Love III adjacent to its residential land project near Chapel Hill, North Carolina, known as The Preserve at Jordan Lake(TM). The Company expects that the golf course at The Preserve at Jordan Lake will open for play in August 2002. The Company intends to expand its golf course community residential land offerings into markets with attractive demographics for such properties. There can be no assurances that the Company's strategy for this expansion will be successful.

The Company's business involves certain risks and uncertainties and this Annual Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1999. Please see Item 7 "Management's Discussion and Analysis of Results of Operations and Financial Condition" ("MD&A") for further discussion of these risks and uncertainties and factors that could cause the Company's actual results to differ materially from those suggested in the forward-looking statements. SEC rules require certain disclosure from real estate investment trusts and other companies whose business is primarily that of acquiring and holding for investment real estate. Because we are not a real estate investment trust and our business is not primarily acquiring and holding real estate for investment, we believe these disclosure rules do not apply to us. Nonetheless, the SEC is now encouraging us to provide certain information called for by this disclosure, and we have done so throughout this report as applicable. Part of this disclosure relates to whether we have policies with respect to the issuing of senior securities, investing in the securities of other companies for the purpose of exercising control, underwriting securities of other companies, or offering securities in exchange for property. We do not have policies covering these matters and believe that such policies, while common and important for real estate investment trusts, are not customary for companies in our industry. Any decisions related to these or similar matters would likely be addressed on a case by case basis by our board of directors. To the extent the board does act on any of these matters in the future, the board would, as with all matters, make decisions based on what it believes to be the best interests of our shareholders and would not submit these matters to shareholders for approval unless required to do so by applicable law or exchange rules.

The Company's executive offices are located at 4960 Conference Way North, Suite 100, Boca Raton, Florida 33431. The Company's telephone number at such address is (561) 912-8000. The Company's web site address is www.bluegreenonline.com.

See also MD&A and Note 17 of Notes to Consolidated Financial Statements for additional financial information on the Company's business segments.

Industry Overviews

Resorts Division

The Market. The resort component of the leisure industry is serviced primarily by two separate alternatives for overnight accommodations: commercial lodging establishments and timeshare resorts. Commercial lodging consists principally of hotels and motels in which a room is rented on a nightly, weekly or monthly basis for the duration of the visit or rentals of privately-owned condominium units or homes. For many vacationers, particularly those with families, a lengthy stay at a quality commercial lodging establishment can be expensive, and the space provided to such vacationers by these establishments relative to the cost is often not economical. In addition, room rates at commercial lodging establishments are subject to change periodically and availability is often uncertain. The Company believes that Timeshare Interest ownership presents an attractive vacation alternative to commercial lodging.

First introduced in Europe in the mid-1960's, Timeshare Interest ownership has been one of the fastest growing segments of the hospitality industry over the past two decades. According to ARDA and other industry sources, timeshare industry sales grew at growth rates ranging from 14% to 17% annually during the period from 1992 through 2001. Also, the number of timeshare resorts worldwide and the number of timeshare owners grew by approximately 9% and 17%, respectively, from 2000 to 2001. No assurances can be given that such industry growth rates will continue.

The Company believes that, based on ARDA reports and other industry data, the following factors have contributed to the increased acceptance of the timeshare concept among the general public and the substantial growth of the timeshare industry:

- Consumer awareness of the value and benefits of Timeshare Interest ownership, including the cost savings relative to certain other lodging alternatives;

- Flexibility of Timeshare Interest ownership due to the growth of international exchange organizations such as RCI and II and points-based vacation club systems;

- The quality of the timeshare resorts and their management;

- Consumer confidence resulting from consumer protection regulation of the timeshare industry and an influx of brand name national lodging companies to the timeshare industry; and

- Availability of consumer financing for purchasers of Timeshare Interests.

The timeshare industry traditionally has been highly fragmented and dominated by a large number of local and regional resort developers and operators, each with small resort portfolios generally of differing quality. The Company believes that one of the most significant factors contributing to the current success of the timeshare industry is the entry into the market of some of the world's major lodging, hospitality and entertainment companies, such as Marriott, Disney, Hilton, Hyatt, Four Seasons, Starwood, Carlson and Bass Hotels. Although timeshare operations currently comprise only a portion of these companies' overall operations, the Company believes that their involvement in the timeshare industry has enhanced the industry's image with the general public.

Since the September 11th terrorist attacks, the leisure and travel industries, including the timeshare industry, have been adversely impacted by a reduction in air travel by Americans. The Company believes that it has been somewhat less affected by this adverse economic impact due to the 11 "drive-to" resort destinations in its portfolio of 12 timeshare properties. The Company believes that, in general, Americans still desire to take family vacations and that the Bluegreen Vacation Club, which consists entirely of "drive-to" resorts, is positioned to satisfy consumer demand for family vacations in the post-September 11th environment. There can be no assurances that the Company will not experience a material adverse economic effect from the current or future reductions in air and other forms of leisure travel.

The Consumer. According to information compiled by industry sources, customers in the 40-49 year age range represented approximately 25% of all Timeshare Interest owners in the United States in 2000. Historically, the median age of a Timeshare Interest buyer at the time of purchase was 48. The median annual household income of Timeshare Interest owners in the United States in 2000 was approximately $79,000, with approximately 29% of all Timeshare Interest owners having annual household incomes greater than $100,000. The Company believes that, despite the industry's growth, Timeshare Interest ownership has achieved only an approximate 5% market penetration among United States households with incomes above $50,000 per year.

Timeshare Interest Ownership. The purchase of a Timeshare Interest typically entitles the buyer to use a fully-furnished vacation residence, generally for a one-week period each year in perpetuity. Typically, the buyer acquires an ownership interest in the vacation residence, which is often held as tenant-in-common with other buyers of interests in the property. Under a points-based vacation club system, members purchase an annual allotment of points that can be redeemed for occupancy rights at participating resorts. Compared to other vacation ownership arrangements, the points-based system offers members greater flexibility in planning their vacations. The number of points that are required for a stay at any one resort varies, depending on a variety of factors, including the resort location, the size of a unit, the vacation season and the days of the week used. Under this system, members can select vacations according to their schedules, space needs and available points. Subject to certain restrictions, members are typically allowed to carry over for one year any unused points and to "borrow" points from the next year. In addition, members are required to pay annual fees for certain maintenance and management costs associated with the operation of the resorts based on the number of points to which they are entitled. As of March 31, 2002, all of the Company's sales offices, with the exception of its La Cabana Beach and Racquet Club(TM) ("La Cabana") sales office in Aruba, were only selling Timeshare Interests within the Bluegreen Vacation Club system.

The owners of Timeshare Interests manage the property through a nonprofit homeowners' association, which is governed by a board of directors or trustees consisting of representatives of the developer and owners of Timeshare Interests at the resort. The board hires a management company to which it delegates many of the rights and responsibilities of the homeowners' association, including grounds landscaping, security, housekeeping and operating supplies, garbage collection, utilities, insurance, laundry and repairs and maintenance. As of March 31, 2002, the Company managed 20 resorts (including ten of the Company's resorts) and served an owner base of approximately 87,000.

Each Timeshare Interest owner is required to pay the homeowners' association a share of all costs of maintaining the property. These charges can consist of an annual maintenance fee plus applicable real estate taxes and special assessments, assessed on an as-needed basis. If the Timeshare Interest owner does not pay such charges, such owner's use rights may be suspended and the homeowners' association may foreclose on the owner's Timeshare Interest.

Participation in Independent Timeshare Interest Exchange Networks. The Company believes that its Timeshare Interests are made more attractive by the Company's affiliation with Timeshare Interest exchange networks operated by RCI and II, the two largest timeshare exchange companies worldwide. Eleven of the Company's timeshare resorts are affiliated with RCI and have been awarded RCI's highest designation (Gold Crown), while La Cabana is affiliated with II. A Timeshare Interest owner's participation in the RCI or II exchange network allows such owner to exchange their annual Timeshare Interest for occupancy at over 3,700 participating resorts in the case of RCI and over 1,900 participating resorts in the case of II, based upon availability and the payment of a variable exchange fee. RCI and II's participating resorts are located throughout the world in over 100 countries. A member may exchange their Timeshare Interest for an occupancy right in another participating resort by listing his Timeshare

Interest as available with the exchange organization and by requesting occupancy at another participating resort, indicating the particular resort or geographic area to which the member desires to travel, the size of the unit desired and the period during which occupancy is desired. The exchange network assigns ratings to each listed Timeshare Interest, based upon a number of factors, including the location and size of the unit, the quality of the resort and the period during which the Timeshare Interest is available, and attempts to satisfy the exchange request by providing an occupancy right in another Timeshare Interest with a similar rating. If the exchange network is unable to meet the member's initial request, it suggests alternative resorts based on availability. No assurances can be given that the Company's resorts will continue to qualify for participation in RCI or II, or that the Company's customers will continue to be satisfied with these networks. The failure of the Company or any of its resorts to participate in qualified exchange networks or the failure of such networks to operate effectively could have a material adverse effect on the Company.

Residential Land and Golf Division

The Residential Land and Golf Division operates within a specialized niche of the real estate industry, which focuses on the sale of residential home sites to retail customers who intend to build a home on such home sites at some point in the future. The participants in this market are generally individual landowners who are selling specific parcels of property and small developers who focus primarily on projects in their region. Although no specific data is available regarding this market niche, the Company believes that no other company in the United States of comparable size or financial resources currently markets and sells residential land directly to retail customers.

Unlike commercial homebuilders who focus on vertical development, such as the construction of single and multi-family housing structures, the Residential Land and Golf Division focuses primarily on horizontal development activities, such as grading, roads and utilities. As a result, the projects undertaken by the Company are significantly less capital intensive than those undertaken by the commercial homebuilders. See "MD&A" for a

discussion of risks the Company has as a result of holding real estate inventory. The Company believes that its market is also the beneficiary of a number of trends, including the large number of people entering into the 40-55 year age bracket and the economic and population growth in certain of its primary markets.

The Residential Land and Golf Division is also focused on the development of golf courses and related amenities as the centerpieces of certain of the Company's residential land properties. As of March 31, 2002, the Company was marketing home sites in six projects that include golf courses developed either by the Company or a third party. The Company intends to acquire and develop additional golf communities, as management believes that the demographics and marketability of such properties are consistent with the Company's overall residential land strategy. Golf communities typically are larger, multi-phase properties, which require a greater capital commitment than the Company's single-phase residential land projects. There can be no assurances that the Company will be able to successfully implement its golf community strategy.

Company Products

Timeshare Resorts

All of the Company's resorts, with the exception of La Cabana, are part of the Bluegreen Vacation Club. Buyers of timeshare interests in the Bluegreen Vacation Club receive an annual allotment of "points" in perpetuity (supported by an underlying deeded fixed timeshare week held in trust for the buyer). "Points" may be exchanged by the buyer in various increments for lodging for varying lengths of time in fully-furnished vacation residences at the Company's participating resorts. In addition to 11 of the Company's resorts (all except La Cabana), Bluegreen Vacation Club owners can use their points to stay at 21 additional resorts not owned by the Company, primarily located in Florida. By selling points in the club, the Company has the flexibility to deed timeshare interests in its resorts at any of its sales locations, both on-site (i.e., located on a resort property) and off-site.

Buyers of timeshare interests in La Cabana receive an ownership interest in La Cabana, which provides them the use of a vacation residence at La Cabana for a one-week period each year in perpetuity. Ownership of a timeshare interest in La Cabana is not interchangeable with ownership of a timeshare interest at one of the Company's other resorts which are part of the Bluegreen Vacation Club, or vice versa.

Realty taxes at the Company's timeshare resorts are the responsibility of the applicable property owners' association for each resort. Other than to the extent that the Company pays the resort property owners' associations annual developer subsidies or maintenance fees for the timeshare interests that the Company holds in inventory, the Company has no direct obligation for real estate taxes on its resorts.

Set forth below is a description of each of the Company's timeshare resorts. All units at most of the properties have certain standard amenities, including a full kitchen, at least two televisions, a VCR player and a CD player. Some units have additional amenities, such as big screen televisions, fireplaces, Jacuzzi tubs and video game systems. Most properties offer guests a clubhouse (with an indoor and/or outdoor pool, a game room, exercise facilities and a lounge) and a hotel-type staff. The Company manages all of its resorts with the exception of La Cabana and the Big Cedar Wilderness Club(TM). La Cabana is managed by Optima Hotel Exploitatiemaatschappij N.V., an unaffiliated third party which managed the resort prior to the Company's acquisition of La Cabana's unsold Timeshare Inventory in 1997. The Big Cedar Wilderness Club resort is managed by Big Cedar(R), L.L.C., the minority owner of the Company's 51%-owned Bluegreen/Big Cedar Vacations, LLC(TM), the developer of the Big Cedar Wilderness Club.

Please see page 8 below for additional disclosure about the individual resorts, including the number of Timeshare Interests completed, under construction and sold at each of the Company's resorts.

MountainLoft(TM) --Gatlinburg, Tennessee. The MountainLoft Resort in Gatlinburg, Tennessee is located near the Great Smoky Mountains National Park and is minutes from the family attractions of Pigeon Forge, Tennessee. Units are located in individual chalets or mid-rise villa buildings. Each unit is fully furnished with a whirlpool bath and private balconies, and certain units include gas fireplaces.

Laurel Crest(TM)--Pigeon Forge, Tennessee. Laurel Crest is located in proximity to the Great Smoky Mountains National Park and the Dollywood theme park. In addition, visitors to Pigeon Forge can enjoy over 200 factory outlet stores and music shows featuring renowned country music stars as well as partake in a variety of outdoor activities, such as horseback riding, trout fishing, boating, golfing and white water rafting.

Shore Crest(TM)Vacation Villas--North Myrtle Beach, South Carolina. Shore Crest Vacation Villas is located on the beach in the Windy Hill section of North Myrtle Beach a mile from the famous Barefoot Landing, with its restaurants, theaters, shops and outlet stores.

Harbour Lights(TM)--Myrtle Beach, South Carolina. Harbour Lights is located in the Fantasy Harbour Complex in the center of Myrtle Beach. Nearby are Theater Row, shopping, golf and restaurants. The resort's Activities Center overlooks the Intracoastal Waterway.

The Falls Village(TM) --Branson, Missouri. The Falls Village is located in the Ozark Mountains. Fishing, boating and swimming are available at nearby Table Rock Lake and Lake Taneycomo, and area theaters feature shows by renowned country music stars. Most resort customers come from areas within an eight to ten hour drive of Branson.

Christmas Mountain Village(TM) --Wisconsin Dells, Wisconsin. Christmas Mountain Village offers a 27-hole golf course and seven ski trails served by two chair lifts. Other on-site amenities include horseback riding, tennis courts, a five-acre lake with paddleboats and rowboats and four outdoor swimming pools. Christmas Mountain Village attracts customers primarily from the greater Chicago area and other locations within an eight to ten hour drive of Wisconsin Dells.

Orlando's Sunshine(TM) --Orlando, Florida. Orlando's Sunshine Resort is located on International Drive, near Wet'n'Wild water park and Universal Studios. During fiscal 2000, the Company completed construction on Phase II of the Orlando's Sunshine Resort, which includes 60 units, an outdoor swimming pool, hot tub and tennis courts.

La Cabana Beach Resort & Racquet Club --Aruba. Bluegreen Properties N.V. acquired the unsold Timeshare Interest inventory of La Cabana (approximately 8,000 Timeshare Interests) in December 1997 and additional Timeshare Interests from time to time thereafter. Established in 1989, La Cabana is a 449-suite ocean front property, which offers one-, two- and three-bedroom suites, garden suites and penthouse accommodations. On-site amenities include tennis, racquetball, squash, a casino, two pools and private beach cabanas, none of which are owned or managed by the Company.

Shenandoah Crossing(TM) --Gordonsville, Virginia. Shenandoah Crossing features an 18-hole golf course, indoor and outdoor pools, tennis courts, horseback riding trails and a lake for swimming, fishing and boating.

The Lodge Alley Inn(TM) --Charleston, South Carolina. Located in Charleston's historic district, the Lodge Alley Inn includes one- and two-bedroom suites, many furnished with an equipped kitchen, living room with fireplace, dining room, jacuzzi, pine wood floors, and 18th century-style furniture reproductions. The resort, which features the on-site High Cotton restaurant, is within walking distance of many of Charleston's historical sites, open-air markets and art galleries.

The Big Cedar Wilderness Club --Ridgedale, Missouri. In fiscal 2001, Bluegreen/Big Cedar Vacations LLC, a joint venture between a wholly-owned subsidiary of the Company and Big Cedar, L.L.C., with 51% and 49% ownership, respectively, began developing the Big Cedar Wilderness Club, a 300-unit, wilderness-themed resort adjacent to the world famous Big Cedar Lodge luxury hotel resort. (The Big Cedar Lodge is owned and operated by Big Cedar, L.L.C., an affiliate of Bass Pro Shops, a privately-held retailer of fishing, marine, hunting, camping and sports gear.) The Big Cedar Wilderness Club is located on Table Rock Lake, and is near Dogwood Canyon. Guests staying in the two bedroom cabins or one and two bedroom lodge villas will enjoy fireplaces, private balconies, full kitchens and internet access. Planned amenities include indoor and outdoor swimming pools and hot tubs, lazy river, hiking trails, campfire area, beach and playground. Guests also have access to certain of the luxury amenities at the Big Cedar Lodge, including the Jack Nicklaus Signature Top of the Rock Par Three Golf Course, a marina, horseback riding, tennis and spa.

Solara Surfside(TM) --Surfside, Florida. In June 2001, the Company acquired the unsold Timeshare Interest inventory (approximately 6,001 Timeshare Interests, as further described in the table below) at an existing vacation ownership property located in Surfside, Florida, near Miami Beach. Solara Surfside is located directly on the beach and features one and two bedroom vacation homes. Sales of Timeshare Interests in this resort commenced in May 2002. The Company is in the process of renovating the resort's units, common areas and amenities. Such renovations are anticipated to be completed by October 2002, although there can be no assurances.

The following table sets forth additional data with respect to each of the Company's resorts:

Location	Mountain-Loft Gatlinburg, TN	Laurel Crest Pigeon Forge, TN	Shore Crest Myrtle Beach, SC	Harbour Lights Myrtle Beach, SC	The Falls Village Branson, MO	Chr Mou Vi Wis Del
Date sales commenced	7/94	8/95	4/96	6/97	7/97	9
Number of Timeshare Interests completed as of March 31, 2002 (1) (2)	14,248	12,064	12,480	4,992	3,979	2
Number of Timeshare Interests under Construction as of March 31, 2002 (1) (2)	--	--	--	--	--	
Number of additional Timeshare Interests Planned (1) (2)	4,680	8,840	--	8,736	9,256	12
Number of Timeshare Interests in inventory at March 31, 2002 (3)	890	781	4,004	927	276	
Average sales price Per transaction (4) (5)	$ 7,979	$ 7,959	$ 8,588	$9,423	$10,005	$ 6
Number of Timeshare Sales transactions (5) Through March 31,2002	12,656	9,889	12,402	5,778	4,767	4

	La Cabana	Shenandoah		The	Big Cedar

Location	Beach & Racquet Club, Aruba	Crossing Farm & Club Gordonsville, VA	Orlando's Sunshine Orlando, FL	Lodge Alley Inn Charleston, SC	Wilderness Club (6) Ridgedale, MO	So Sur Sur
Date sales commenced	1/98	4/98	12/98	2/99	11/00	5
Number of Timeshare Interests completed as of March 31, 2002 (1) (2)	8,511	2,123	3,120	4,680	520	
Number of Timeshare Interests under Construction as of March 31, 2002 (1) (2)	--	--	--	--	2,496	6,
Number of additional Timeshare Interests Planned (1) (2)	--	10,400	--	--	23,920	
Number of Timeshare Interests in inventory at March 31, 2002 (3)	3,874	402	531	1,868	1,617	6,
Average sales price Per transaction (4) (5)	$8,001	$ 9,189	$7,140	$9,596	$13,196	
Number of Timeshare Sales transactions (5) Through March 31,2002	5,819	1,991	4,968	3,405	929	

(1) The number of Timeshare Interests completed, under construction or planned are intended to be sold in 52 weekly intervals per vacation home for the Company's Shore Crest, Harbour Lights, Orlando's Sunshine, La Cabana and Lodge Alley Inn resorts. The amounts for the remaining resorts include some vacation homes that can be subdivided and sold either as two smaller vacation homes ("lock-out units") or, as in the case of the Solara Surfside resort, as two timeshare interests per week (Monday through Thursday and Friday through Sunday), each of which consists of 104 timeshare interests per vacation home.

(2) There can be no assurances that the Company will have the resource, or will decide, to complete all such planned Timeshare Interests or that such Timeshare Interests will be sold at favorable prices.

(3) The number of Timeshare Interests in inventory at March 31, 2002 reflects the number of Timeshare Interests completed or under construction that are currently available for sale. In addition to full Timeshare Interests, as defined elsewhere herein, the Company also sells biennial Timeshare Interests, which entitle the buyer of points in the Bluegreen Vacation Club with the use of those points every other year. Biennial Timeshare Interests held in the Company's inventory are counted as 1/2 of a Timeshare Interest for the purposes of this disclosure.

(4) The average sales price per transaction is for sales during the year ended March 31, 2002.

(5) The Company reacquires previously-sold Timeshare Interests in its resorts in various transactions including foreclosures, deedback in lieu of foreclosure and equity trade-ins of one Timeshare Interest towards the

purchase of a higher priced Timeshare Interest, subject to the Company's policies and applicable laws and regulations. The Company sells reacquired Timeshare Interests through its sales outlets at then-current retail prices. For the purposes of this disclosure, each sale, including the sale of a reacquired or a biennial Timeshare Interest, is counted as one timeshare sales transaction. Also, the sales price on a transaction with an equity trade-in is accounted for net of the equity trade-in allowance granted the customer.

(6) Bluegreen/Big Cedar LLC, in which the Company owns a 51% interest, is developing The Big Cedar Wilderness Club.

The Company believes that each of its resorts is adequately covered by property and casualty insurance, in the case of the Company's completed resorts, and builder's risk insurance, in the case of resorts that are under construction. In addition, the Company, or general contractors hired by the Company, as applicable, purchase performance bonds if required by the local jurisdictions in which the Company develops its resorts.

Certain Residential Land and Golf Division Projects

Set forth below is a description of the six largest projects currently marketed by the Residential Land and Golf Division, which are representative of the types of projects that the Company has been focusing on since 1993. These properties represented approximately 78.8% of the Residential Land and Golf Division's estimated remaining life-of-project sales at March 31, 2002.

Mystic Shores(TM) --Canyon Lake, Texas. The Company acquired 6,966 acres located 25 miles north of San Antonio, Texas in October 1999 for $14.9 million. On May 5, 2000, the Company purchased an additional 435 acres for $2.7 million. The project includes approximately 2,400 home sites, ranging in size from one to twenty acres. Mystic Shores is situated on Canyon Lake and is in close proximity to the Guadeloupe River, which is well known for fishing, rafting and water sports. The property will also feature a junior Olympic swimming pool, bathhouse, open-air pavilion, picnic area and boat ramps. General improvements on home sites at Mystic Shores performed by the Company include, in most cases, water and lot clearing, while some sections of the project also include underground electric and telephone utilities. Aggregate development costs through March 31, 2002 were

$17.6 million, with projected remaining expenditures to complete development at the project of $25.6 million. The Company began selling home sites in March 2000, with aggregate sales of $33.1 million through March 31, 2002. Estimated remaining life-of-project sales were approximately $95.1 million as of March 31, 2002, based on retail selling prices as of that date. As of March 31, 2002, the Company had sold 474 home sites at this project and had a total of 1,899 home sites remaining available for sale.

Lake Ridge at Joe Pool Lake(TM) -- Cedar Hill, Texas. The Company acquired 1,400 acres located approximately 19 miles outside of Dallas, Texas and 30 miles outside of Fort Worth, Texas in April 1994 for $6.1 million. In fiscal 2000, the Company acquired an additional 1,766 acres for $14.9 million. The property is located at Joe Pool Lake and is atop the highest elevation within 100 miles. The lake has in excess of 7,500 acres of water for boating, fishing, windsurfing and other water activities. Adjacent amenities (not owned or managed by the Company) include a 154-acre park with baseball, football and soccer fields, a fishing pool with a pier, camping areas and an 18-hole golf course. The existing acreage will yield approximately 2,800 home sites, with most home sites ranging in size from 1/4 to five acres. General improvements on the home sites at Lake Ridge performed by the Company include, in most cases, water, sewer, electric, telephone and cable television utilities as well as lot clearing. The Company began selling home sites in April 1994 and aggregate sales through March 31, 2002 were $98.2 million. Aggregate development costs through March 31, 2002 were $30.0 million and the Company anticipates that the remaining capital expenditures to complete development at the project will be $21.0 million. Estimated remaining life-of-project sales for this project were approximately $80.2 million as of March 31, 2002, based on retail selling prices as of that date. As of March 31, 2002, the Company had sold 1,469 home sites at this project and had a total of 1,342 home sites remaining available for sale.

Brickshire -- New Kent, Virginia. The Company acquired 1,135 acres located 20 miles from Williamsburg and Richmond, Virginia, in September 1999 for $4.4 million. The property will consist of approximately 1,135 home sites, ranging in size from 1/4 to 2.5 acres, and features an 18-hole golf course designed by U.S. Open champion Curtis Strange. The property will also offer residents a community club and pool, tennis courts and scenic walking trails. General improvements on the home sites at Brickshire performed by the Company include, in most cases, water and sewer utilities. Aggregate development costs through March 31, 2002 were $16.1 million, with projected remaining expenditures of $14.0 million. The Company began selling home sites in December 1999, with aggregate sales of $19.8 million through March 31, 2002. Estimated remaining life-of-project sales were approximately $47.5 million as of March 31, 2002, based on retail selling prices as of that date. As of March 31, 2002, the Company had sold 335 home sites at this project and had a total of 800 home sites remaining available for sale.

Mountain Lakes Ranch(TM) -- Bluffdale, Texas. The Company acquired 4,100 acres located approximately 45 miles from Fort Worth, Texas in October 1998 for $3.1 million. The property features rolling terrain with hilltop views, tree coverage and ample area to create private lakes. The Company anticipates that the property will yield approximately 1,290 home sites ranging in size from one to five acres, including both lakefront and waterview parcels. General improvements on the home sites at Mountain Lakes Ranch performed by the Company include, in most cases, water, electric and telephone utilities. The Company began selling home sites in March 2000, with aggregate sales of $15.9 million through March 31, 2002. Aggregate development costs through March 31, 2002 were $18.0 million and the Company anticipates that future capital expenditures to complete development at the project will be $3.8 million. Estimated life-of-project sales for Mountain Lakes Ranch were $23.3 million as of March 31, 2002, based on retail prices at that date. As of March 31, 2002, the Company had sold 483 home sites at this project and had a total of 806 home sites remaining available for sale.

Ridge Lake Shores(TM) -- Magnolia, Texas. In February 2001, the Company acquired 1,152 acres located approximately 25 minutes drive from Houston, Texas for $3.2 million. This property is anticipated to include approximately 700 home sites, ranging in size from one to four acres, and will feature two private fishing lakes, boat ramps, open-air pavilions, bathhouses, playgrounds and a beach area. General improvements to the home sites in Ridge Lake Shores performed by the Company include, in most cases, water and lot clearing, while some sections of the project have electric, cable, telephone and/or gas utilities. The Company began selling home sites in May 2001, with aggregate sales of $5.1 million through March 31, 2002. Aggregate development costs through March 31, 2002 were $3.7 million and the Company anticipates that future capital expenditures to complete development at the project will be $7.1 million. Estimated life-of-project sales for Ridge Lake Shores were $20.4 million as of March 31, 2002, based on retail prices at that date. As of March 31, 2002, the Company had sold 154 home sites at this project and had a total of 548 home sites remaining available for sale.

The Preserve at Jordan Lake - Pittsboro, North Carolina. The Company acquired approximately 600 acres located in Pittsboro, North Carolina (near Chapel Hill, North Carolina) for $4.2 million in fiscal 2001. The project will be the site of a championship daily-fee golf course which has been designed by PGA Champion Davis Love III. The project will also include a swimming pool, a fitness center, a recreation field and tennis courts. The Company

anticipates that the project will consist of a total of approximately 516 home sites, which range in size from approximately 1/3 acre to one acre. The Company began selling home sites in December 2000, and aggregate sales through March 31, 2002 were $32.6 million. Aggregate development costs (net of costs capitalized separately in the golf course) through March 31, 2002 were $12.1 million and the Company anticipates that the aggregate capital expenditures to complete development at the project will be $4.4 million. Estimated remaining life-of-project sales for this project were approximately $15.2 million as of March 31, 2002, based on retail selling prices as of that date. As of March 31, 2002, the Company had sold 351 home sites at this project and had a total of 165 home sites remaining available for sale.

The Company believes that each of its residential land and golf projects is adequately covered by builder's risk insurance during the construction period and property and casualty insurance for home sites that are held in the Company's inventory prior to sale to consumers. Once a home site is sold, the consumer assumes the risk of loss on such home site. In addition, the applicable property owners' association bears the risk of loss on any common amenities at each project.

The Company also purchases performance bonds on each of its projects, to provide assurance to home site buyers that construction of the project will be completed. The Company believes that its ability to obtain such performance bonds assist the Company in its pre-construction sales efforts.

Acquisition of Timeshare and Residential Land and Golf Inventory

In order to provide centralized and uniform controls on the type, location and amount of timeshare and residential land and golf inventory that the Company acquires, all such inventory acquisitions have required the approval of the Investment Committee since 1990. The Investment Committee currently consists of George F. Donovan, President and Chief Executive Officer; John F. Chiste, Senior Vice President, Treasurer and Chief Financial Officer; Daniel C. Koscher, Senior Vice President--President, Residential Land and Golf Division; Mark T. Ryall, Senior Vice President and Chief Information Officer and Randi S. Tompkins, Vice President, Director of Corporate Legal Affairs. The Investment Committee reviews each proposed inventory acquisition to determine whether the property meets certain criteria, including estimated cash flows and anticipated gross profit margins.

Please see "Liquidity and Capital Resources", below, for discussion of the Company's methods and available resources for financing acquisition and development efforts for its timeshare and land projects.

Resorts Division

The Company obtains information with respect to resort acquisition opportunities through interaction by the Company's management team with resort operators, lodging companies and financial institutions with which the Company has established business relationships. Prior to acquiring property for future resorts, the Resorts Division undertakes a full property review, including an environmental assessment, which is presented to the Investment Committee for approval. During the review process, acquisition specialists analyze market, tourism and demographic data as well as the quality and diversity of the location's existing amenities and attractions to determine the potential strength of the timeshare market in such area and the availability of a variety of recreational opportunities for prospective Timeshare Interest purchasers. Specifically, the Company evaluates the following factors, among others, to determine the viability of a potential new timeshare resort: (i) anticipated supply/demand ratio for Timeshare Interests in the relevant market, (ii) the market's potential growth as a vacation destination, (iii) competitive accommodation alternatives in the market, (iv) uniqueness of location and demand for the location by existing Bluegreen Vacation Club owners and (v) barriers to entry that would limit competition.

The Company intends to continue to pursue growth by expanding or supplementing the Company's existing resorts operations through acquisitions in destinations that the Company believes will complement such existing operations. Acquisitions the Company may consider include acquiring additional Timeshare Interest inventory, operating companies, management contracts, Timeshare Interest mortgage portfolios and properties or other timeshare-related assets that may be integrated into the Company's operations. The geographic areas in which the Company currently intends to pursue the acquisition of real estate or interests in real estate for the Resorts Division are the areas in which the Resorts Division currently operates (as noted above), the northeastern and western United States and the Caribbean, although the Company may pursue acquisitions in other areas. No assurances can be given that the Company will be successful in its acquisition strategy.

Residential Land and Golf Division

The Residential Land and Golf Division, through the Company's regional offices, and subject to Investment Committee review and approval, typically acquires inventory that (i) is located near a major population center but

outside the perimeter of intense subdivision development or in popular retirement areas, (ii) is suitable for subdivision, (iii) has attractive topographical features, (iv) for certain projects, could accommodate a golf course and related amenities and (v) the Company believes will result in an acceptable profit margin and cash flow to the Company based upon anticipated retail value. Properties are generally subdivided for resale into parcels typically ranging in size from 1/4 acre to twenty acres. During fiscal 2002, the Company acquired 1,280 acres in one transaction for a total purchase price of approximately $1.2 million or $938 per acre. During fiscal 2001, the Company acquired 4,879 acres in five separate transactions for a total purchase price of $15.2 million, or $3,114 per acre. During fiscal 2000, the Company acquired 11,340 acres in seven separate transactions for a total purchase price of approximately $40.1 million or $3,537 per acre.

In connection with its review of potential residential land and golf inventory, the Investment Committee considers such established criteria as the economic conditions in the area in which the parcel is located, environmental sensitivity, availability of financing, whether the property is consistent with the Company's general policies and the anticipated ability of that property to produce acceptable profit margins and cash flow. As part of its long-term strategy for the Residential Land and Golf Division, the Company in recent years has focused on fewer, more capital-intensive projects. The Company intends to continue to focus the Residential Land and Golf Division on those regions where the Company believes the market for its products is strongest, such as the Southeast and Southwest regions of the United States and to replenish its residential land inventory in such regions as existing projects are sold-out.

The Residential Land and Golf Division has several specialists who assist regional management in locating inventory for acquisition. The Company has established contacts with numerous land owners and real estate brokers in many of its market areas, and because of such contacts and its long history of acquiring properties, the Company believes that it is generally in a favorable position to learn of available properties, sometimes before the availability of such properties is publicly known. In order to ensure such access, the Company attempts to develop and maintain strong relationships with major property owners and brokers. Regional offices regularly contact property owners, such as timber companies, financial institutions and real estate brokers, by a combination of telephone, mail and personal visits. In addition, prior to acquiring property in new areas, the Company will conduct test marketing for a prospective project prior to entering into an acquisition agreement to determine whether sufficient customer demand exists for the project. To date, the Company's regional offices generally have been able to locate and acquire adequate quantities of inventory that meet the criteria established by the Investment Committee to support their operational activities. In certain cases, however, the Company has experienced short-term shortages of ready-for-sale inventory due to either difficulties in acquiring property or delays in the approval and/or development process. Shortfalls in ready-for-sale inventory may materially adversely affect the Company's business, operating results and financial position. See "MD&A".

Once a desirable property is identified, the Company completes its initial due diligence procedures and enters into a purchase agreement with the seller to acquire the property. It is generally the Company's policy to advance only a small downpayment of 1%-3% of the purchase price upon signing the purchase agreement and to limit the liquidated damages associated with such purchase agreement to the amount of its downpayment and any preliminary development costs. In most cases, the Company is not required to advance the full purchase price or enter into a note payable obligation until regulatory approvals for the subdivision and sale of at least the initial phase of the project have been obtained. While local approvals are being sought, the Company typically engages in pre-marketing techniques and, with the consent of the seller and the knowledge of prospective purchasers, occasionally attempts to pre-sell parcels, subject to closing its purchase of the property. When the necessary regulatory approvals have been received, the closing on the property occurs and the Company obtains title to the property. The time between execution of a purchase agreement and closing on a property has generally been six to 12 months. Although the Company generally retains the right to cancel purchase agreements without any loss beyond forfeiture of the downpayment and preliminary development costs, few purchase agreements have been canceled historically.

By requiring, in most cases, that regulatory approvals be obtained prior to closing and by making small downpayments upon signing purchase agreements, the Company is typically able to place a number of properties under contract without expending significant amounts of cash. This strategy helps the Residential Land and Golf Division to reduce (i) the time during which it actually owns specific properties, (ii) the market risk associated with holding such properties and (iii) the risk of acquiring properties that may not be suitable for sale. In certain circumstances, however, the Company has acquired properties and strategically held such projects until their prime marketing seasons. Please see "MD&A" and the discussion of risks related to holding real estate inventory.

Prior to closing on a purchase of residential land, the Company's policy is to complete its own environmental assessment of the property. The purpose of the Company's assessment is to evaluate the impact the proposed subdivision will have on such items as flora and fauna, wetlands, endangered species, open space, scenic vistas, recreation, transportation and community growth and character. To obtain this information, the Company's acquisition specialists typically consult with various groups and agencies including the appropriate county and state planning

agencies, environmental groups, state heritage programs, soil conservation agencies and forestry groups. If the Company's environmental assessment indicates that the proposed subdivision meets environmental criteria and complies with zoning, building, health and other laws, the Company develops a formal land use plan, which forms a basis for determining an appropriate acquisition price. The Company attempts, where possible, to accommodate the existing topographical features of the land, such as streams, hills, wooded areas, stone walls, farm buildings and roads. Prior to closing on an acquisition, the Company will typically have the property surveyed by a professional surveyor and have soil analyses conducted to determine the suitability of the site for septic systems. At closing, the Company also obtains title insurance on the property.

Marketing and Sale of Inventory

Resorts Division

The Resorts Division uses a variety of techniques to attract prospective purchasers of Timeshare Interests, including telemarketing mini-vacations, placing marketing kiosks in retail locations, acquiring the right to market to prospective purchasers from third-party vendors, marketing to current owners of Timeshare Interests and encouraging referrals. The Resorts Division provides hotel accommodations to prospective purchasers at reduced rates in exchange for their touring one of the Company's timeshare resorts. To support its marketing and sales efforts, the Company has developed and continues to enhance its customer relationship management computer software system to track its timeshare marketing and sales programs. Management believes that, as the Resort Division's timeshare operations grow, this database will become an increasingly significant asset, enabling the Company to focus its marketing and sales efforts to take advantage of, among other things, less costly marketing and referral opportunities. In June 2000, the Company entered into an exclusive marketing agreement with Big Cedar Lodge and Bass Pro, Inc. ("Bass Pro") of Springfield, Missouri. Under the terms of the 10-year agreement, which expires in June 2010, the Company will market the Bluegreen Vacation Club product to Bass Pro's estimated 30 million annual retail customers and 34 million catalog subscribers. The Company now markets discounted three-day, two-night mini-vacation packages at most of Bass Pro's national retail locations. Each mini-vacation package requires the buyer to participate in a sales presentation at either a Bluegreen Vacation Club sales office or the Big Cedar Wilderness Club sales office. Bluegreen also has an exclusive timeshare marketing presence on Bass Pro's web site, which is linked to the Company's web site. The Company believes that this arrangement will result in more effective and cost-efficient marketing for the Resorts Division, although there can be no assurances that such effectiveness and efficiency will be achieved. Pursuant to the marketing agreement with Bass Pro, the Company has the right to market its Timeshare Interests at each of Bass Pro's national retail locations (currently fourteen stores), in Bass Pro's catalogs and on its web site. The Company also has access to Bass Pro's customer mailing lists. In exchange for these services, the Company agreed to pay Bass Pro a commission of either 3.5% or 7.0%, depending on certain circumstances, on each sale of a Timeshare Interest, net of cancellations and defaults, that is made as a result of one of the Bass Pro marketing channels described above (the

"Commission"). The amount of the Commission is dependent on the level of additional marketing efforts required by the Company to convert the prospect into a sale and a defined time frame for such marketing efforts. There is no Commission paid to Bass Pro on sales made by the Big Cedar Wilderness Club sales office, as this sales office is part of a joint venture between an affiliate of Bass Pro, Big Cedar L.L.C., and the Company (the "Joint Venture").

On June 16, 2000, the Company prepaid $9 million to Bass Pro (the "Prepayment") in connection with the aforementioned marketing agreement. The Prepayment is amortized from future Commissions earned by Bass Pro and future member distributions otherwise payable to Big Cedar from the earnings of the Joint Venture as a member thereof. No additional Commissions or member distributions will be paid in cash to Bass Pro or Big Cedar, respectively, until the Prepayment has been fully utilized.

The marketing agreement expires on the earlier of: (i) June 16, 2010 or (ii) such time as ninety percent (90%) of the Joint Venture's proposed Timeshare Interests have been sold and conveyed.

Timeshare resorts are staffed with sales representatives, sales managers and an on-site manager who oversees the day-to-day operations, all of whom are employees of the Company. Sales personnel are generally experienced in resort sales and undergo ongoing Company-sponsored training. During fiscal 2002, total advertising expense for the Resorts Division was $42.6 million or 29.6% of the division's $144.2 million in sales. During fiscal 2001, total advertising expense for the Resorts Division was $46.0 million or approximately 32.7% of the division's $141.0 million in sales. See MD&A for a discussion of the Company's sales, general and administrative expenses.

The Company requires its sales staff to provide each timeshare customer with a written disclosure statement regarding the Timeshare Interest to be sold prior to the time the customer signs a purchase agreement. This disclosure

statement sets forth relevant information regarding timeshare ownership at the resort and must be signed by every purchaser. The Company believes that this information statement contains all material and relevant information a customer requires to make an informed decision as to whether or not to purchase a Timeshare Interest at one of its resorts.

After deciding to purchase a Timeshare Interest, a purchaser enters into a purchase agreement and is required to pay the Company a deposit of at least 10% of the purchase price. Purchasers are entitled to cancel purchase agreements within specified rescission periods after execution in accordance with statutory requirements. Substantially all timeshare purchasers visit one of the Company's resorts or one of the Company's off-site sales offices prior to purchasing.

In addition to sales offices located at its resorts, the Company also operates two off-site sales offices serving the Indianapolis, Indiana and Detroit, Michigan markets. The Company closed its off-site sales offices serving the Cleveland, Ohio and Louisville, Kentucky markets during fiscal 2002 and 2001, respectively, due to low operating margins being generated by the sites. These off-site sales offices market and sell Timeshare Interests in the Bluegreen Vacation Club, and allow the Company to bring its products to markets with favorable demographics and low competition for prospective buyers. During fiscal 2002, the Indianapolis and Detroit sales offices generated an aggregate $16.7 million and $2.9 million in sales and field operating profit, respectively. The Company continues to evaluate its ongoing utilization of off-site sales operations and may elect to open new locations and/or close existing locations in the future.

The Company believes that the attractiveness of Timeshare Interest ownership has been enhanced significantly by the Bluegreen Vacation Club program and the availability of exchange networks that allow Timeshare Interest owners to exchange the occupancy right in their Timeshare Interests in a particular year, for an occupancy right at another participating network resort at either the same or a different time. La Cabana is affiliated with the timeshare exchange network operated by II, while the Company's eleven other resorts are affiliated with RCI's timeshare exchange network. If the Company's resorts cease to qualify for the exchange networks or such networks cease to operate effectively, the Company's sales of Timeshare Interests and the performance of its timeshare receivables could be materially adversely affected.

For further information on sales and other financial information (including segment information) attributable to the Resorts Division, see "MD&A" and the Company's consolidated financial statements and the related Notes.

Residential Land and Golf Division

In general, as soon as practicable after agreeing to acquire a property and during the time period that appropriate improvements are being completed, the Company establishes selling prices for the individual parcels taking into account such matters as regional economic conditions, quality as a building site, scenic views, road frontage, golf course views (if applicable) and natural features such as lakes, mountains, streams, ponds and wooded areas. The Company also considers recent sales of comparable parcels in the area. Initial decisions on pricing of parcels in a given area are made by the Company's regional managers and, in all cases, are subject to approval by the Investment Committee. Once such selling prices are established the Company commences its marketing efforts.

The most widely used marketing technique by the Residential Land Division is advertising in major newspapers in metropolitan areas located within a one to three hour drive from the property and local newspapers. In addition, the Company uses its customer relationship management system, which enables the Company to quickly compile information on the previously identified prospects who the Company believes are most likely to be interested in a particular project. The Residential Land and Golf Division also conducts direct mail campaigns to market property through the use of brochures describing available parcels, as well as television and radio advertising. Through this sales and marketing program, the Company believes that it has been able to achieve a high conversion ratio of sales to prospects receiving on-site sales presentations. The Company estimates that the conversion ratio of sales to prospects receiving on-site sales presentations has historically been approximately 20%. A sales representative who is knowledgeable about the property answers each inquiry generated by the Company's marketing efforts, discusses the property with the prospective purchaser, attempts to ascertain the purchaser's needs and determines whether the parcel would be suitable for that person, and arranges an appointment for the purchaser to visit the property. Substantially all prospective purchasers inspect a property before purchasing. During fiscal 2002, the Residential Land and Golf Division incurred $8.0 million in advertising expense, or 8.3% of such division's $96.4 million in sales. During fiscal 2001, the Residential Land and Golf Division incurred $8.6 million in advertising expense, or approximately 9.6% of such division's $88.9 million in sales.

The success of the Company's marketing efforts depends heavily on the knowledge and experience of its sales personnel. The Company requires that, prior to initiating the marketing effort for a property, all sales representatives walk the property and become knowledgeable about each parcel and applicable zoning, subdivision and building code requirements. Continued training programs are conducted, including training with regional office sales managers, weekly sales meetings and frequent site visits by an executive officer of the Company. The Company enhances its sales and marketing organization through the Bluegreen Institute, a mandatory training program, which is designed to instill the Company's marketing and customer service philosophy in middle and lower-level management. Additionally, the sales staff is evaluated against performance standards established by the executive officers of the Company. Substantially all of a sales representative's compensation is commission-based.

The Company requires its sales staff to provide each prospective purchaser with a written disclosure statement regarding the property to be sold prior to the time such purchaser signs a purchase agreement. This information statement, which is either in the form of a U.S. Department of Housing and Urban Development ("HUD") lot information statement, where required, or a Company generated "Vital Information Statement," sets forth relevant information with respect to, and risks associated with, the property and must be signed by each purchaser. The Company believes that these information statements contain all material and relevant information necessary for a prospective purchaser to make an informed decision as to whether or not to purchase such property, including the availability and estimated cost of utilities, restrictions regarding property usage, status of access roads and information regarding rescission rights.

After deciding to purchase a parcel, a purchaser enters into a purchase agreement and is required to pay the Company a deposit of at least 10% of the purchase price. Purchasers are entitled to cancel purchase agreements within specified periods after execution in accordance with statutory requirements. The closing of a residential land sale usually occurs two to eight weeks after payment of the deposit. Upon closing of a residential land sale, the Company typically delivers a warranty deed and a recent survey of the property to the purchaser. Title insurance is available at the purchaser's expense.

For further information on sales and other financial information (including industry segment information) attributable to the Residential Land and Golf Division, please see "MD&A" and the Company's consolidated financial statements and the related Notes.

Customer Financing

General

During fiscal 2002, fiscal 2001 and fiscal 2000, the Company financed 62%, 62% and 52%, respectively, of the aggregate purchase price of its sales of Timeshare Interests and residential land to customers that closed during these periods and received cash for the remaining balance of the purchase price. The increase in the percentage of sales financed by the Company since fiscal 2000 is primarily attributable to an increase in the sales of Timeshare Interests over the same period. Sales of Timeshare Interests accounted for 60%, 61% and 55% of consolidated sales during fiscal 2002, fiscal 2001 and fiscal 2000, respectively. Approximately 99% of all purchasers of Timeshare Interests finance with the Company (compared to approximately 2% of residential land purchasers in fiscal 2002). In recent years, the percentage of residential land customers who utilized the Company's financing has declined materially due to, among other things, an increased willingness on the part of local banks to extend direct lot financing to purchasers.

The Company believes that its financing is attractive to purchasers who find it convenient to handle all facets of the purchase of residential land and Timeshare Interests through a single source and because the downpayments required by the Company are similar to those required by banks and mortgage companies which offer this type of credit.

The Company offers financing of up to 90% of the purchase price of its Timeshare Interests. The typical financing extended by the Company on a Timeshare Interest during fiscal 2002, fiscal 2001 and fiscal 2000, provided for terms of seven or ten years and a fixed interest rate. In connection with the Company's Timeshare Interest sales within the Bluegreen Vacation Club system, the Company delivers the deed on behalf of the purchasers to the trustee of the Bluegreen Vacation Club and secures repayment of the purchaser's obligation by obtaining a mortgage on the purchaser's Timeshare Interest. Prior to the Company converting its sales operations to sell the Bluegreen Vacation Club, the Company and the purchaser of a fixed-week Timeshare Interest executed a contract for deed agreement. After the contract for deed obligation is paid in full, the Company delivers a deed to the purchaser. The Company does not believe that the transfer to a note and mortgage system has had or will have a material adverse effect on its servicing operations or financial results, although no assurances can be given.

The Company also offers financing of up to 90% of the purchase price of all parcels sold under the Residential Land and Golf Division to all purchasers who qualify for such financing. The term of repayment on such financing has historically ranged from five to 15 years although the Company, by offering reduced interest rates, has been successful

in encouraging customers during recent years to finance their purchases over shorter terms with increased downpayments. An average note receivable underwritten by the Company during fiscal 2002, fiscal 2001 and fiscal 2000 has a term of ten years. Most notes receivable bear interest at a fixed interest rate and are secured by a first lien on the land.

The weighted-average interest rate on the Company's notes receivable by division was as follows:

	As of	
Division	March 31, 2002	April 1, 2001
Resorts	15.4%	15.7%
Residential Land & Golf	11.1%	12.1%
Consolidated	14.7%	15.2%

Please see `Sale of Receivables/Pledging of Receivables', below, for information regarding the Company's receivable financing activities.

Loan Underwriting

Resorts Division. Consistent with industry practice, the Company's Timeshare Interest financing is not subject to extensive loan underwriting criteria. Currently, customer financing on sales of Timeshare Interests requires (i) receipt of a minimum downpayment of 10% of the purchase price, (ii) a note and mortgage and (iii) other closing documents between the Company and the purchaser. The Company encourages purchasers to make increased downpayments by offering a lower interest rate. In addition, purchasers who do not elect to participate in the Company's pre-authorized payment plan are charged interest at a rate which is one percent greater than the otherwise prevailing rate. During fiscal 2002, 68% of the Company's timeshare notes receivable generated were being serviced through the Company's pre-authorized payment plan.

Residential Land and Golf Division. The Company has established loan underwriting criteria and procedures designed to reduce credit losses on its residential land loan portfolio. The loan underwriting process undertaken by the Company's credit department includes reviewing the applicant's credit history, verifying employment and income as well as calculating certain debt-to-income ratios. The primary focus of the Company's underwriting review is to determine the applicant's ability to repay the loan in accordance with its terms. This assessment is based on a number of factors, including the relationship of the applicant's required monthly payment to disposable income. The Company also examines the applicant's credit history through one or more credit reporting agencies. In order to verify an applicant's employment status, the Company generally contacts the applicant's employer. The Company also obtains current pay stubs, recent tax returns and other tax forms from the applicant, as applicable.

In order to obtain financing from the Residential Land and Golf Division, a prospective purchaser must submit a completed and signed credit application, purchase and sale agreement and pre-authorized checking agreement accompanied by a voided check, if applicable, to the Company's credit department. All credit decisions are made at the Company's corporate headquarters. Loan amounts under $50,000 are approved by designated personnel located in the Company's corporate headquarters, while loan amounts of $50,000 or more require approval from a senior executive officer. In addition, rejected applications and any material exceptions to the underwriting policy are also reviewed by senior management. Customers are notified of the reasons for credit denial by mail.

The Company encourages customers to increase their downpayment and reduce the loan term through the structure of its loan programs. Customers receive a lower rate of interest as their downpayment increases and the loan term shortens. Additionally, the Company encourages its customers to make timely payments through a pre-authorized payment arrangement. Customers who do not choose a pre-authorized payment plan are charged interest at a rate which is one percent greater than the prevailing rate.

After the credit decision has been made, the credit department categorizes the file as either approved, pending or declined. Upon receipt of a credit approval, the regional office schedules the closing with the customer. Closings are typically conducted at the office of the Company's local attorney or settlement agent, although in some cases the closing may take place at the sales site or by mail.

When the original closing documents are received from the closing agent, the Company verifies that the loan closed under terms approved by the Company's credit department. A quality control audit is performed to verify that required documents have been received and that they have been prepared and executed correctly. If any revisions are required, notification is sent to the regional office.

A loan file typically includes a copy of the signed security instrument, the mortgage note, a copy of the deed, Truth-in-Lending disclosure, purchase and sale agreement, credit application, local counsel opinion, Vital Information Statement or purchaser's acknowledgment of receipt of HUD lot information statement, HUD settlement statement and a copy of the assignment of mortgage and an original note endorsement from the Company's subsidiary originating the sale and the loan to the Company (if applicable). After the initial closing documents are received, the recorded mortgage and assignment and original title insurance policy are obtained in order to complete the loan file.

Collection Policies

Resorts Division. Prior to fiscal 1999, the Company's timeshare receivables were documented by contracts for deed, which allows the Company to retain title to the Timeshare Interest until the obligation is paid in full, thereby eliminating the need to foreclose in the event of a default. Collection efforts and delinquency information concerning the Resorts Division are managed at the Company's corporate headquarters. Servicing of the division's receivables is handled by a staff of experienced collectors, assisted by a mortgage collection computer system. Unless circumstances otherwise dictate, collection efforts are generally made by mail and telephone. If a contract for deed becomes delinquent for ten days, telephone contact commences with the customer. If the customer fails to bring the account current, a late notice is mailed when the account is 15 days delinquent. After an account is 30 days delinquent, the Company typically sends a third letter advising the customer that such customer has 30 days within which to bring the account current. Under the terms of the contract for deed, the borrower is in default when the account becomes 60 days delinquent. At this time a default letter is sent advising the customer that he or she has 30 days to bring the account current or lose his or her contractual interest in the timeshare unit. When the account becomes 90 days delinquent, the Company forwards a final letter informing the customer that the contract for deed has been terminated. At such time, the Timeshare Interest can be resold to a new purchaser.

In connection with its points-based Bluegreen Vacation Club system, in fiscal 1999 the Company converted to a note and mortgage arrangement. In addition to the 10, 15 and 30 day collection correspondence outlined above, at 60 days delinquent, a lock-out letter is sent to the Bluegreen Vacation Club customer prohibiting such customer from making a reservation for lodging at a resort property. If the default continues, at 90 days delinquent, a Notice of Intent to Cancel Membership is mailed. This informs the customer that unless the default is cured within 30 days, membership in the Bluegreen Vacation Club will be terminated. If the default is not cured, a Termination Letter is sent, typically at 120 days. At such time, the Timeshare Interest can be resold to a new purchaser.

Residential Land and Golf Division. Collection efforts and delinquency information concerning the Residential Land and Golf Division are also managed at the Company's corporate headquarters. Servicing of the division's receivables is handled by a staff of experienced collectors, assisted by a mortgage collection computer system. Unless circumstances otherwise dictate, collection efforts are generally made by mail and telephone. Collection efforts begin when an account is ten days past due, at which time the Company contacts the customer by telephone. Attempts are then made to contact the customer via telephone to determine the reason for the delinquency and to bring the account current. The determination of how to handle a delinquent loan is based upon many factors, including the customer's payment history and the reason for the current inability to make timely payments. If no agreement is reached or the customer does not abide by the agreement, collection efforts continue until the account is either brought current or legal action is commenced. If not accelerated sooner, the Company typically declares the loan in default when the loan becomes 60 days delinquent. When the loan is 90 days past due, the accrual of interest is stopped (unless the loan is considered an in-substance foreclosure loan, in which case all accrued interest is reversed since the Company's means of recovery is determined through the resale of the underlying collateral and not through collection on the note) and the Credit/Collection Manager determines the action to be taken.

Loan Loss Reserves. The reserve for loan losses as a percentage of outstanding notes receivable was approximately 7% and 5% at March 31, 2002 and April 1, 2001, respectively. The adequacy of the Company's reserve for loan losses is determined by management and reviewed on a regular basis considering, among other factors, historical frequency of default, loss experience, estimated value of the underlying collateral, present and expected economic conditions as well as the quality of the receivables. (See "MD&A" for further discussion of the Company's provision for loan losses.) During the years ended March 31, 2002, April 1, 2001 and April 2, 2000, the annual default rates on resorts and residential land receivables owned or serviced by the Company were as follows:

	Year Ended		
Division	March 31, 2002	April 1, 2001	April 2, 2000
Resorts	8.1%	7.1%	7.4%
Residential Land	2.0%	2.6%	2.4%

Sales of Receivables/Pledging of Receivables

During the years ended March 31, 2002, April 1, 2001 and April 2, 2000, all of the Company's notes receivable sold and the majority of the Company's notes receivable pledged consisted of notes receivable generated by the Resorts Division.

Since 1986, the Company has sold or pledged a significant amount of its receivables, generally retaining the right and obligation to service such receivables. In the case of residential land and golf receivables, the Company historically transferred the receivables to a special purpose finance subsidiary, once a sufficient pool of receivables was generated, and the subsidiary in turn entered into a receivables securitization. The receivables were typically sold by such subsidiary with limited or no recourse. In the case of receivables pledged to a financial institution, the Company generally must maintain a debt to eligible collateral rate (based on outstanding principal balance of the pledged loans) of 90%. The Company is obligated to pledge additional eligible receivables or make additional principal payments in order to maintain this collateralization rate. Repurchases and additional principal payments have not been material to date.

Although private placement REMIC financings of land receivables provided substantial capital resources to the Company during the early to mid-1990's, the Company has not completed a REMIC financing since December 1996, due to the decrease in land sales financed by the Company. Under the terms of these transactions, the receivables are sold to a REMIC trust and the Company has no obligation to repurchase the receivables due to default by the borrowers. The Company does, however, have the obligation to repurchase the receivables in the event that there is any material defect in the loan documentation and related representations and warranties as of the time of sale.

Since fiscal 1999, the Company has maintained timeshare receivables purchase facilities with financial institutions. Under the current purchase facility (the "Purchase Facility") and through June 24, 2002, a special purpose finance subsidiary of the Company, Bluegreen Receivables Finance Corporation V, had sold $83.2 million aggregate principal amount of timeshare receivables in securitization transactions to Credit Suisse First Boston ("CSFB") and $26.0 million to ING Capital, LLC ("ING"), an affiliate of ING Bank NV. ING acquired the Purchase Facility from CSFB in April 2002. Receivables are sold under the Purchase Facility without recourse to the Company or its special purpose finance subsidiary except for breaches of representations and warranties made at the time of sale. The Company acts as servicer under the Purchase Facility for a fee. Subject to its terms, the Purchase Facility will allow the Company to sell up to an additional $41.2 million aggregate principal amount of timeshare receivables, on a revolving basis, through April 2003. The Company did not guarantee the payment of any amounts by obligors on the receivables or otherwise enter into any payment guarantees in connection with the Purchase Facility. See "Liquidity and Capital Resources" for further discussion of the Purchase Facility. The Company is currently negotiating a new timeshare receivables purchase facility with another financial institution. There can be no assurances that the Company's negotiations will result in the Company obtaining the new facility on acceptable terms to the Company, if at all. The Company's liquidity and financial condition could be materially adversely affected if it were not able to sell a material portion of the receivables it generates under its current or one or more future facilities. In obtaining such facilities, the Company is subject to factors impacting the securitization markets generally and to factors affecting the sale of timeshare receivables in particular, including the performance of the Company's receivables.

For a further discussion of the terms of the Purchase Facility and the Company's existing receivables warehouse and hypothecation facilities please see "Liquidity and Capital Resources" under Item 7, below.

Receivables Servicing

Receivables servicing includes collecting payments from borrowers and remitting such funds to the owners, lenders or investors in such receivables, accounting for receivables principal and interest, making advances when required, contacting delinquent borrowers, foreclosing, or terminating a contract for deed or membership in the Bluegreen Vacation Club in the event that defaults are not remedied and performing other administrative duties. The Company's obligation to provide receivables servicing and its rights to collect fees for a given pool of receivables are set forth in a servicing agreement. The Company has the obligation and right to service all of the receivables it originates and retains the obligation and right with respect to substantially all of the receivables it sells through REMICs and all of the receivables sold under the any of the Company's timeshare receivable purchase facilities to date, although in certain circumstances the purchasers may elect to appoint a new servicer. The Company typically receives an annual servicing fee ranging from approximately .5% to 2.0% of the principal balance of the loans serviced. During the years ended March 31, 2002, April 1, 2001 and April 2, 2000, the Company recognized aggregate servicing fee income of $2.7 million, $1.9 million and $1.1 million, respectively.

Regulation

The timeshare and real estate industries are subject to extensive and complex regulation. The Company is subject to compliance with various federal, state, local and foreign environmental, zoning, consumer protection and other statutes and regulations regarding the acquisition, subdivision and sale of real estate and Timeshare Interests and various aspects of its financing operations. On a federal level, the Federal Trade Commission has taken an active regulatory role through the Federal Trade Commission Act, which prohibits unfair or deceptive acts or competition in interstate commerce. In addition to the laws applicable to the Company's customer financing and other operations discussed below, the Company is or may be subject to the Fair Housing Act and various other federal statutes and regulations. The Company is also subject to various foreign laws with respect to La Cabana. In addition, there can be no assurance that in the future, Timeshare Interests will not be deemed to be securities subject to regulation as such, which could have a material adverse effect on the Company. The Company believes that it is in compliance in all material respects with applicable regulations. However, no assurance can be given that the cost of complying with applicable laws and regulations will not be significant or that the Company is in fact in compliance with applicable law, including those discussed below in this section. Any failure to comply with current or future applicable laws or regulations could have a material adverse effect on the Company.

The Company's sales and marketing of residential land are subject to various consumer protection laws and to the Interstate Land Sales Full Disclosure Act, which establishes strict guidelines with respect to the marketing and sale of land in interstate commerce. HUD has enforcement powers with respect to this statute. In some instances, the Company has been exempt from HUD registration requirements because of the size or number of the subdivided parcels and the limited nature of its offerings. The Company, at its discretion, may formally request an exemption advisory opinion from HUD to confirm the exempt status of any particular offering. Several such exemption requests have been submitted to, and approved by, HUD. In those cases where the Company and its legal counsel determine parcels must be registered to be sold, the Company files registration materials disclosing financial information concerning the property, evidence of title and a description of the intended manner of offering and advertising such property. The Company bears the cost of such registration, which includes legal and filing fees. Many states also have statutes and regulations governing the sale of real estate. Consequently, the Company regularly consults with counsel for assistance in complying with federal, state and local law. The Company must obtain the approval of numerous governmental authorities for its acquisition and marketing activities and changes in local circumstances or applicable laws may necessitate the application for, or the modification of, existing approvals.

The Company's timeshare resorts are subject to various regulatory requirements including state and local approvals. The laws of most states require the Company to file with a designated state authority for its approval a detailed offering statement describing the Company and all material aspects of the project and sale of Timeshare Interests. Laws in each state where the Company sells Timeshare Interests generally grant the purchaser of a Timeshare Interest the right to cancel a contract of purchase at any time within a specified period following the earlier of the date the contract was signed or the date the purchaser has received the last of the documents required to be provided by the Company. Most states have other laws which regulate the Company's activities, such as real estate licensure; seller's of travel licensure; anti-fraud laws; telemarketing laws; prize, gift and sweepstakes laws; and labor laws. In addition, certain state and local laws may impose liability on property developers with respect to construction defects discovered or repairs made by future owners of such property. Pursuant to such laws, future owners may recover from the Company amounts in connection with the repairs made to the developed property. As required by state laws, the Company provides its timeshare purchasers with a public disclosure statement that contains, among other items, detailed information about the surrounding vicinity, the resort and the purchaser's rights and obligations as a Timeshare Interests owner.

Under various federal, state and local laws, ordinances and regulations, the owner of real property generally is liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in, or emanating from, such property, as well as related costs of investigation and property damage. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell or lease a property or to borrow using such real property as collateral. Other federal and state laws require the removal or encapsulation of asbestos-containing material when such material is in poor condition or in the event of construction, demolition, remodeling or renovation. Other statutes may require the removal of underground storage tanks. Noncompliance with these and other environmental, health or safety requirements may result in the need to cease or alter operations at a property.

The Company's customer financing activities are also subject to extensive regulation, which may include, the Truth-in-Lending Act and Regulation Z, the Fair Housing Act, the Fair Debt Collection Practices Act, the Equal Credit Opportunity Act and Regulation B, the Electronic Funds Transfer Act and Regulation E, the Home Mortgage Disclosure Act and Regulation C, Unfair or Deceptive Acts or Practices and Regulation AA and the Right to Financial Privacy Act.

During the years ended March 31, 2002 and April 1, 2001, approximately 17% and 22%, respectively, of the Company's timeshare sales were generated by marketing to prospective purchasers obtained through internal and affiliated telemarketing efforts. In addition, approximately 21% and 15% of the Company's timeshare sales during the years ended March 31, 2002 and April 1, 2001, respectively, were generated by marketing to prospective purchasers obtained from third-party timeshare prospect vendors, many of whom use telemarketing operations to generate these prospects. In recent years, state regulators have increased legislation and enforcement regarding telemarketing operations including requiring the adherence to state "do not call" lists. In addition, it is anticipated that the Federal Trade Commission will implement national "do not call" legislation in the near future. The Company believes that its exposure to adverse impacts from this heightened telemarketing legislation and enforcement has been and will continue to be mitigated in some instances by the use of "permission marketing" techniques, whereby prospective purchasers have directly or indirectly granted the Company permission to contact them in the future, and through its exclusive marketing agreement with Bass Pro. The Company has implemented procedures which it believes will help ensure that individuals who have formally requested to their state regulators that they be placed on a "do not call" list are not contacted through one of its inhouse or third-party contracted telemarketing operations, although there can be no assurances that such procedures are 100% effective in ensuring regulatory compliance. Through March 31, 2002, the Company has not been subject to any material fines or penalties as a result of its telemarketing operations. There can be no assurances that the Company will be able to efficiently or effectively market to prospective purchasers through telemarketing operations in the future or that the Company will be able to develop alternative sources of prospective purchasers of its timeshare products at acceptable costs.

Other than as described above, management is not aware of any pending regulatory contingencies that are expected to have a material adverse impact on the Company.

Competition

The real estate industry is highly competitive. In each of its markets, the Company competes against numerous developers and others in the real estate business. The Resorts Division competes with various high profile and well-established operators. Many of the world's most recognized lodging, hospitality and entertainment companies develop and sell Timeshare Interests in resort properties. Major companies that now operate or are developing or planning to develop timeshare resorts include Marriott, Disney, Hilton, Hyatt, Four Seasons, Starwood, Carlson, Bass Hotels and Cendant Corporation. The Company also competes with numerous other smaller owners and operators of timeshare resorts. In addition to competing for sales leads and prospects, the Company competes with other timeshare developers for sales personnel. The Company believes that each of its timeshare resorts face the same general competitive conditions. Although, as noted above, the Resorts Division competes with various high profile and well-established operators, the Company believes that it can compete on the basis of its general reputation and the price, location and quality of its timeshare resorts. The development and operation of additional timeshare resorts in the Company's markets could have a material adverse impact on the demand for the Company's Timeshare Interests and its results of operations.

The Residential Land and Golf Division competes with builders, developers and others for the acquisition of property and with local, regional and national developers, housebuilders and others with respect to the sale of residential lots. Competition may be generally smaller with respect to the Company's residential lot sales in the more rural markets in which it operates. The Company believes that each of its residential land and golf projects faces the same general competitive conditions. The Company believes that it can compete on the basis of its reputation and the

price, location and quality of the products it offers for sale, as well as on the basis of its experience in land acquisition, development and sale.

The Company's golf courses face competition for business from other operators of daily fee and, to a lesser extent, private golf courses within the local markets that the Company operates. Competition in these markets affects the rates that the Company charges per round of golf, the level of maintenance on the golf courses and the types of additional amenities available to golfers, such as food and beverage operations. The Company does not believe that such competitive factors have a material adverse impact on its results of operations or financial position.

In its customer financing activities, the Company competes with banks, mortgage companies, other financial institutions and government agencies offering financing of real estate. In recent years, the Company has experienced increased competition with respect to the financing of Residential Land and Golf Division sales as evidenced by the low percentage of residential land sales internally financed since 1995. The Company believes that, based on its interest rates and repayment schedules, the financing packages it offers are convenient for customers and competitive with those of other institutions which offer such financing.

Personnel

As of March 31, 2002, the Company had 2,266 employees. Of the 2,266 employees, 284 were located at the Company's headquarters in Boca Raton, Florida, and 1,982 in regional field offices throughout the United States, Aruba and Canada (the field personnel include 278 field employees supporting the Company's Residential Land and Golf Division and 1,704 field employees supporting the Company's Resorts Division). Only the Company's employees in Aruba are represented by a collective bargaining unit, and the Company believes that relations with its employees generally are excellent.

Executive Officers of the Company

The following table sets forth certain information regarding the executive officers of the Company as of June 1, 2002.

Name	Age	Position
George F. Donovan	63	President and Chief Executive Officer
John F. Chiste	46	Senior Vice President, Chief Financial Officer and Treasurer
Daniel C. Koscher	44	Senior Vice President - President, Land & Golf Division
John M. Maloney, Jr.	40	Senior Vice President - President, Resorts Division
Mark T. Ryall	42	Senior Vice President and Chief Information Officer
Allan J. Herz	42	Vice President and Director of Mortgage Operations
Susan J. Milanese	43	Vice President and Director of Human Resources
Anthony M. Puleo	34	Vice President and Chief Accounting Officer
Randi S. Tompkins	41	Vice President, Director of Corporate Legal Affairs and Clerk

George F. Donovan joined the Company as a Director in 1991 and was appointed President and Chief Operating Officer in October 1993. He became Chief Executive Officer in December 1993. Mr. Donovan has served as an officer of a number of other recreational real estate corporations, including Leisure Management International, of which he was President from 1991 to 1993, and Fairfield Communities, Inc., of which he was President from April 1979 to December 1985. Mr. Donovan holds a B.S. in Electrical Engineering and is a Registered Resort Professional.

John F. Chiste joined the Company in July 1997 as Treasurer and Chief Financial Officer. In 1998, Mr. Chiste was also named Senior Vice President. From January 1997 to June 1997, Mr. Chiste was the Chief Financial Officer of Compscript, Inc., an entity that provides institutional pharmacy services to long-term health care facilities. From December 1992 to January 1997, he served as the Chief Financial Officer, Secretary and Treasurer of Computer Integration Corporation, a publicly-held distribution company that provides information products and services to corporations nationwide. From 1983 through 1992, Mr. Chiste held various positions with Ernst & Young LLP, most recently serving as a Senior Manager. Mr. Chiste holds a B.B.A. in Accounting and is a Certified Public Accountant.

Daniel C. Koscher joined the Company in 1986. During his tenure, he has served in various financial management positions including Chief Accounting Officer and Vice President and Director of Planning/Budgeting. In 1997, he became Senior Vice President - President, Residential Land and Golf Division. Prior to his employment with the Company, Mr. Koscher was employed by the William Carter Company, a manufacturing company located in Needham, Massachusetts. He has also been employed by Cipher Data Products, Inc., a computer peripheral manufacturer located in San Diego, California, as well as the State of Nevada as an audit agent. Mr. Koscher holds an M.B.A. along with a B.B.A. in Accounting and is a Registered Resort Professional.

John M. Maloney, Jr. joined the Company in May 2001 as Senior Vice President, Resorts Division, Operations and Business Development. In May 2002, Mr. Maloney was named Senior Vice President of the Company and President of the Resorts Division. From 1997 to 2000 Mr. Maloney served in various positions with ClubCorp, most recently as the Senior Vice President of Sales and Marketing for the Owners Club by ClubCorp. From 1994 to 1997, Mr. Maloney held various positions with Hilton Grand Vacations Company, most recently as the Director of Sales Marketing for the South Florida area. Mr. Maloney holds a bachelors degree in Economics.

Mark T. Ryall joined the Company in October 2000 as Chief Information Officer. In November 2000, Mr. Ryall was also named Senior Vice President. From 1997 through 2000, Mr. Ryall was Vice President and Chief Information Officer at AHL Services, Inc., a publicly held provider of outsourcing solutions based in Atlanta, Georgia. From 1990 to 1997, Mr. Ryall served as Group Project Manager, Management Information Systems, at Ryder System, Inc., a publicly held provider of logistics, supply chain and transportation management solutions worldwide, based in Miami, Florida. From 1983 through 1990, Mr. Ryall held various positions with Andersen Consulting, an international technology-consulting firm now known as Accenture. Mr. Ryall holds a B.S.B.A. in Financial Management and an M.B.A.

Allan J. Herz joined the Company in 1992 and was named Director of Mortgage Operations in September 1992. Mr. Herz was also elected Vice President in 1993. From 1982 to 1992, Mr. Herz worked for AmeriFirst Federal Savings Bank based in Miami, Florida. During his 10-year tenure with the bank, he held various lending positions, the most recent being Division Vice President in Consumer Lending. Mr. Herz holds a B.B.A. and an M.B.A.

Susan J. Milanese joined the Company in 1988. During her tenure, she has held various management positions in the Company including Assistant to the Chief Financial Officer, Divisional Controller and Director of Accounting. In 1995, she was elected Vice President and Director of Human Resources. From 1983 to 1988, Ms. Milanese was employed by General Electric Company in various financial management positions including the corporate audit staff. Ms. Milanese holds a B.B.A. in Accounting.

Anthony M. Puleo joined the Company in October 1997 as Chief Accounting Officer. In 1998, Mr. Puleo was also elected Vice President. From December 1990 through October 1997, Mr. Puleo held various positions with Ernst & Young LLP, most recently serving as a Senior Manager in the Assurance and Advisory Business Services group. Mr. Puleo holds a B.B.A. in Accounting and is a Certified Public Accountant.

Randi S. Tompkins joined the Company in 1998 as Assistant Director of Legal Affairs and was elected Vice President and Director of Corporate Legal Affairs and Clerk in 2002. From March 1995 to October 1998, Ms. Tompkins was a sole practitioner attorney, specializing in commercial transactions and commercial and residential real estate matters. Concurrent with her law practice, Ms. Tompkins owned and operated a real estate title insurance company. From 1989 to 1994, Ms. Tompkins was an attorney with the law firm of Michael S. Weiner and Associates. Ms. Tompkins holds a B.A. in American Studies along with a J.D.

The Company's By-Laws provide that, except as otherwise provided by law or the charter and by-laws of the Company, the President, Treasurer and the Clerk hold office until the first meeting of the Board of Directors following the next annual meeting of shareholders and until their respective successors are chosen and qualified and that all other officers hold office for the same period unless a shorter time is specified in the vote appointing such officer or officers.

Item 2. PROPERTIES.

The Company's principal executive office is located in Boca Raton, Florida in approximately 74,000 square feet of leased space. On March 31, 2002, the Company also maintained regional sales offices in the Northeastern, Mid-Atlantic, Southeastern, Midwestern, Southwestern and Western regions of the United States as well as the Province of Ontario, Canada and the island of Aruba. For a further description of the Company's resort and land properties please see "Item 1. Business--Company Products."

Item 3. LEGAL PROCEEDINGS.

In the ordinary course of its business, the Company from time to time becomes subject to claims or proceedings relating to the purchase, subdivision, sale and/or financing of real estate. Additionally, from time to time, the Company becomes involved in disputes with existing and former employees. The Company believes that substantially all of the above are incidental to its business.

In addition to its other ordinary course litigation, the Company became a defendant in an action that was filed in Colorado state court against the Company on December 15, 1998 (the Company has removed the action to

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the Federal District Court in Denver). The plaintiff has asserted that the Company is in breach of its obligations under, and has made certain misrepresentations in connection with, a contract under which the Company acted as marketing agent for the sale of undeveloped property owned by the plaintiff. The plaintiff also alleges fraud, negligence and violation by the Company of an alleged fiduciary duty owed to plaintiff. Among other things, the plaintiff alleges that the Company failed to meet certain minimum sales requirements under the marketing contract and failed to commit sufficient resources to the sale of the property. The original complaint sought damages in excess of $18 million and certain other remedies, including punitive damages. Subsequently, the damages sought were reduced to approximately $15 million by the court. During fiscal 2001, the court dismissed the plaintiff's claims related to promissory estoppel, covenant of good faith and fair dealing, breach of fiduciary duty and negligence. In addition, the court dismissed the claims alleged by a sister company of the plaintiff. The dismissals discussed above further reduced the plaintiff's claims for damages to approximately $8 million, subject to the plaintiff's right of appeal.

The Company is continuing to evaluate this action and its potential impact, if any, on the Company and accordingly cannot predict the outcome with any degree of certainty. However, based upon all of the facts presently under consideration of management, the Company believes that it has substantial defenses to the allegations in this action and intends to defend this matter vigorously. The Company does not believe that any likely outcome of this case will have a material adverse effect on the Company's financial condition or results of operations.

On August 21, 2000, the Company received a Notice of Field Audit Action (the "Notice") from the State of Wisconsin Department of Revenue (the "DOR") alleging that two corporations now owned by the Company failed to collect and remit sales and use taxes to the State of Wisconsin during the period from January 1, 1994 through September 30, 1997 totaling $1.9 million. The majority of the assessment is based on the subsidiaries not charging sales tax to purchasers of Timeshare Interests at the Company's Christmas Mountain Village resort. In addition to the assessment, the Notice indicated that interest would be charged, but no penalties would be assessed. As of March 31, 2002, aggregate interest was approximately $1.5 million. The Company filed a Petition for Redetermination (the "Petition") on October 19, 2000, and, if the Petition is unsuccessful, the Company intends to vigorously appeal the assessment. The Company acquired the subsidiaries that were the subject of the Notice in connection with the acquisition of RDI Group, Inc.(TM) ("RDI") on September 30, 1997. Under the RDI purchase agreement, the Company has the right to set off payments owed by the Company to RDI's former stockholders pursuant to a $1.0 million outstanding note payable balance and to make a claim against such stockholders for $500,000 previously paid to them for any breach of representations and warranties. The Company has notified the former stockholders that it intends to exercise these rights to mitigate any settlement with the DOR in this matter. In addition, the Company believes that, if necessary, amounts paid to the State of Wisconsin pursuant to the Notice, if any, may be further funded through collections of sales tax from the consumers who effected the assessed timeshare sales with RDI without paying sales tax on their purchases. Based on management's assessment of the Company's position in the Petition, the Company's right of set off with the former RDI stockholders and other factors discussed above, management does not believe that the possible sales tax pursuant to the Notice will have a material adverse impact on the Company's results of operations or financial position, and therefore no amounts have been accrued related to this matter.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's common stock is traded on the New York Stock Exchange ("NYSE") and the Pacific Stock Exchange under the symbol "BXG". The following table sets forth, for the periods indicated, the high and low closing price of the common stock as reported on the NYSE:

	Price Range			Price Range	
	High	Low		High	Low
Fiscal 2002			Fiscal 2001		
First Quarter	$2.29	$1.60	First Quarter	$4.06	$2.75
Second Quarter	2.20	1.71	Second Quarter	3.75	2.63
Third Quarter	2.20	1.75	Third Quarter	3.25	1.56
Fourth Quarter	4.99	2.00	Fourth Quarter	2.60	1.53

There were approximately 1,320 record holders of the Company's common stock as of June 24, 2002. The number of record holders does not reflect the number of persons or entities holding their stock in "street" name through brokerage firms or other entities.

The Company did not pay any cash or stock dividends during fiscal 2002 or fiscal 2001. The Company does not anticipate paying any dividends in the foreseeable future, as it currently anticipates that it will retain any future earnings for use in its business. Restrictions contained in the Indenture related to the Company's $110 million 10 1/2% Senior Secured Notes due 2008 issued in April 1998 do, and the terms of certain of the Company's credit facilities may, in certain instances, limit the payment of cash dividends on its common stock and restrict the Company's ability to repurchase shares.

On August 14, 1998, the Company entered into a Securities Purchase Agreement (the "Stock Agreement") with Morgan Stanley Real Estate Investors III, L.P., Morgan Stanley Real Estate Fund III, L.P., MSP Real Estate Fund, L.P., and Morgan Stanley Real Estate Fund III Special Fund, L.P. (collectively, the "Funds") pursuant to which the Funds purchased 4.1 million and 1.8 million shares of the Company's common stock for an aggregate of $35 million and $15 million during fiscal 1999 and 2000, respectively. Aggregate legal and other stock issuance costs totaled approximately $774,000. The net proceeds of the sale were used for general corporate purposes, including the acquisition of inventory. Shares of the Company's common stock sold to the Funds were exempt from registration under the Securities Act of 1933, by virtue of Section 4(2) and Rule 506 of Regulation D and issued thereunder. Pursuant to the Stock Agreement, the Funds made investment representations which are customary for private placement transactions with institutional investors and agreed not to sell or transfer the securities absent registration under the Securities Act or an opinion of counsel acceptable to the Company that such registration was not required.

On April 10, 2002, Levitt Companies, LLC ("Levitt"), a subsidiary of BankAtlantic Bancorp, Inc. (NYSE: BBX), acquired an aggregate of approximately 8 million shares of the Company's outstanding common stock from the Funds and Grace Brothers, Ltd. in private transactions. As a result of these purchases, combined with prior holdings in the Company, Levitt now owns approximately 40% of the Company's outstanding common stock.

From time to time, the Company's Board of Directors has adopted and publicly announced a share repurchase program. Repurchases under such programs are subject to the price of the Company's stock, prevailing market conditions, the Company's financial condition and available resources, other investment alternatives and other factors. The Company is not required to seek shareholder approval of share repurchase programs, has not done so in the past, and does not anticipate doing so in the future except to the extent it may be required to do so under applicable law. The Company did not repurchase any shares during fiscal year 2002. During fiscal years 2001 and 2000, the Company repurchased 198,000 and 1.6 million shares, respectively, under share repurchase programs at aggregate costs of $572,000 and $7.8 million, respectively. As of March 31, 2002 there were 694,500 shares remaining for purchase under the Company's current repurchase program, although the Company has no present intention of acquiring these remaining shares in the foreseeable future.

Item 6. SELECTED FINANCIAL DATA.

The selected consolidated financial data set forth below should be read in conjunction with the Consolidated Financial Statements, related notes, and other financial information appearing elsewhere in this Annual Report.

	As of or for the Year		
(dollars in thousands, except per share data)	March 31, 2002	April 1, 2001	April 2, 2000
INCOME STATEMENT DATA:			

Sales	$240,628	$229,874	$214,488
Other resort and golf operations revenues	25,470	24,649	21,745
Interest income	15,447	17,317	15,652
Gain on sales of notes receivable	6,280	3,281	2,063
Other income	--	--	192
Total revenues	287,825	275,121	254,140
Income before income taxes and minority interest	19,482	3,002	10,565
Net income	11,732	2,717	6,777
Earnings per common share:			
Basic	0.48	0.11	0.29
Diluted	0.46	0.11	0.28
BALANCE SHEET DATA:			
Notes receivable, net	$ 55,648	$ 74,796	$ 70,114
Inventory, net	187,688	193,634	197,093
Total assets	435,161	419,681	413,983
Shareholders' equity	149,656	136,790	134,044
Book value per common share	6.16	5.65	5.50
OTHER DATA:			
Weighted-average interest rate on notes receivable at period end	14.7%	15.2%	15.1%
Resorts division statistics:			
Total resort division sales	$144,226	$140,975	$117,271
Number of resorts at period end	12	11	10
Gross margin on resort sales	76.7%	78.0%	76.7%
Number of timeshare sale transactions (1)	16,414	16,240	13,518
Residential land and golf division statistics:			
Total residential land and golf division sales	$ 96,402	$ 88,899	$ 97,217
Gross margin on sales of land	45.1%	46.3%	51.1%
Number of home sites sold (1)	1,640	1,614	1,846

(1) Unit sales data includes those sales made during the applicable period where recognition of revenue is deferred under the percentage-of-completion method of accounting (see "Contracts Receivable and Revenue Recognition" under Note 1 of Notes to Consolidated Financial Statements.)

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

Certain Definitions, Cautionary Statement Regarding Forward-Looking Statements and Risk Factors

The following discussion of the results of operations and financial condition of the Company should be read in conjunction with the Company's Consolidated Financial Statements and related Notes and other financial information included elsewhere in this Annual Report. Unless otherwise indicated in this discussion (and throughout this Annual Report), references to "real estate" and to "inventories" collectively encompass the Company's inventories held for sale by the Resorts Division and Residential Land and Golf Division. "Timeshare Interests" are of two types: one which entitles the fixed-week buyer to a fully-furnished vacation residence for an annual one-week period in perpetuity and the second which entitles the buyer of the Company's points-based Vacation

Club product with an annual allotment of "points" in perpetuity (supported by an underlying deeded fixed timeshare week being held in trust for the buyer). "Points" may be

exchanged by the buyer in various increments for lodging for varying lengths of time in fully-furnished vacation residences at the Company's participating resorts. "Estimated remaining life-of-project sales" assumes sales of the existing, currently under construction or development, and planned Timeshare Interests or residential lots, as the case may be, at current retail prices.

Market and industry data used throughout this Annual Report were obtained from internal Company surveys, industry publications, unpublished industry data and estimates, discussions with industry sources and currently available information. The sources for this data include, without limitation, the American Resort Development Association ("ARDA"), a non-profit industry organization. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. The Company has not independently verified such market data. Similarly, internal Company surveys, while believed by the Company to be reliable, have not been verified by any independent sources. Accordingly, no assurance can be given that any such data are accurate.

The Company desires to take advantage of the "safe harbor" provisions of the Private Securities Reform Act of 1995 (the "Act") and is making the following statements pursuant to the Act in order to do so. Certain statements herein and elsewhere in this report and the Company's other filings with the Securities and Exchange Commission constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company may also make written or oral forward-looking statements in its annual report to stockholders, in press releases and in other written materials, and in oral statements made by its officers, directors and employees. Such statements may be identified by forward-looking words such as "may", "intend", "expect", "anticipate", "believe", "will", "should", "project", "estimate", "plan" or other comparable terminology or by other statements that do not relate to historical facts. All statements, trend analyses and other information relative to the market for the Company's products, the Company's expected future sales, financial position, operating results and liquidity and capital resources and its business strategy, financial plan and expected capital requirements and trends in the Company's operations or results are forward-looking statements. Such forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond the Company's control, that could cause the actual results, performance or achievements of the Company, or industry trends, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and no assurance can be given that the plans, estimates and expectations reflected in such statements will be achieved. Factors that could adversely affect the Company's future results can also be considered general "risk factors" with respect to the Company's business, whether or not they relate to a forward-looking statement. The Company wishes to caution readers that the following important factors, among other risk factors, in some cases have affected, and in the future could affect, the Company's actual results and could cause the Company's actual consolidated results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company:

a) Changes in national, international or regional economic conditions that can adversely affect the real estate market, which is cyclical in nature and highly sensitive to such changes, including, among other factors, levels of employment and discretionary disposable income, consumer confidence, available financing and interest rates.

b) The imposition of additional compliance costs on the Company as the result of changes in or the interpretation of any environmental, zoning or other laws and regulations that govern the acquisition, subdivision and sale of real estate and various aspects of the Company's financing operation or the failure of the Company to comply with any law or regulation. Also the risks that changes in or the failure of the Company to comply with laws and regulations governing the marketing (including telemarketing) of the Company's inventories and services will adversely impact the Company's ability to make sales in any of its current or future markets at its current relative marketing cost.

c) Risks associated with a large investment in real estate inventory at any given time (including risks that real estate inventories will decline in value due to changing market and economic conditions and that the development, financing and carrying costs of inventories may exceed those anticipated).

d) Risks associated with an inability to locate suitable inventory for acquisition, or with a shortage of available inventory in the Company's principal markets.

e) Risks associated with delays in bringing the Company's inventories to market due to, among other things, changes in regulations governing the Company's operations, adverse weather conditions, natural disasters or changes in the availability of development financing on terms acceptable to the Company.

f) Changes in applicable usury laws or the availability of interest deductions or other provisions of federal or state tax law, which may limit the effective interest rates that the Company may charge on its notes receivable.

g) A decreased willingness on the part of banks to extend direct customer homesite financing, which could result in the Company receiving less cash in connection with the sales of real estate and/or lower sales.

h) The fact that the Company requires external sources of liquidity to support its operations, acquire, carry, develop and sell real estate and satisfy its debt and other obligations, and the Company may not be able to locate external sources of liquidity on favorable terms or at all.

i) The inability of the Company to locate sources of capital on favorable terms for the pledge and/or sale of land and timeshare notes receivable, including the inability to consummate or fund securitization transactions or to consummate fundings under facilities.

j) An increase in prepayment rates, delinquency rates or defaults with respect to Company-originated loans or an increase in the costs related to reacquiring, carrying and disposing of properties reacquired through foreclosure or deeds in lieu of foreclosure, which could, among other things, reduce the Company's interest income, increase loan losses and make it more difficult and expensive for the Company to sell and/or pledge receivables.

k) Costs to develop inventory for sale and/or selling, general and administrative expenses materially exceed (i) those anticipated or (ii) levels necessary in order for the Company to achieve anticipated profit and operating margins or be profitable.

l) An increase or decrease in the number of land or resort properties subject to percentage-of-completion accounting, which requires deferral of profit recognition on such projects until development is substantially complete. Such increases or decreases could cause material fluctuations in period-to-period results of operations.

m) The failure of the Company to satisfy the covenants contained in the indentures governing certain of its debt instruments and/or other credit agreements, which, among other things, place certain restrictions on the Company's ability to incur debt, incur liens, make investments, pay dividends or repurchase debt or equity. Any such failure could materially, adversely impact the Company's liquidity position and its operations.

n) The risk of the Company incurring an unfavorable judgement in any litigation, and the impact of any related monetary or equity damages.

o) Risks associated with selling Timeshare Interests in foreign countries including, but not limited to, compliance with legal regulations, labor relations and vendor relationships.

p) The risk that the Company's sales and marketing techniques are not successful, and the risk that the Bluegreen Vacation Club is not accepted by consumers or imposes limitations on the Company's operations, or is adversely impacted by legal or other requirements.

q) The risk that any contemplated transactions currently under negotiation will not close or conditions to funding under existing or future facilities will not be satisfied.

r) Risks relating to any joint venture that the Company is a party to, including risks that a dispute may arise with a joint venture partner, that the Company's joint ventures will not be as successful as anticipated and that the Company will be required to make capital contributions to such ventures in amounts greater than anticipated.

s) Risks that any currently proposed or future changes in accounting principles will have an adverse impact on the Company.

t) Risks that a short-term or long-term decrease in the amount of vacation travel (whether as a result of economic, political or other factors), including but not limited to air travel, by American consumers will have an adverse impact on the Company's timeshare sales.

The Company does not undertake and expressly disclaims any duty to update or revise forward-looking statements, even if the Company's situation may change in the future.

General

Real estate markets are cyclical in nature and highly sensitive to changes in national, regional and international economic conditions, including, among other factors, levels of employment and discretionary disposable income, consumer confidence, available financing and interest rates. While a downturn in the economy in general or in the market for real estate could have a material adverse effect on the Company, and there are no assurances that a continuation or decline in existing conditions will not have a material adverse effect, the Company believes that current general economic conditions have not materially impacted the Company's financial position or results of operations as of and for the year ended March 31, 2002.

The Company recognizes revenue on residential land and Timeshare Interest sales when a minimum of 10% of the sales price has been received in cash, the refund or rescission period has expired, collectibility of the receivable representing the remainder of the sales price is reasonably assured and the Company has completed substantially all of its obligations with respect to any development relating to the real estate sold. In cases where all development has not been completed, the Company recognizes income in accordance with the percentage-of-completion method of accounting. Under this method of income recognition, income is recognized as work progresses. Measures of progress are based on the relationship of costs incurred to date to expected total costs. The Company has been dedicating greater resources to more capital-intensive residential land and timeshare projects. As development on more of these larger projects is begun, to the extent possible, and based on the Company's strategy to pre-sell projects when minimal development has been completed, the amount of income deferred under the percentage-of-completion method of accounting may increase significantly.

Costs associated with the acquisition and development of timeshare resorts and residential land properties, including carrying costs such as interest and taxes, are capitalized as inventory and are allocated to cost of real estate sold as the respective revenues are recognized.

The Company has historically experienced and expects to continue to experience seasonal fluctuations in its gross revenues and net earnings. This seasonality may cause significant fluctuations in the quarterly operating results of the Company, with the majority of the Company's gross revenues and net earnings historically occurring in the first and second quarters of the fiscal year. As the Company's timeshare revenues grow as a percentage of total revenues, the Company believes that the fluctuations in revenues due to seasonality may be mitigated in part. In addition, other material fluctuations in operating results may occur due to the timing of development and the Company's use of the percentage-of-completion method of accounting. Management expects that the Company will continue to invest in projects that will require substantial development (with significant capital requirements). There can be no assurances that historical seasonal trends in quarterly revenues and earnings will continue or be mitigated by the Company's efforts.

The Company believes that inflation and changing prices have not had a material impact on its revenues and results of operations during any of the three years ended March 31, 2002, other than to the extent that the Company continually challenges and has historically increased the sales prices of its timeshare interests annually. Based on prior history, the Company does not expect that inflation will have a material impact on the Company's revenues or results of operations in the foreseeable future, although there is no assurance that the Company will be able to continue to increase prices. To the extent inflationary trends affect short-term interest rates, a portion of the Company's debt service costs may be affected as well as the interest rate the Company charges on its new receivables from its customers.

The Company believes that the terrorist attacks on September 11, 2001 in the United States and subsequent events that have decreased the amount of vacation air travel by Americans have not, to date, had a material adverse impact on the Company's sales in its domestic sales offices. With the exception of La Cabana, guests at the Company's Bluegreen Vacation Club destination resorts more typically drive, rather than fly, to these resorts due to the accessibility of the resorts. While there was an adverse impact on sales at La Cabana during certain months in the post-September 11th period, based on current conditions the Company does not believe that there will be a long-term adverse impact on its sales in Aruba from decreased air travel, partially due to the fact that a significant portion of Aruba's

tourist traffic comes from South America. There can be no assurances, however, that a long-term decrease in air travel or increase in anxiety regarding actual or possible future terrorist attacks or other world events would not have a material adverse impact on the Company's results of operations in some future period.

The Company's real estate operations are managed under two divisions. The Resorts Division manages the Company's timeshare operations and the Residential Land and Golf Division acquires large tracts of real estate, which are subdivided, improved (in some cases to include a golf course on the property) and sold, typically on a retail basis as home sites.

Inventory is carried at the lower of cost, including costs of improvements and amenities incurred subsequent to acquisition, or fair value, net of costs to dispose.

A portion of the Company's revenues historically has been and, although no assurances can be given, is expected to continue to be comprised of gains on sales of loans. The gains are recorded on the Company's Consolidated Income Statement and the related retained interests in the portfolios are recorded on its Consolidated Balance Sheet at the time of sale. The amount of gains and the fair value of the retained interests recorded are based in part on management's estimates of future prepayment, default and loss severity rates and other considerations in light of then-current conditions. If actual prepayments with respect to loans occur more quickly than was projected at the time such loans were sold, as can occur when interest rates decline, interest would be less than expected and may cause a decline in the fair value of the retained interests and a charge to earnings currently. If actual defaults or other factors discussed above with respect to loans sold are greater than estimated, charge-offs would exceed previously estimated amounts and may cause a decline in the fair value of the retained interests and a charge to earnings currently. There can be no assurances that the carrying value of the Company's retained interests in notes receivable sold will be fully realized or that future loan sales will be consummated or, if consummated, result in gains. Declines in the fair value of the retained interests that are determined to be other than temporary are charged to operations.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of its results of operations and financial condition are based upon its consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of commitments and contingencies. On an ongoing basis, management evaluates its estimates, including those that relate to the recognition of revenue, including recognition under the percentage-of-completion method of accounting; the Company's reserve for loan losses; the valuation of retained interests in notes receivable sold and the related gains on sales of notes receivable; the recovery of the carrying value of real estate inventories, intangible assets and other assets; and the estimate of contingent liabilities related to litigation and other claims and assessments. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. If actual results significantly differ from management's estimates, the Company's results of operations and financial condition could be materially adversely impacted.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements:

- In accordance with the requirements of Statement of Financial Accounting Standards ("SFAS") No. 66 "Accounting for Sales of Real Estate", the Company recognizes revenue on retail land sales and sales of Timeshare Interests when a minimum of 10% of the sales price has been received in cash, the legal rescission period has expired, collectibility of the receivable representing the remainder of the sales price is reasonably assured and the Company has completed substantially all of its obligations with respect to any development related to the real estate sold. In cases where all development has not been completed, the Company recognizes revenue in accordance with the percentage-of-completion method of accounting. Should the Company's estimates regarding the collectibility of its receivables change adversely or the Company's estimates of the total anticipated cost of its timeshare and residential land and golf projects increase, the Company's results of operations could be adversely impacted.

- The Company considers many factors when establishing and evaluating the adequacy of its reserve for loan losses. These factors include recent and historical default rates, current delinquency rates, contractual payment terms, loss severity rates along with present and expected economic conditions. The Company examines these factors and adjusts its reserve for loan losses on at least a quarterly basis. Should the Company's estimates of these and other pertinent factors change, the Company's results of operations, financial condition and liquidity position could be adversely affected.

- When the Company sells notes receivables either pursuant to its timeshare receivables purchase facilities or, in the case of land mortgages receivable, private-placement REMICs, it retains subordinated tranches, rights to excess interest spread, servicing rights and in some cases a cash reserve account, all of which are retained interests in the sold notes receivable. Gain or loss on sale of the receivables depends in part on the allocation of the previous carrying amount of the financial assets involved in the transfer between the assets sold and the retained interests based on their relative fair value at the date of transfer. The Company initially and periodically estimates fair value based on the present value of future expected cash flows using management's best estimates of the key assumptions - prepayment rates, loss severity rates, default rates and discount rates commensurate with the risks involved. Should the Company's estimates of these key assumptions change, the Company's results of operations and financial condition could be adversely impacted.

- The Company periodically evaluates the recovery of the carrying amount of individual resort and residential land properties under the guidelines of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets for Long-Lived Assets to be Disposed Of." Factors that the Company considers in making this evaluation include the estimated remaining life-of-project sales for each project based on current retail prices and the estimated costs to complete each project. Should the Company's estimates of these factors change, the Company's results of operations and financial condition could be adversely impacted.

- The Company periodically evaluates the recovery of the carrying amount of goodwill and other long-lived assets by determining if any impairment indicators are present. These indicators include duplication of resources resulting from acquisitions, income derived from businesses acquired, the estimated undiscounted cash flows of the entity over the remaining amortization period, the recoverability of the long-lived assets over their estimated lives and other factors. Should the Company's estimates of these factors change and indicators of impairment prove to be present, the Company may be required to write down its goodwill or other long-lived assets in some future period, which may have a material adverse impact on the results of operations and financial condition.

  In June 2001, the FASB issued SFAS No. 142, "Accounting for Goodwill and Other Intangible Assets", effective for the Company's fiscal year 2003. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with SFAS No. 142. Other intangible assets will continue to be amortized over their useful lives. The Company will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of fiscal 2003 (beginning April 1, 2002). The adoption of SFAS No. 142 is not expected to have a material impact on the Company's results of operations or financial condition.

- During fiscal years 2001 and 2002, the Company deferred the cost of generating timeshare tours through telemarketing programs until such time as these tours were conducted, based on an accepted industry accounting principle. Effective April 1, 2002, the Company elected to change its accounting policy to expense such costs as incurred. The Company believes that the new method of accounting for these costs is preferable over the Company's previous method and has been applied prospectively. The Company believes accounting for these costs as period expenses results in improved financial reporting and consistency with the proposed timeshare Statement of Position, "Accounting for Real Estate Time-Sharing Transactions", that was approved for exposure by the FASB on November 20, 2002. The cumulative effect of this change in accounting principle was $5.9 million, net of tax.

Pro forma net income and earnings per share for each of the two years ended March 31, 2002, as if the Company had expensed the costs of generating timeshare tours as period costs during these periods, are as follows (in thousands, except per share amounts):

	Year ended March 31, 2002	Year ended April 1, 2001
Net income	$ 7,484	$ 1,634
Basic earnings per share	$ 0.31	$ 0.07
Diluted earnings per share	$ 0.31	$ 0.07

Results of Operations

(in thousands)	Resorts		Residential Land and Golf	
Year Ended March 31, 2002				
Sales	$ 144,226	100%	$ 96,402	100%
Cost of sales (1)	(33,588)	(23)	(52,937)	(55)
Gross profit	110,638	77	43,465	45
Other resort and golf operations revenues	23,149	16	2,321	2
Cost of resort and golf operations	(20,506)	(14)	(3,038)	(3)
Field selling, general and administrative expenses (2)	(93,552)	(65)	(27,333)	(28)
Field operating profit	$ 19,729	14%	$ 15,415	16%
Year Ended April 1, 2001				
Sales	$ 140,975	100%	$ 88,899	100
Cost of sales (1)	(31,049)	(22)	(47,746)	(54)
Gross profit	109,926	78	41,153	46
Other resort and golf operations revenues	22,762	16	1,887	2
Cost of resort and golf operations	(22,068)	(16)	(2,883)	(3)
Field selling, general and administrative expenses (2)	(100,896)	(72)	(27,166)	(31)
Field operating profit	$ 9,724	7%	$ 12,991	15%
Year Ended April 2, 2000				
Sales	$ 117,271	100%	$ 97,217	100%
Cost of sales (1)	(27,374)	(23)	(47,583)	(49)
Gross profit	89,897	77	49,634	51
Other resort and golf operations revenues	19,038	16	2,707	3
Cost of resort and golf operations	(17,112)	(15)	(3,836)	(4)
Field selling, general and administrative expenses (2)	(84,413)	(72)	(25,918)	(27)

Field operating profit	$ 7,410	6%	$ 22,587	23%

(1) Cost of sales represents the cost of inventory including the cost of improvements, amenities and in certain cases previously capitalized interest and real estate taxes.

(2) General and administrative expenses attributable to corporate overhead have been excluded from the tables. Corporate general and administrative expenses totaled $19.4 million, $19.5 million and $18.2 million for fiscal 2002, fiscal 2001 and fiscal 2000, respectively.

Sales and Field Operations

Consolidated sales were $240.6 million for the year ended March 31, 2002 ("fiscal 2002"), $229.9 million for the year ended April 1, 2001 ("fiscal 2001") and $214.5 million for the year ended April 2, 2000 ("fiscal 2000"), representing an increase of 5% from fiscal 2001 to fiscal 2002 and an increase of 7% from fiscal 2000 to fiscal 2001.

Resorts Division

During fiscal 2002, fiscal 2001 and fiscal 2000, sales of Timeshare Interests contributed $144.2 million or 60%, $141.0 million or 61% and $117.3 million or 55%, respectively, of the Company's total consolidated sales.

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The following table sets forth certain information for sales of Timeshare Interests for the periods indicated, before giving effect to the percentage-of-completion method of accounting.

	Years Ended,		
	March 31, 2002	April 1, 2001	April 2, 2000
Number of timeshare sale transactions	16,414	16,240	13,518
Average sales price per transaction	$ 8,989	$ 8,743	$ 8,410
Gross margin	77%	78%	77%

The $3.2 million increase in Resorts Division sales during fiscal 2002 as compared to fiscal 2001 is primarily due to the $9.7 million increase in sales at the Company's 51%-owned Big Cedar Wilderness Club, as this resort had just commenced sales in fiscal 2001 and was in the start-up phase. This increase was partially offset by the closure of the offsite sales office serving the Cleveland, Ohio market in May 2001, due to low profitability. The Cleveland sales office generated $1.2 million in sales prior to its closure in fiscal 2002, as compared to $8.4 million in fiscal 2001.

The increase in timeshare sales during fiscal 2001 as compared to fiscal 2000 is primarily due to the fiscal 2000 opening of the Company's offsite sales office serving the Detroit, Michigan market. The Detroit sales office generated timeshare sales of $13.9 million and $3.7 million during fiscal 2001 and fiscal 2000, respectively. In addition, the Company's MountainLoft resort sales office in Gatlinburg, Tennessee generated $4.0 million more timeshare sales during fiscal 2001 as compared to fiscal 2000, due to a 28% increase in prospective buyers touring the property combined with a 3%-point increase in the sales office's prospect-to-tour conversion percentage. Also, the Company's Lodge Alley Inn sales office in Charleston, South Carolina generated $2.2 million more sales during fiscal 2001 as compared to fiscal 2000, due to a 43% increase in prospective buyers touring the property combined with a 3%-point increase in the sales office's prospect-to-tour conversion percentage. The Falls Village resort in Branson, Missouri, generated $1.5 million more sales during fiscal 2001 as compared to fiscal 2000, due to a 9% increase in prospective buyers touring the property combined with a 2%-point increase in the sales office's prospect-to-tour conversion percentage. The Company believes these increases are attributed to the implementation of an improved sales process relative to the Bluegreen Vacation Club product and more effective marketing programs.

Finally, the opening of the Company's 51%-owned Big Cedar Wilderness Club resort adjacent to the Big Cedar Lodge in Ridgedale, Missouri, contributed $1.3 million to the overall increase in timeshare sales during fiscal 2001.

Gross profit from other resort services increased $1.9 million or 681% to $2.6 million from $694,000 during fiscal 2002 as compared to fiscal 2001, respectively. The increase was primarily due to $2.6 million in increased profits related to management and other fee income earned for services provided to Bluegreen Vacation Club members, due to an increase in members from 38,000 to 51,000 members at April 1, 2001 and March 31, 2002, respectively. As the Bluegreen Vacation Club member base increases, the Company anticipates increased gross profits from the related management fees, although there can be no assurances that the member base will increase or that such increased management fees will be realized. This increase was partially offset by additional costs incurred in connection with the expansion of the Resorts Division's customer service area.

Gross profit from other resort services decreased $1.2 million to $694,000 from $1.9 million during fiscal 2001 as compared to fiscal 2000, respectively. The Company added a resort customer service department in fiscal 2001, at a cost of over $600,000. In addition, profits from the Company's resort rental brokerage services decreased approximately $400,000.

The reduction in field selling, general and administrative expenses as a percentage of timeshare sales to 65% from 72% during fiscal 2002 as compared to fiscal 2001, respectively, was primarily due to the Company's focused efforts on increasing tour flow from our inhouse, referral and owner marketing programs as well as a new compensation plan which tied the Company's regional sales and marketing directors' compensation to profitability. In addition, the centralization of certain marketing functions contributed to the decrease in costs. Another factor in the decrease of field selling, general and administrative expenses was a new, standardized commissions plan implemented in fiscal 2002 as well as the centralization of commission processing and monitoring at the Company's corporate headquarters, which resulted in a decrease in administrative personnel. Field selling, general and administrative expenses as a percentage of sales is an important indicator of the performance of the Resorts Division and the Company as a whole. No assurances can be given that this positive trend will continue or that field selling, general and administrative expenses will not increase as a percentage of sales in future periods.

Residential Land and Golf Division

During fiscal 2002, fiscal 2001 and fiscal 2000, residential land and golf sales contributed $96.4 million or 40%, $88.9 million or 39% and $97.2 million or 45%, respectively, of the Company's total consolidated sales.

The table set forth below outlines the number of home sites sold and the average sales price per home site for the Residential Land and Golf Division for the periods indicated, before giving effect to the percentage-of-completion method of accounting and excluding sales of bulk parcels.

	Years Ended,		
	March 31, 2002	April 1, 2001	April 2, 2000
Number of home sites sold	1,640	1,614	1,846
Average sales price per home site	$58,287	$57,191	$49,741
Gross margin	45%	46%	51%

Residential Land and Golf Division sales increased $7.5 million in fiscal 2002 as compared to fiscal 2001 due primarily to $17.5 million of increased sales at The Preserve at Jordan Lake, a golf course community located near Raleigh-Durham, North Carolina. The Preserve at Jordan Lake had just commenced sales and development during fiscal 2001, and therefore had a significant portion of its sales during this start-up year deferred under percentage-of-completion accounting. This increase was partially offset by an $8.5 million decrease in sales in the Company's Arizona region due to the two main projects in this region being substantially sold out in fiscal 2001. The Company still intends to consider acquiring additional residential land projects in the Arizona market, although no assurances can be given that the Company will acquire additional inventory in that area. The remaining offsetting decrease was due to a $1.4 million sale of a bulk tract of land in fiscal 2001 by the Company, with no such corresponding sale in fiscal 2002.

Residential Land and Golf Division sales decreased during fiscal 2001 as compared to fiscal 2000 due primarily to decreases in available inventories due, in part, to a strategic decision not to replace certain properties which either sold out in fiscal 2000 or which are approaching sell-out in areas of the country where the Company has chosen to exit. These areas include Florida, Tennessee, Wisconsin and New Mexico. This factor resulted in 266 fewer lot sales during fiscal 2001 as compared to fiscal 2000. Also, included in the fiscal 2000 results of operations is a one-time, bulk sale of land and mineral rights in Colorado to a developer of oil and gas rights, which contributed approximately $5.0 million and $4.3 million to Residential Land and Golf Division sales and field operating profit, respectively.

The Company intends to primarily focus its Residential Land & Golf Division resources on developing new golf communities, continuing to support its successful regions in Texas and exploring continued expansion into the California market. During fiscal 2002, the Company's golf communities and Texas regions comprised approximately 42% and 55%, respectively, of the Company's total Residential Land and Golf sales.

In December 2000, the Company acquired approximately 2,300 acres near San Diego, California, representing the Company's first acquisition in the California market. This property was acquired for $4.6 million in cash, including acquisition costs. Sales at the project are currently delayed while the Company obtains necessary entitlements on the land. The Company currently expects that this project will commence sales during fiscal 2003, although there can be no assurances.

The decrease in gross margin during fiscal 2002 as compared to fiscal 2001 was primarily due to $4.1 million in impairment charges taken on the Company's Crystal Cove(TM) project in Tennessee. Additional development expenditures required for road and utility work at the project exceeded the Company's original estimates. The Company believes that this charge is adequate to reduce the carrying value of this project its fair value less estimated selling costs; however there can be no assurances that further charges will not be required.

The decrease in gross margin during fiscal 2001 as compared to fiscal 2000 was primarily due to the impact of the sale of mineral rights and related land in Colorado to a developer of oil and gas rights, which accounted for $5.0 million of sales and $4.6 million in gross profit in fiscal 2000. Excluding this one-time transaction, Residential Land and Golf Division gross margins would have been 49% during fiscal 2000. In addition, gross margins were adversely impacted by unanticipated additional roadwork, the costs of which are being directly expensed to cost of sales, at the Crystal Cove project.

The Company's Investment Committee approves all property acquisitions. In order to be approved for purchase by the Investment Committee, all residential land and golf (as well as resort) properties are expected to achieve certain minimum economics including a minimum gross margin. No assurances can be given that such minimum economics will be achieved.

The gross loss from golf operations decreased $279,000 or 28% during fiscal 2002 as compared to fiscal 2001 and $133,000 or 12% during fiscal 2001 as compared to fiscal 2000, due to decreased losses from the operations at Carolina National, as the operation continues to mature.

Interest Income

Interest income was $15.4 million, $17.3 million and $15.7 million for fiscal 2002, fiscal 2001 and fiscal 2000, respectively. The Company's interest income is earned from its notes receivable, retained interests in notes receivable sold (including REMIC transactions) and cash and cash equivalents.

The decrease in interest income during fiscal 2002 was due to due to lower average cash balances on hand, lower interest rates on cash balances and Residential Land and Golf Division mortgages held and lower timeshare notes receivables held due to increased sales of timeshare notes receivable during fiscal 2002 as compared to fiscal 2001.

The increase in interest income during fiscal 2001 was primarily due to an increase in the average notes receivable balance during fiscal 2001, as compared to fiscal 2000. The increase was primarily due to the fact that the Company's timeshare receivables purchase facility (see "Liquidity and Capital Resources") was not executed as of the end of the second quarter of fiscal 2001, and therefore the Company did not sell any receivables during the first half of fiscal 2001, thus generating more interest income from higher average notes receivable balances.

Gain on Sale of Notes Receivable

In fiscal 2002, fiscal 2001 and fiscal 2000, the Company recognized $6.3 million, $3.3 million and $2.1 million in gains, respectively, on the sale of timeshare notes receivable pursuant to timeshare receivables purchase facilities in place during the respective periods (the current timeshare receivables purchase facility is more fully described below under "Credit Facilities for Timeshare Receivables and Inventories"). The amount of gain increased in fiscal

2002 and fiscal 2001 commensurate with the increase in the principal amount of notes receivable sold ($100.9 million, $77.8 million and $48.3 million in fiscal 2002, fiscal 2001 and fiscal 2000, respectively). Another factor that increased the gain on sale of theses receivables during fiscal 2002 as compared to fiscal 2001 was the decrease in commercial paper rates during the respective periods. The return earned by the parties who purchased these fixed rate (approximately 15%) receivables is based on variable commercial paper rates, so as interest rates decrease the available interest spread increases which in turn increases the value of the Company's retained interest in the receivable pools sold and hence increases the Company's gain on sale.

Corporate General and Administrative Expenses

For a discussion of field selling, general and administrative expenses, please see "Sales and Field Operations", above.

The Company's corporate general and administrative ("G&A") expenses consist primarily of expenses incurred to administer the various support functions at the Company's corporate headquarters, including accounting, human resources, information technology, mergers and acquisitions, mortgage servicing, treasury, legal, etc. Corporate G&A totaled $19.4 million, $19.5 million and $18.2 million during fiscal 2002, fiscal 2001 and fiscal 2000, respectively. The increase in fiscal 2001 was primarily due to increased depreciation expense on fixed assets and increased outside legal fees in the normal course of business.

Interest Expense

Interest expense totaled $13.0 million, $15.5 million and $13.8 million for fiscal 2002, fiscal 2001 and fiscal 2000, respectively. The 16.0% decrease in fiscal 2002 was due to lower outstanding balances on the Company's acquisition and development loans borrowed in prior years and lower interest rates on variable-rate facilities. The 11.9% increase in fiscal 2001 as compared to fiscal 2000 was due to increased interest expense from the

hypothecation of receivables during the first half of fiscal 2001 pending the first sale of timeshare receivables under the Company's timeshare receivables purchase facility entered into during September 2000 (see "Liquidity and Capital Resources"). The majority of this hypothecation interest expense was offset by increased interest income earned on the timeshare receivables held.

The effective cost of borrowing (when adding back capitalized interest) was 9.1%, 9.5% and 9.8% for fiscal 2002, fiscal 2001 and fiscal 2000, respectively.

Provision for Loan Losses

The allowance for loan losses by division as of March 31, 2002 and April 1, 2001 was (amounts in thousands):

	Resorts Division	Residential Land and Golf Division	Other	Tot
March 31, 2002				
Notes receivable	$ 50,892	$ 7,079	$ 1,884	$ 59,
Less: allowance for loan losses	(3,782)	(313)	(112)	(4,

Notes receivable, net	$ 47,110	$ 6,766	$ 1,772	$ 55,
Allowance as a % of gross notes receivable	7%	4%	6%	
April 1, 2001				
Notes receivable	$ 64,245	$ 9,001	$ 5,136	$ 78,
Less: allowance for loan losses	(3,058)	(416)	(112)	(3,
Notes receivable, net	$ 61,187	$ 8,585	$ 5,024	$ 74,
Allowance as a % of gross notes receivable	5%	5%	2%	

The Company recorded provisions for loan losses totaling $4.9 million, $4.9 million and $5.3 million during fiscal 2002, fiscal 2001 and fiscal 2000, respectively. The 8.4% decrease in the provision during fiscal 2001 as compared to fiscal 2000 was due to increased, non-recourse sales of notes receivable pursuant to the Company's timeshare receivables purchase facility during fiscal 2001 as compared to fiscal 2000 (see "Liquidity and Capital Resources").

Other notes receivable at March 31, 2002, primarily consists of a loan to the property owners' association that is responsible for the maintenance of La Cabana, Casa Grande Cooperative Association I (see Note 4 of Notes to Consolidated Financial Statements).

Other notes receivable at April 1, 2001, primarily includes a $4.7 million loan to Napa Partners, LLC ("Napa"), a real estate company in Napa, California (the "Napa Loan"). Napa used the proceeds to acquire approximately 32 acres of undeveloped land in Napa, California, which is zoned for mixed use as a timeshare resort, hotel and commercial property. On January 4, 2001, Napa repaid approximately $68,000 in principal of the Napa Loan. In May 2001, Napa repaid the remaining outstanding principal balance on the Napa Loan and all accrued interest.

Summary

Based on the factors discussed above, the Company's net income increased to $11.7 million in fiscal 2002 from $2.7 million in fiscal 2001 and decreased to $2.7 million in fiscal 2001 from $6.8 million in fiscal 2000.

Changes in Financial Condition

Cash Flows From Operating Activities

Cash flows from operating activities increased $29.6 million to net cash inflows of $31.7 million from $2.1 million in fiscal 2002 and fiscal 2001, respectively. The increase was primarily due to a $9.0 million increase in net income. The increase in operating cash flows was also due to a $12.7 million increase in net cash provided from the sale of timeshare notes receivable. The Company sold $100.9 million and $77.8 million of timeshare notes receivable at advance rates of 85% and 95% under various timeshare receivable purchase facilities in fiscal 2002 and fiscal 2001,

respectively. See "Liquidity and Capital Resources" for further discussion of the Company's note receivable purchase facilities. Also, fiscal 2001 cash flows were impacted by a $9 million prepayment of commissions and joint venture distributions to Bass Pro, Inc. (see Note 3 of Notes to Consolidated Financial Statements), which is anticipated to be a one-time event.

Cash flows from operating activities increased $14.3 million to net cash inflows of $2.1 million from net cash outflows of $12.3 million in fiscal 2001 and fiscal 2000, respectively. The increase was primarily due to a $26.3 million increase in net cash provided from the sale of timeshare notes receivable. The Company sold $77.8 million and $48.3 million of timeshare notes receivable under various timeshare receivable purchase facilities in fiscal 2001 and fiscal 2000, respectively. See "Liquidity and Capital Resources" for further discussion of these facilities. This increase was partially offset by a $9 million prepayment of commissions and joint venture distributions to Bass Pro, Inc. (see Note 3 of Notes to Consolidated Financial Statements), which is anticipated to be a one-time event, and a $4.1 million decrease in net income.

The Company reports cash flows from borrowings collateralized by notes receivable and sales of notes receivable as operating activities in the consolidated statements of cash flows. The majority of the Company's sales for the Resorts Division result in the origination of notes receivable from its customers. Management believes that accelerating the conversion of such notes receivable into cash, either through the pledge or sale of the Company's notes receivable, on a regular basis is an integral function of the Company's operations, and has therefore classified such activities as operating activities.

Cash Flows From Investing Activities

Cash flows from investing activities increased $5.4 million to net cash outflows of $2.1 million from $7.5 million in fiscal 2002 and fiscal 2001, respectively. The increase was primarily due to a $4.7 million loan made to Napa Partners, LLC during fiscal 2001 that was collected by the Company in fiscal 2002 (see Note 4 of Notes to Consolidated Financial Statements). This increase was partially offset by a $3.4 million increase in purchases of property and equipment.

Cash flows from investing activities decreased $3.9 million to net cash outflows of $7.5 million from $3.6 million in fiscal 2001 and fiscal 2000, respectively. The decrease is primarily due to a $4.7 million loan made to Napa Partners, LLC during fiscal 2001, as discussed above.

Cash Flows from Financing Activities

Cash flows from financing activities decreased $760,000 to net cash outflows of $20.9 million from $20.1 million in fiscal 2002 and fiscal 2001, respectively. The decrease is due to payments in excess of borrowings under acquisition and development line-of-credit facilities and notes payable of $19.5 million as compared to $18.0 million in fiscal 2002 and fiscal 2001, respectively. This decrease was partially offset by the fact that the Company did not purchase any treasury stock in fiscal 2002 as compared to treasury stock purchases of $572,000 in fiscal 2001.

Cash flows from financing activities decreased $45.9 million to net cash outflows of $20.1 million from net cash inflows of $25.8 million in fiscal 2001 and fiscal 2000, respectively. The decrease is due to payments in excess of borrowings under acquisition and development line-of-credit facilities and notes payable of $18.0 million in fiscal 2001 as compared to borrowings in excess of payments under these facilities of $20.4 million in fiscal 2000. Also, in fiscal 2000 the Company realized cash proceeds of approximately $15.0 million from the sale of common stock to affiliates of Morgan Stanley Dean Witter and Company (see Note 13 of Notes to Consolidated Financial Statements), with no such corresponding sale in fiscal 2001. These decreases were partially offset by a $7.2 million decrease in the amount of cash used to buy treasury stock.

Liquidity and Capital Resources

The Company's capital resources are provided from both internal and external sources. The Company's primary capital resources from internal operations are: (i) cash sales, (ii) down payments on home site and timeshare sales which are financed, (iii) proceeds from the sale of, or borrowings collateralized by, notes receivable, (iv) principal and interest payments on the purchase money mortgage loans and contracts for deed arising from sales of Timeshare Interests and residential land home sites (collectively "Receivables") and (v) net cash generated from other resort services and golf operations. Historically, external sources of liquidity have included non-recourse sales of Receivables, borrowings under secured and unsecured lines-of-credit, seller and bank financing of inventory

acquisitions and the issuance of debt securities. The Company's capital resources are used to support the Company's operations, including (i) acquiring and developing inventory, (ii) providing financing for customer purchases, (iii) meeting operating expenses and (iv) satisfying the Company's debt, and other obligations. The Company anticipates that it will continue to require external sources of liquidity to support its operations, satisfy its debt and other obligations and to provide funds for future strategic acquisitions, primarily for the Resorts Division.

Note Offering

On April 1, 1998, the Company consummated a Rule 144A private placement offering (the "Offering") of $110.0 million in aggregate principal amount of 10.5% senior secured notes due April 1, 2008 (the "Notes"). The net proceeds of the Offering were approximately $106.3 million. In the Offering, the Company initially sold the Notes to NatWest Capital Markets Limited and McDonald & Company Securities, Inc. (the "Initial Purchasers") in a private transaction exempt from the registration requirements of the Securities Act of 1933 by virtue of the exemption from registration contained in Section 4(2) thereof, and the Initial Purchasers resold the Notes in compliance with the exemption from registration contained in Rule 144A under the Securities Act. In the Purchase Agreement executed with the Initial Purchasers, the Initial Purchasers made investment representations which are customary for private placement transactions with institutional investors and agreed to comply with Rule 144A in connection with any resales. The Company subsequently exchanged the privately placed Notes for registered Notes. In connection with the Offering, the Company repaid $22.1 million of short-term borrowings from the Initial Purchasers, approximately $28.9 million of line-of-credit and notes payable balances and approximately $36.3 million of the Company's receivable-backed notes payable. In addition, the Company paid aggregate accrued interest on the repaid debt of approximately $1.0 million and $2.7 million of prepayment penalties. The remaining net proceeds of the Offering were used to repay other obligations of the Company and for working capital purposes (see Note 10 of Notes to Consolidated Financial Statements).

Credit Facilities for Timeshare Receivables and Inventories

The Company's ability to sell and/or borrow against its notes receivable from timeshare buyers is a critical factor in the Company's continued liquidity. The timeshare business involves making sales of a product pursuant to which a financed buyer is only required to pay 10% of the purchase in cash up front, yet selling, marketing and administrative expenses are primarily cash expenses and which, in the Company's case for the 2002 Period, approximated 65% of sales. Accordingly, having facilities for the sale and hypothecation of these timeshare receivables is critical to meet the Company's short and long-term cash needs.

In June 2001, the Company executed agreements for the Purchase Facility with CSFB acting as the initial purchaser. In April 2002, ING acquired and assumed CSFB's rights, obligations and commitments as initial purchaser in the Purchase Facility by purchasing the outstanding principal balance under the facility of $64.9 million from CSFB. In connection with its assumption of the Purchase Facility, ING expanded and extended the Purchase Facility's size and term. The Purchase Facility utilizes an owner's trust structure, pursuant to which the Company sells receivables to a special purpose finance subsidiary of the Company (Bluegreen Receivables Finance Corporation V, the "Subsidiary") and the Subsidiary sells the receivables to an owners' trust without recourse to the Company or the Subsidiary except for breaches of customary representations and warranties at the time of sale. Pursuant to the agreements that constitute the Purchase Facility (collectively, the "Purchase Facility Agreements"), the Subsidiary may receive $125.0 million of cumulative purchase price (as more fully described below) on sales of timeshare receivables to the owner's trust on a revolving basis, as the principal balance of receivables sold amortizes, in transactions through April 16, 2003 (subject to certain conditions as more fully described in the Purchase Facility Agreements). The Purchase Facility has detailed requirements with respect to the eligibility of receivables for purchase and fundings under the Purchase Facility are subject to certain conditions precedent. Under the Purchase Facility, a variable purchase price expected to approximate 85.00% of the principal balance of the receivables sold, subject to certain terms and conditions, is paid at closing in cash. The balance of the purchase price will be deferred until such time as ING has received a specified return and all servicing, custodial, agent and similar fees and expenses have been paid. ING shall earn a return equal to the London Interbank Offered Rate ("LIBOR") plus 1.00%, subject to use of alternate return rates in certain circumstances. In addition, ING will receive a 0.25% facility fee during the term of the facility. The Purchase Facility also provides for the sale of land notes receivable, under modified terms. The Company did not guarantee the payment of any amounts by obligors on the receivables or otherwise enter into any payment guarantees in connection with the Purchase Facility.

The Company acts as servicer under the Purchase Facility for a fee. The Purchase Facility Agreements include various conditions to purchase, covenants, trigger events and other provisions customary for a transaction of

this type. ING's obligation to purchase under the Purchase Facility may terminate upon the occurrence of specified events. These specified events, some of which are subject to materiality qualifiers and cure periods, include, without limitation, (1) a breach by the Company of the representations or warranties in the Purchase Facility Agreements, (2) a failure by the Company to perform its covenants in the Purchase Facility Agreements, including, without limitation, a failure to pay principal or interest due to ING, (3) the commencement of a bankruptcy proceeding or the like with respect to the Company, (4) a material adverse change to the Company since December 31, 2001, (5) the amount received by the Subsidiary under the Purchase Facility exceeding the purchase price for the receivables after making adjustments for ineligible receivables and distributions owing to ING, (6) significant delinquencies or defaults on the receivables sold, (7) a payment default by the Company under any other borrowing arrangement of $5 million or more (a "Significant Arrangement"), or an event of default under any indenture, facility or agreement that results in a default under any Significant Arrangement, (8) a default or breach under any other agreement beyond the applicable grace period if such default or breach (a) involves the failure to make a payment in excess of 5% of the Company's tangible net worth or (b) causes, or permits the holder of indebtedness to cause, an amount in excess of 5% of the Company's tangible net worth to become due, (9) the Company's tangible net worth not equaling at least $110 million plus 50% of net income and 100% of the proceeds from new equity financing following the first closing under the Purchase Facility, (10) the ratio of the Company's debt to tangible net worth exceeding 6 to 1, or (11) the failure of the Company to perform its servicing obligations.

Through June 24, 2002, the Company sold $109.2 million of aggregate principal balance of notes receivable under the Purchase Facility for a cumulative purchase price of $92.8 million. As of June 24, 2002, the remaining amount of purchase price that can be obtained through the Purchase Facility upon the sale of additional notes receivable is approximately $41.2 million, based on the remaining facility limit as adjusted for cash already received by CSFB and ING on receivables previously sold (the $125.0 million facility limit is on a revolving basis). ING may attempt to securitize and sell the receivable portfolio that it purchased from CSFB along with additional receivables purchased from the Company prior to such securitization and sale. Should ING successfully consummate such a securitization and sale prior to April 16, 2003, the Subsidiary would again be able to sell additional notes receivable to ING, at 85.0% of the principal balance, with an aggregate purchase price of $125.0 million, based on the revolving facility limit of the Purchase Facility and subject to the eligibility requirements and certain conditions precedent. There can be no assurances that ING will be able to successfully consummate any such securitization and sale prior to April 16, 2003, or at any time in the future, or that the Company would have additional eligible notes receivable to sell to ING (through the Subsidiary).

The Company seeks new timeshare receivable purchase facilities to replace expiring facilities. The Company is currently discussing terms for a potential new timeshare receivable purchase facility with a financial institution. Factors which could adversely impact the Company's ability to obtain new or additional timeshare receivable purchase facilities include, but are not limited to, a downturn in general economic conditions; negative trends in the commercial paper or LIBOR markets; increases in interest rates; a decrease in the number of financial institutions willing to engage in such facilities in the timeshare area; and a deterioration in the Company's performance generally and the performance of the Company's timeshare notes receivable, specifically increased delinquency, default and loss severity rates. There can be no assurances that the Company will obtain a new purchase facility to replace the Purchase Facility when it is completed or expires. As indicated above, the Company's inability to sell timeshare receivables under a current or future facility could have a material adverse impact on the Company's liquidity and operations.

The Company had a timeshare receivables warehouse loan facility (the "Warehouse Facility"), which expired on April 16, 2002, with Heller Financial, Inc., a financial institution that was subsequently acquired by General Electric Capital Real Estate ("GE"). Loans under the Warehouse Facility bear interest at LIBOR plus 3.5%. The Warehouse Facility had detailed requirements with respect to the eligibility of receivables for inclusion and other conditions to funding. The borrowing base under the Warehouse Facility was 90% of the outstanding principal balance of eligible notes arising from the sale of Timeshare Interests except for eligible notes generated by Bluegreen Properties N.V. (TM), for which the borrowing base was 80%. The Warehouse Facility includes affirmative, negative and financial covenants and events of default. During fiscal 2002, the Company borrowed an aggregate $22.2 million under the Warehouse Facility, of which the Company repaid an aggregate $13.7 million by using cash generated from principal and interest payments on the underlying loans and proceeds from the sale of the underlying receivables under a previous timeshare receivables purchase facility with the same financial institution. The remaining balance of the Warehouse Facility was due in April 16, 2002, however GE has represented to the Company that the remaining balance is not considered to be in default pending GE's approval of a new combined warehouse and purchase facility. The remaining balance on the Warehouse Facility continues to be repaid as principal and interest payments are collected on the timeshare notes receivable. As of March 31, 2002, there was $9.8 million outstanding under the Warehouse Facility.

There can be no assurances that GE will approve the increase and extension of the Warehouse Facility or that GE will not declare the Warehouse Facility to be in default and due and payable immediately. The Company believes that in the event that GE requires the Warehouse Facility to be repaid, the revolving credit facility with Foothill Capital Corporation ("Foothill"), discussed below, or the Purchase Facility could be utilized to satisfy this obligation in the normal course of business.

In addition, GE has provided the Company with a $28.0 million acquisition and development facility for its timeshare inventories (the "A&D Facility"). The borrowing period on the A&D Facility has expired and outstanding borrowings under the A&D Facility mature no later than July 2006. Principal will be repaid through agreed-upon release prices as Timeshare Interests are sold at the financed resort, subject to minimum required amortization. The indebtedness under the facility bears interest at LIBOR plus 3%. On September 14, 1999, the Company borrowed approximately $14.0 million under the A&D facility. The outstanding principal of this loan must be repaid by November 1, 2005, through agreed-upon release prices as Timeshare Interests in the Company's Lodge Alley Inn resort in Charleston, South Carolina are sold, subject to minimum required amortization. On December 20, 1999, the Company borrowed approximately $13.9 million under the acquisition and development facility. The principal of this loan must be repaid by January 1, 2006, through agreed-upon release prices as Timeshare Interests in the Company's Shore Crest II resort are sold, subject to minimum required amortization. The outstanding balance under the A&D Facility at March 31, 2002 was $10.1 million. The Company is currently negotiating an extension and increase of the A&D Facility. There can be no assurances that the Company's negotiations will be successful.

The Company is currently in the process of closing a $35.0 million receivables warehouse facility and a $15.0 million acquisition and development facility for the Resorts Division with a financial institution. There can be no assurances that these facilities will close as anticipated.

Under an existing, $30 million revolving credit facility with Foothill for the pledge of Residential Land and Golf Division receivables, the Company can use up to $10 million of the facility for the pledge of timeshare receivables. See the next paragraph for further details on this facility.

Credit Facilities for Residential Land and Golf Receivables and Inventories

The Company has a $30.0 million revolving credit facility with Foothill for the pledge of Residential Land and Golf Division receivables, with up to $10 million of the total facility available for Residential Land and Golf Division inventory borrowings and up to $10 million of the total facility available for the pledge of timeshare receivables. The interest rate charged on outstanding borrowings ranges from prime plus 0.5% to 1.0%, with 7.0% being the minimum interest rate. At March 31, 2002, the outstanding principal balance under this facility was approximately $4.1 million, all of which related to Residential Land and Golf Division receivables borrowings. All principal and interest payments received on pledged receivables are applied to principal and interest due under the facility. The ability to borrow under the facility expires on December 31, 2003. Any outstanding indebtedness is due on December 31, 2005.

The Company has a $35.0 million revolving credit facility, which expired in March 2002, with Finova Capital Corporation. The Company used this facility to finance the acquisition and development of residential land projects. The facility is secured by the real property (and personal property related thereto) with respect to which borrowings are made. The interest charged on outstanding borrowings is prime plus 1.25%. On September 14, 1999, in connection with the acquisition of 1,550 acres adjacent to the Company's Lake Ridge at Joe Pool Lake residential land project in Dallas, Texas ("Lake Ridge II"), the Company borrowed approximately $12.0 million under the revolving credit facility. Principal payments are effected through agreed-upon release prices as home sites in Lake Ridge II and in another recently purchased section of Lake Ridge are sold. The principal of this loan must be repaid by September 14, 2004. On October 6, 1999, in connection with the acquisition of 6,966 acres for the Company's Mystic Shores residential land project in Canyon Lake, Texas, the Company borrowed $11.9 million under the revolving credit facility. On May 5, 2000, the Company borrowed an additional $2.1 million under this facility in order to purchase an additional 435 acres for the Mystic Shores project. Principal payments on these loans are effected through agreed-upon release prices as home sites in Mystic Shores are sold. The principal under the $11.9 million and $2.1 million loans for Mystic Shores must be repaid by October 6, 2004 and May 5, 2004, respectively. The aggregate outstanding balance on the revolving credit facility was $17.1 million at March 31, 2002.

On September 24, 1999, the Company obtained a $4.2 million line-of-credit with Branch Banking and Trust Company for the purpose of developing a golf course on the Brickshire property (the "Golf Course Loan"). Through December 2001, the Company borrowed an aggregate $4.0 million under the Golf Course Loan. The outstanding balances under the Golf Course Loan bears interest at prime plus 0.5% and interest is due monthly. Principal payments

are payable in equal monthly installments of $35,000. The principal must be repaid by October 1, 2005. The loan is secured by the Brickshire golf course property. As of March 31, 2002, $3.7 million was outstanding under the Golf Course Loan.

On August 2, 2001, the Company obtained a revolving line-of-credit with IndyMac Bank F.S.B. ("IndyMac") for the purpose of developing the Company's golf course community in Raleigh, North Carolina known as The Preserve at Jordan Lake. The line-of-credit has an aggregate borrowing capacity of approximately $6.7 million outstanding at any one time. Through March 2002, the Company borrowed an aggregate $7.9 million under the line-of-credit, on a revolving basis. The outstanding balances under the line-of-credit bear interest at prime plus 1.0% and interest is due monthly. Principal payments are effected through agreed-upon release prices as home sites in The Preserve at Jordan Lake are sold. As of March 31, 2002, there was $737,000 outstanding on the line-of-credit. In June 2002, the Company terminated the line-of-credit with IndyMac as the line was paid in full and as sales at the Preserve at Jordan Lake were causing release price payments to IndyMac to exceed borrowings at certain times.

The Company is currently in the process of closing a $50.0 million acquisition and development facility for the Residential Land and Golf Division with a financial institution. There can be no assurances that this facility will close as anticipated.

Over the past three years, the Company has received approximately 90% to 99% of its land sales proceeds in cash. Accordingly, in recent years the Company has reduced the borrowing capacity under credit agreements secured by land receivables. The Company attributes the significant volume of cash sales to an increased willingness on the part of certain local banks to extend more direct customer home site financing. No assurances can be given that local banks will continue to provide such customer financing.

Historically, the Company has funded development for road and utility construction, amenities, surveys and engineering fees from internal operations and has financed the acquisition of residential land and golf properties through seller, bank or financial institution loans. Terms for repayment under these loans typically call for interest to be paid monthly and principal to be repaid through home site releases. The release price is usually defined as a pre-determined percentage of the gross selling price (typically 25% to 50%) of the home sites in the subdivision. In addition, the agreements generally call for minimum cumulative annual amortization. When the Company provides financing for its customers (and therefore the release price is not available in cash at closing to repay the lender), it is required to pay the creditor with cash derived from other operating activities, principally from cash sales or the pledge of receivables originated from earlier property sales.

Other Credit Facility

The Company has a $12.5 million unsecured line-of-credit with First Union National Bank. Amounts borrowed under the line bear interest at LIBOR plus 2%. Interest is due monthly and all principal amounts are due on December 31, 2002. The Company is only allowed to borrow under the line-of-credit in amounts less than the remaining availability under its current, active timeshare receivables purchase facility plus availability under certain receivable warehouse facilities, less any outstanding letters of credit. The line-of-credit agreement contains certain covenants and conditions typical of arrangements of this type. As of March 31, 2002, there was no amount outstanding under the line, nor have there been any borrowings under the line through June 24, 2002. This line-of-credit is an important source of short-term liquidity for the Company, as it allows the Company to fund through its timeshare receivables purchase facility less frequently than it otherwise would.

Summary

The Company intends to continue to pursue a growth-oriented strategy, particularly with respect to its Resorts Division. In connection with this strategy, the Company may from time to time acquire, among other things, additional resort properties and completed Timeshare Interests; land upon which additional resorts may be built; management contracts; loan portfolios of Timeshare Interest mortgages; portfolios which include properties or assets which may be integrated into the Company's operations; interests in joint ventures; and operating companies providing or possessing management, sales, marketing, development, administration and/or other expertise with respect to the Company's operations in the timeshare industry. In addition, the Company intends to continue to focus the Residential Land and Golf Division on larger, more capital intensive projects particularly in those regions where the Company believes the market for its products is strongest, such as new golf communities in the Southeast and other areas and continued growth in the Company's successful regions in Texas.

The Company's material commitments for capital resources as of March 31, 2002, included the required payments due on it's receivable-backed debt, lines of credit and other notes and debentures payable, commitments to complete its timeshare and residential land projects based on its sales contracts with customers and commitments under noncancelable operating leases.

The following table summarizes the contractual minimum principal payments required on all of the Company's outstanding debt (including its receivable-backed debt, lines-of-credit and other notes and debentures payable) and its noncancelable operating leases as of March 31, 2002 by period due (in thousands):

	Payments Due By Period			
Contractual Obligations	Total	Less than 1 year	1 - 3 Years	4 - 5 Years
Receivable-backed notes payable	$ 14,628	$ 9,816	$ --	$ 4,105
Lines-of-credit and notes payable (1)	40,534	9,028	28,033	2,840
10.50% senior secured notes payable	110,000	--	--	--
8.00% convertible subordinated notes payable to related parties	6,000	6,000	--	--
8.25% convertible subordinated debentures	34,371	--	2,371	8,000
Noncancelable operating leases	6,908	2,973	3,641	260
Total contractual obligations	$212,441	$ 27,817	$ 34,045	$ 15,205

(1) Includes unamortized discount on notes payable of approximately $272,000.

The Company intends to use cash flow from operations, including cash received from the sale of timeshare notes receivable, and cash received from new borrowings under existing or future debt facilities in order to satisfy the above principal payments. While the Company believes that it will be able to meet all required debt payments when due, there can be no assurances.

The Company estimates that the total cash required to complete resort buildings in which sales have occurred and resort amenities and other common costs in projects in which sales have occurred as of March 31, 2002 is approximately $5.7 million. The Company estimates that the total cash required to complete its residential land projects in which sales have occurred as of March 31, 2002 is approximately $40.9 million. These amounts assume that the Company is not obligated to develop any building, project or amenity in which a commitment has not been made through a sales contract to a customer. The Company plans to fund these expenditures over the next five years primarily with available capacity on existing or proposed credit facilities and cash generated from operations. There can be no assurances that the Company will be able to obtain the financing or generate the cash from operations necessary to complete the foregoing plans or that actual costs will not exceed those estimated.

The Company believes that its existing cash, anticipated cash generated from operations, anticipated future permitted borrowings under existing or proposed credit facilities and anticipated future sales of notes receivable under the timeshare receivables purchase facility (or any replacement facility) will be sufficient to meet the Company's anticipated working capital, capital expenditure and debt service requirements for the foreseeable future. The Company will be required to renew or replace credit facilities that will expire or were terminated by the Company in fiscal 2003 and fiscal 2004. The Company will, in the future, also require additional credit facilities or issuances of other corporate debt or equity securities in connection with acquisitions or otherwise. Any debt incurred or issued by the Company may

be secured or unsecured, bear fixed or variable rate interest and may be subject to such terms as the lender may require and management deems prudent. There can be no assurances that the credit facilities or receivables purchase facilities which have expired, which are scheduled to expire or which have been terminated in the near term will be renewed or replaced or that sufficient funds will be available from operations or under existing, proposed or future revolving credit or other borrowing arrangements or receivables purchase facilities to meet the Company's cash needs, including, without limitation, its debt service obligations.

The Company's credit facilities, indentures, receivables purchase facilities and other outstanding debt instruments include customary conditions to funding, eligibility requirements for collateral, cross-default and other acceleration provisions, certain financial and other affirmative and negative covenants, including, among others, limits on the incurrence of indebtedness, limits on the repurchase of securities, payment of dividends, investments in joint ventures and other restricted payments, the incurrence of liens, transactions with affiliates, covenants concerning net worth, fixed charge coverage requirements, debt-to-equity ratios and events of default or termination. No assurances can be given that such covenants will not limit the Company's ability to raise funds, satisfy or refinance its obligations or otherwise adversely affect the Company's operations. In addition, the Company's future operating performance and ability to meet its financial obligations will be subject to future economic conditions and to financial, business and other factors, many of which will be beyond the Company's control.

The Company's ability to service or to refinance its indebtedness or to obtain additional financing (including its ability to consummate future notes receivable securitizations) depends, among other things, on its future performance, which is subject to a number of factors, including the Company's business, results of operations, leverage, financial condition and business prospects, the performance of its receivables, prevailing interest rates, general economic conditions and perceptions about the residential land and timeshare industries, some of which are beyond the Company's control. If the Company's cash flow and capital resources are insufficient to fund its debt service obligations and support its operation, the Company, among other consequences, may be forced to reduce or delay planned capital expenditures, reduce its financing of sales, sell assets, obtain additional equity capital or refinance or restructure its debt.. The Company cannot assure you that we will be able to obtain sufficient external sources of liquidity on attractive terms, or at all. In addition, many of our obligations under our debt arrangements contain cross-default or cross-acceleration provisions. As a result, if we default under one debt arrangement, other lenders might be able to declare amounts due under their arrangements, which would have a material adverse effect on our business.

The Company's level of debt and debt service requirements have several important effects on its operations, including the following: (i) the Company has significant cash requirements to service debt, reducing funds available for operations and future business opportunities and increasing the company's vulnerability to adverse economic and industry conditions; (ii) the Company's leveraged position increases its vulnerability to competitive pressures; (iii) the financial covenants and other restrictions contained in the indentures, the credit agreements and other agreements relating to the Company's indebtedness will require the Company to meet certain financial tests and will restrict its ability to, among other things, borrow additional funds, dispose of assets, make investments or pay cash dividends on, or repurchase, preferred or common stock; and (iv) funds available for working capital, capital expenditures, acquisitions and general corporate purposes may be limited. Certain of the Company's competitors operate on a less leveraged basis and have greater operating and financial flexibility than the Company.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Foreign Currency Risk

The Company's total revenues and net assets denominated in a currency other than U.S. dollars during fiscal 2002 were less than 1% of consolidated revenues and consolidated assets, respectively. Sales generated and long-term debt incurred to date by Bluegreen Properties, N.V., the Company's subsidiary in Aruba, are transacted in U.S. dollars. The effects of changes in foreign currency exchange rates have not historically been significant to the Company's operations or net assets.

Interest Rate Risk

The Company sold $100.9 million, $77.8 million and $48.3 million of fixed-rate timeshare notes receivable during fiscal 2002, fiscal 2001 and fiscal 2000, respectively, under the Purchase Facility and previous timeshare receivable purchase facilities (see "Credit Facilities for Timeshare Receivables and Inventories" and Note 4 of Notes to Consolidated Financial Statements). The gain on sale recognized by the Company is based upon variable interest

rates at the time of sale including the prevailing weighted-average term treasury rate, commercial paper rates or LIBOR rates (depending on the purchase facility in effect) and many other factors including, but not limited to the weighted-average coupon rate and remaining contractual life of the loans sold, and assumptions regarding the constant prepayment rate, loss severity and annual default rates. The Company also retains residual interests in pools of fixed and variable rate land notes receivable sold in private placement REMIC transactions. The Company believes that it has used conservative assumptions in valuing the residual interests retained in the timeshare and land notes sold through the Purchase Facility and REMIC transactions, respectively, and that such assumptions should mitigate the impact of a hypothetical one-percentage point interest rate change on these valuations. There can be no assurances that the assumptions will prove to be conservative.

As of March 31, 2002, the Company had fixed interest rate debt of approximately $154.9 million and floating interest rate debt of approximately $50.3 million. In addition, the Company's notes receivable from timeshare and residential land and golf customers were comprised of $55.2 million of fixed rate loans and $2.8 million of notes bearing floating interest rates. The floating interest rates are based either upon the prevailing prime or three-month LIBOR interest rates. For floating rate financial instruments, interest rate changes do not generally affect the market value of debt but do impact future earnings and cash flows, assuming other factors are held constant. Conversely, for fixed rate financial instruments, interest rate changes do affect the market value of debt but do not impact earnings or cash flows.

A hypothetical one-percentage point increase in the prevailing prime or LIBOR rates, as applicable, would decrease after-tax earnings of the Company by approximately $122,000 per year, based on the impact of increased interest income on variable rate residential land and golf notes receivable and cash and cash equivalents offset by the increased interest expense on variable rate debt. A similar change in the interest rate would decrease the total fair value of the Company's fixed rate debt, excluding the Debentures and the Notes, by a nominal amount. The fact that the Debentures are publicly traded and convertible into the Company's common stock makes it impractical to estimate the effect of the hypothetical change in interest rates on the fair value of the Debentures. In addition, the fact that the Notes (see "Note Offering") are publicly traded in the over-the-counter market makes it impractical to estimate the effect of the hypothetical change in interest rates on the fair value of the Notes. Due to the non-interest related factors involved in determining the fair value of these publicly traded securities, their fair values have historically demonstrated increased, decreased or at times contrary relationships to changes in interest rates as compared to other types of fixed-rate debt securities. These analyses do not consider the effects of the reduced level of overall economic activity that could exist in such an environment. Further, in the event of such a change, management may likely take actions to mitigate its exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, the sensitivity analysis assumes no changes in the Company's financial structure.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

BLUEGREEN CORPORATION

CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	Marc 20
ASSETS	
Cash and cash equivalents (including restricted cash of approximately $27.7 million and $22.4 million at March 31, 2002 and April 1, 2001, respectively)	$ 48
Contracts receivable, net	21
Notes receivable, net	55
Prepaid expenses	11
Inventory, net	187
Retained interests in notes receivable sold	38
Property and equipment, net	49
Other assets	21
Total assets	$ 435

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities	
Accounts payable	$ 4
Accrued liabilities and other	39
Deferred income	5
Deferred income taxes	28
Receivable-backed notes payable	14
Lines-of-credit and notes payable	40
10.50% senior secured notes payable	110
8.00% convertible subordinated notes payable to related parties	6
8.25% convertible subordinated debentures	34
Total liabilities	282
Minority interest	3
Commitments and contingencies	
Shareholders' Equity	
Preferred stock, $.01 par value, 1,000 shares authorized; none issued	
Common stock, $.01 par value, 90,000 shares authorized; 27,059 and 26,946 shares issued at March 31, 2002 and April 1, 2001, respectively	
Additional paid-in capital	122
Treasury stock, 2,756 common shares at both March 31, 2002 and April 1, 2001, at cost	(12
Net unrealized gains on retained interests in notes receivable sold, net of income taxes	2
Retained earnings	37
Total shareholders' equity	149
Total liabilities and shareholders' equity	$ 435

See accompanying notes to consolidated financial statements.

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BLUEGREEN CORPORATION

CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Year Ended	
	March 31, 2002	April 1, 2001
Revenues:		
Sales	$ 240,628	$ 229,874
Other resort and golf operations	25,470	24,649
Interest income	15,447	17,317

Gain on sales of notes receivable	6,280	3,281
Other income	--	--
	287,825	275,121
Cost and expenses:		
Cost of sales	86,525	78,795
Cost of other resort and golf operations	23,599	24,951
Selling, general and administrative expenses	140,189	147,592
Interest expense	13,017	15,494
Provision for loan losses	4,851	4,887
Other expense	162	400
	268,343	272,119
Income before provision for income taxes and minority interest	19,482	3,002
Provision for income taxes	7,501	1,156
Minority interest in income (loss) of consolidated subsidiary	249	(871)
Net income	$ 11,732	$ 2,717
Earnings per common share:		
Basic	$ .48	$ .11
Diluted	$ .46	$ .11
Weighted-average number of common and common equivalent shares:		
Basic	24,256	24,242
Diluted	29,993	24,316

See accompanying notes to consolidated financial statements.

BLUEGREEN CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)

	Common Shares Issued	Common Stock	Additional Paid-in Capital	Treasury Stock at Cost	U R I i R So In

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Balance at March 29, 1999	25,063	$ 251	$ 107,206	$ (4,545)	$
Net income	--	--	--	--	
Net unrealized gains on retained interests in notes receivable sold, net of income taxes	--	--	--	--	
Comprehensive income					
Sale of common stock, net of issuance costs	1,765	17	14,956	--	
Shares issued to employees and directors upon exercise of stock options	107	1	260	--	
Income tax benefit from stock options exercised	--	--	111	--	
Shares repurchased for treasury stock .	--	--	--	(7,768)	
Balance at April 2, 2000	26,935	269	122,533	(12,313)	
Net income	--	--	--	--	
Net unrealized gains on retained interests in notes receivable sold, net of income taxes	--	--	--	--	
Comprehensive income					
Shares issued to employees and directors upon exercise of stock options	11	--	28	--	
Income tax benefit from stock options exercised	--	--	3	--	
Shares repurchased for treasury stock .	--	--	--	(572)	
Balance at April 1, 2001	26,946	269	122,564	(12,885)	
Net income	--	--	--	--	
Net unrealized gains on retained interests in notes receivable sold, net of income taxes	--	--	--	--	
Comprehensive income					
Shares issued to employees and directors upon exercise of stock options	113	2	154	--	
Income tax benefit from stock options exercised	--	--	16	--	
Balance at March 31, 2002	27,059	$ 271	$ 122,734	$ (12,885)	$

See accompanying notes to consolidated financial statements.

BLUEGREEN CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year En	
	March 31, 2002	April 200
Operating activities:		
Net income	$ 11,732	$ 2,
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Minority interest in income (loss) of consolidated subsidiary	249	(
Depreciation	5,280	4,
Amortization	3,006	2,
Amortization of discount on note payable	374	
Gain on sale of notes receivable	(6,280)	(3,
Loss on sale of property and equipment	166	
Loss on exchange of REMIC certificates	--	
Provision for loan losses	4,851	4,
Provision (benefit) for deferred income taxes	7,895	5,
Interest accretion on investments in securities	(3,754)	(2,
Proceeds from sale of notes receivable	85,975	73,
Proceeds from borrowings collateralized by notes receivable	23,163	34,
Payments on borrowings collateralized by notes receivable	(16,600)	(35,
Changes in operating assets and liabilities:		
Contracts receivable	(3,311)	(10,
Notes receivable	(97,795)	(89,
Prepaid expenses	959	(8,
Inventory	13,542	21,
Other assets	(4,423)	(1,
Accounts payable, accrued liabilities and other	6,621	4,
Net cash provided (used) by operating activities	31,650	2,
Investing activities:		
Cash received from retained interests in notes receivable sold	7,856	6,
Investment in note receivable	(1,685)	(4,
Principal payments received on investment in note receivable	4,643	
Loan to related party	--	
Principal payments received on loan to related party	--	
Business and minority interest acquisitions, net of cash acquired	--	(
Purchases of property and equipment	(12,940)	(9,
Proceeds from sales of property and equipment	44	
Net cash used by investing activities	(2,082)	(7,
Financing activities:		
Proceeds from borrowings under line-of-credit facilities and notes payable	59,870	11,
Payments under line-of-credit facilities and notes payable	(79,327)	(29,
Payment of debt issuance costs	(1,568)	(1,
Proceeds from issuance of common stock	--	
Proceeds from exercise of employee and director stock options	156	
Payments for treasury stock	--	(
Net cash provided (used) by financing activities	(20,869)	(20,

Net increase (decrease) in cash and cash equivalents	8,699	(25,
Cash and cash equivalents at beginning of year	40,016	65,
Cash and cash equivalents at end of year	48,715	40,
Restricted cash and cash equivalents at end of year	(27,669)	(22,
Unrestricted cash and cash equivalents at end of year	$ 21,046	$ 17,

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BLUEGREEN CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS--(Continued)
(in thousands)

	Year Ended	
	March 31, 2002	April 1, 2001
Supplemental schedule of non-cash operating, investing and financing activities		
Inventory acquired through foreclosure or deedback in lieu of foreclosure	$ 7,596	$ 5,859
Inventory acquired through financing	$ --	$ 8,952
Contribution of timeshare inventory (raw land) by minority interest	$ --	$ 3,230
Foreclosure of notes receivable, inventory and fixed assets following default on notes receivable from related party	$ --	$ --
Exchange of REMIC certificates for notes receivable and inventory in connection with termination of REMIC	$ --	$ --
Property and equipment acquired through financing	$ 427	$ 891
Retained interests in notes receivable sold	$ 21,207	$ 7,903
Sale of inventory in exchange for an investment in securities	$ --	$ --
Net change in unrealized gains on investments	$ 1,557	$ 928
Supplemental schedule of operating cash flow information		
Interest paid, net of amounts capitalized	$ 11,947	$ 14,474
Income taxes refunded (paid)	$ 2,014	$ (316)

See accompanying notes to consolidated financial statements.

BLUEGREEN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Organization

Bluegreen Corporation (the "Company") is a leading marketer of vacation and residential lifestyle choices through its resort and residential land and golf businesses, which are located predominantly in the Southeastern, Southwestern and Midwestern United States. The Company's resort business (the "Resorts Division") acquires, develops and markets Timeshare Interests in resorts generally located in popular, high-volume, "drive-to" vacation destinations. "Timeshare Interests" are of two types: one which entitles the fixed-week buyer to a fully-furnished vacation residence for an annual one-week period in perpetuity and the second which entitles the buyer of the points-based Bluegreen Vacation Club(TM) product to an annual allotment of "points" in perpetuity (supported by an underlying deeded fixed timeshare week being held in trust for the buyer). "Points" may be exchanged by the buyer in various increments for lodging for varying lengths of time in fully-furnished vacation residences at the Company's participating resorts. The Company currently develops, markets and sells Timeshare Interests in twelve resorts located in the United States and Aruba. The Company also markets and sells Timeshare Interests in its resorts at two off-site sales locations. The Company's residential land and golf business (the "Residential Land and Golf Division") acquires, develops and subdivides property and markets the subdivided residential homesites to retail customers seeking to build a home in a high quality residential setting, in some cases on properties featuring a golf course and related amenities. During the year ended March 31, 2002, sales generated by the Company's Resorts Division and Residential Land and Golf Division comprised approximately 60% and 40%, respectively, of the Company's total sales. The Company's other resort and golf operations revenues are generated from resort property management services, resort title services, resort amenity operations, hotel operations and daily-fee golf course operations. The Company also generates significant interest income by providing financing to individual purchasers of Timeshare Interests and, to a nominal extent, land sold by the Residential Land and Golf Division.

Principles of Consolidation

The consolidated financial statements include the accounts of Bluegreen Corporation, all of its wholly-owned subsidiaries and entities in which the Company holds a controlling financial interest. The only non-wholly owned subsidiary, Bluegreen/Big Cedar Vacations LLC (the "Joint Venture"), is consolidated as the Company holds a 51% equity interest in the Joint Venture, has an active role as the day-to-day manager of the Joint Venture's activities and has majority voting control of the Joint Venture's management committee. All significant intercompany balances and transactions are eliminated.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Fiscal Year

The Company's fiscal year consists of 52 or 53 weeks, ending on the Sunday nearest the last day of March in each year. The years ended March 31, 2002, April 1, 2001 and April 2, 2000 were 52, 52 and 53 weeks long, respectively.

Cash and Cash Equivalents

The Company invests cash in excess of immediate operating requirements in short-term time deposits and money market instruments generally with original maturities of three months or less. The Company maintains cash and cash equivalents with various financial institutions. These financial institutions are located throughout the United States, Canada and Aruba. The Company's policy is designed to limit exposure to any one institution. However, a significant portion of the Company's unrestricted cash is maintained with a single bank and, accordingly, the Company is subject to credit risk. Periodic evaluations of the relative credit standing of financial institutions maintaining Company deposits are performed to evaluate and mitigate, if necessary, credit risk.

Restricted cash consists of funds collected as servicer of notes receivable owned by other parties and customer deposits held in escrow accounts. As of March 31, 2002 and April 1, 2001, the Company held $19.2 million and $14.7 million, respectively, of funds collected as servicer of notes receivable owned by or pledged to other parties, primarily notes receivable previously sold to these other parties by the Company. All such funds are held in separate custodial bank accounts. In the case of notes receivable previously sold, funds collected and held in these accounts are periodically transferred to third-party cash administrators, who in turn make payments to the owners of the notes receivables and to the Company for servicing fees and payments on any retained interests in the notes receivable sold. The Company has recorded a corresponding liability, which is included in accrued liabilities on the consolidated balance sheet, for its restricted cash held in connection with its servicing activities for previously sold notes receivable. In the case of notes receivable previously pledged, funds collected and held in these accounts are periodically transferred to the lenders as payment on the Company's receivable-backed notes payable

Contracts Receivable and Revenue Recognition

In accordance with the requirements of Statement of Financial Accounting Standards ("SFAS") No. 66 "Accounting for Sales of Real Estate", the Company recognizes revenue on retail land sales and sales of Timeshare Interests when a minimum of 10% of the sales price has been received in cash, the legal rescission period has expired, collectibility of the receivable representing the remainder of the sales price is reasonably assured and the Company has completed substantially all of its obligations with respect to any development related to the real estate sold. In cases where all development has not been completed, the Company recognizes revenue in accordance with the percentage-of-completion method of accounting.

Sales which do not meet the criteria for revenue recognition described above are deferred using the deposit method. Under the deposit method, cash received from customers is classified as a refundable deposit in the liability section of the consolidated balance sheets and profit recognition is deferred until the requirements of SFAS No. 66 are met.

Contracts receivable is net of an allowance for cancellations of residential land sale contracts amounting to approximately $469,000 and $434,000 at March 31, 2002 and April 1, 2001, respectively.

Other resort and golf operations revenues consist primarily of sales and service fees from the activities listed below together with a brief description of the applicable revenue recognition policy:

Activity	Revenue is recognized as:
Resort title fees	Escrow amounts are released and title documents are completed.
Bluegreen Vacation Club and other resort management fees	Management services are performed.
Rental commissions	Rental services are provided.
Rental of Company-owned timeshare interests	Guests complete stays at the resorts.
Golf course and ski hill daily fees	Services are provided.
Retail merchandise, food and beverage sales	Sales are consummated.

Notes Receivable

Notes receivable are carried at amortized cost. Interest income is suspended on all notes receivable when principal or interest payments are more than three months contractually past due and not resumed until such loans are less than three months past due.

The Company considers any note receivable with a principal payment 30 days past its due date to be delinquent. As of March 31, 2002 and April 1, 2001, $6.3 million and $3.0 million, respectively, of the Company's notes receivable owned were delinquent.

The Company considers many factors when establishing and evaluating the adequacy of its reserve for loan losses. These factors include recent and historical default rates, current delinquency rates, contractual payment terms, loss severity rates along with present and expected economic conditions. The Company examines these factors and adjusts its reserve for loan losses on at least a quarterly basis.

Retained Interest in Notes Receivable Sold

When the Company sells notes receivables either pursuant to its timeshare receivables purchase facilities (more fully described in Note 4) or, in the case of land mortgages receivable, private-placement Real Estate Mortgage Investment Conduits ("REMICs"), it retains subordinated tranches, rights to excess interest spread, servicing rights and in some cases a cash reserve account, all of which are retained interests in the sold notes receivable. Gain or loss on sale of the receivables depends in part on the allocation of the previous carrying amount of the financial assets involved in the transfer between the assets sold and the retained interests based on their relative fair value at the date of transfer. The Company estimates fair value based on the present value of future expected cash flows using management's best estimates of the key assumptions - prepayment rates, loss severity rates, default rates and discount rates commensurate with the risks involved.

The Company's retained interests in notes receivable sold relate to notes receivable previously sold to others through either REMICs or timeshare purchase facility transactions. These investments are considered available-for-sale securities and, accordingly, are carried at fair value in accordance with SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities". Accordingly, unrealized holding gains or losses on available-for-sale investments are included in shareholders' equity, net of income taxes. Declines in fair value that are determined to be other than temporary are charged to operations.

Fair value of these securities is initially and periodically measured based on the present value of future expected cash flows estimated using management's best estimates of the key assumptions - prepayment rates, loss severity rates, default rates and discount rates commensurate with the risks involved.

Interest on the Company's securities is accreted using the effective yield method.

Inventory

Inventory consists of completed Timeshare Interests, Timeshare Interests under construction, land held for future timeshare development and residential land acquired or developed for sale. Inventory is carried at the lower of cost, including costs of improvements and amenities incurred subsequent to acquisition, capitalized interest, real estate taxes and other costs incurred during construction, or estimated fair value, less costs to dispose. Residential land parcels and Timeshare Interests reacquired through foreclosure or deedback in lieu of foreclosure are recorded at the lower of fair value, net of costs to dispose, or the original historical cost of the inventory. The Company periodically evaluates the recovery of the carrying amount of individual resort and residential land properties under the guidelines of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets for Long-Lived Assets to be Disposed Of" (see Note 6).

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on the straight-line method based on the estimated useful lives of the related assets or, in the case of leasehold improvements, over the term of the related lease, if shorter. Depreciation expense includes the amortization of assets recorded under capital leases.

Goodwill

Goodwill is amortized over periods ranging from 8 to 25 years using the straight-line method. The Company periodically evaluates the recovery of the carrying amount of goodwill by determining if any impairment indicators are present. These indicators include duplication of resources resulting from acquisitions, income derived from businesses acquired, the estimated undiscounted cash flows of the entity over the remaining amortization period and other factors.

As of March 31, 2002 and April 1, 2001, goodwill and related accumulated amortization, included in other assets on the consolidated balance sheets, are as follows (in thousands):

	March 31, 2002	April 1, 2001
Goodwill	$ 3,100	$ 3,286
Accumulated amortization	(669)	(601)
Goodwill, net	$ 2,431	$ 2,685

Treasury Stock

The Company accounts for repurchases of its common stock using the cost method with common stock in treasury classified in the consolidated balance sheets as a reduction of shareholders' equity.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising expense was $50.6 million, $54.6 million and $44.3 million for the years ended March 31, 2002, April 1, 2001 and April 2, 2000, respectively, and is included in selling, general and administrative expenses in the consolidated statements of income.

Stock-Based Compensation

SFAS No. 123, "Accounting for Stock-Based Compensation", encourages, but does not require companies to record compensation cost for employee stock options at fair value. The Company has elected to continue to account for stock options using the intrinsic value method pursuant to Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related Interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the exercise price of the option.

Earnings Per Common Share

Basic earnings per common share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per common share is computed in the same manner as basic earnings per share, but also gives effect to all dilutive stock options using the treasury stock method and includes an adjustment, if dilutive, to both net income and weighted-average common shares outstanding as if the Company's 8.00% convertible subordinated notes payable (after-tax impact of $295,000 on net income and 1.5 million shares) and 8.25% convertible subordinated debentures (after-tax impact of $1.7 million on net income and 4.2 million shares) were converted into Common stock at the beginning of the earliest period presented below.

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

Year Ended

	March 31, 2002	April 1, 2001	April 2, 2000
Basic earnings per share - numerators:			
Net income	$11,732	$ 2,717	$ 6,777
Diluted earnings per share - numerators:			
Net income	$11,732	$ 2,717	$ 6,777
Effect of dilutive securities (net of income tax effects)	2,039	--	297
Net income - diluted	$13,771	$ 2,717	$ 7,074
Denominator:			
Denominator for basic earnings per share-weighted-average shares	24,256	24,242	23,323
Effect of dilutive securities:			
Stock options	35	74	522
Convertible securities	5,702	--	1,530
Dilutive potential common shares	5,737	74	2,052
Denominator for diluted earnings per share-adjusted weighted-average shares and assumed conversions	29,993	24,316	25,375
Basic earnings per common share	$ .48	$ .11	$ .29
Diluted earnings per common share	$ .46	$ .11	$ .28

Comprehensive Income

SFAS No. 130, "Reporting Comprehensive Income", requires unrealized gains or losses on the Company's available-for-sale securities to be included in other comprehensive income. Comprehensive income is shown as a subtotal within the consolidated statements of shareholders' equity in each year presented.

Recent Accounting Pronouncements

In 1997, the Accounting Standards Executive Committee ("AcSEC") of the American Institute of Certified Public Accountants ("AICPA") began a project to address the accounting for timeshare transactions. The proposed guidance is currently in the drafting stage of the promulgation process and no formal exposure draft has been issued to date; therefore, the Company is unable to assess the possible impact of this proposed guidance. Currently, it appears that a final pronouncement on timeshare transactions would not be effective until the Company's fiscal year 2005.

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 was effective for the Company's fiscal year 2002 (beginning April 2, 2001). The adoption of SFAS No. 133 had no impact on the Company's results of operations and financial position during the year ended March 31, 2002.

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." SFAS No.

140 changes certain provisions of SFAS No. 125. SFAS No. 140 was effective for transfers of financial assets occurring after March 31, 2001. The adoption of SFAS No. 140 had no impact on the Company's results of operations and financial position during the year ended March 31, 2002.

In September 2000, the Emerging Issues Task Force ("EITF") of the FASB issued EITF Issue No. 99-20, "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets." The Issue discusses how a transferor that retains an interest in securitized financial assets should assess impairment and account for interest income. EITF Issue No. 99-20 became effective for the Company on April 2, 2001. The adoption of the Issue had no impact on the Company's results of operations and financial position during the year ended March 31, 2002.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations", and SFAS No. 142, "Accounting for Goodwill and Other Intangible Assets", effective for the Company's fiscal year 2003. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with SFAS No. 142. Other intangible assets will continue to be amortized over their useful lives. The Company will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of fiscal 2003 (beginning April 1, 2002). Application of the nonamortization provisions of SFAS No. 142 is expected to result in an increase to net income of $72,000 (less than $0.01 per share) in the year adoption. During fiscal 2003, the Company will perform the first of the required impairment tests of goodwill and has not yet determined what the effect of these tests will be on the earnings and financial position of the Company.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations". This statement requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. This statement is effective for the Company's fiscal year 2004. The new statement is not expected to have a material impact on the results of operations or financial position of the Company.

In December 2001, the FASB issued SFAS No. 144 on asset impairment that is applicable to the Company's fiscal 2003 financial statements. The FASB's new rules on asset impairment supersede FASB Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of", and provide a single accounting model for long-lived assets to be disposed of. The new statement is not expected to have a material impact on the results of operations or financial position of the Company.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 62, Amendment of FASB Statement No. 13, and Technical Corrections." For most companies, SFAS No. 145 will require gains and losses on extinguishments of debt to be classified as income or loss from continuing operations rather than as extraordinary items as previously required under SFAS No. 4. Extraordinary treatment will be required for certain extinguishments as provided in Accounting Principles Board Opinion No. 30. SFAS No. 145 also amends SFAS No. 13 to require certain modifications to capital leases be treated as a sale-leaseback and modifies the accounting for sub-leases when the original lessee remains a secondary obligor (or guarantor). SFAS No. 145 is effective for transactions occurring after May 15, 2002, and is not expected to have a material impact on the results of operations or financial position of the Company.

Reclassifications

Certain reclassifications of prior period amounts have been made to conform to the current year presentation.

In addition, the Company reclassified the $9 million of prepaid commissions and future member distributions paid to Bass Pro, Inc. (see Note 3) during the year ended April 1, 2001 from cash flows from investing activities to cash flows from operating activities in the Consolidated Statements of Cash Flows. The impact of this reclassification was to decrease operating cash flows and increase investing cash flow by $9 million for the year ended April 1, 2001.

2. Joint Ventures

On June 16, 2000, a wholly-owned subsidiary of the Company entered into an agreement with Big Cedar L.L.C. ("Big Cedar"), an affiliate of Bass Pro, Inc. ("Bass Pro"), to form a timeshare development, marketing and sales company known as Bluegreen/Big Cedar Vacations LLC (the "Joint Venture"). The Joint Venture is developing, marketing and selling Timeshare Interests in a 300-unit, wilderness-themed resort adjacent to the Big Cedar Lodge, a luxury hotel resort owned by Big Cedar, on Table Rock Lake in Missouri. During the year ended April 1, 2001, the Company made an initial cash capital contribution to the Joint Venture of approximately $3.2 million, in exchange for a 51% ownership interest in the Joint Venture. In exchange for a 49% interest in the Joint

Venture, Big Cedar has contributed approximately 46 acres of land with a fair market value of $3.2 million to the Joint Venture. See Note 3 regarding payment of profit distributions to Big Cedar.

As of March 31, 2002, the Company had advanced the Joint Venture $9.0 million due on demand and bearing interest at prime plus 1%. Subsequent to March 31, 2002, the Company loaned an additional $1.6 million to the Joint Venture on identical terms. These advances have been eliminated in the Consolidated Balance Sheets. Big Cedar has committed to a combination of additional capital contributions and loan guarantees of up to $490,000, but has made no additional fundings to date.

In addition to its 51% ownership interest, the Company also receives a quarterly management fee from the Joint Venture equal to 3% of the Joint Venture's net sales in exchange for the Company's involvement in the day-to-day operations of the Joint Venture.

Based on the Company's role as the day-to-day manager of the Joint Venture, its majority control of the Joint Venture's Management Committee and its controlling financial interest in the Joint Venture, the accounts of the Joint Venture are included in the Company's consolidated financial statements.

During the years ended March 31, 2002 and April 1, 2001, the Joint Venture paid approximately $785,000 and $354,000, respectively, to Bass Pro and affiliates for construction management services and furniture and fixtures in connection with the development of the Joint Venture's timeshare resort and sales office. In addition, the Joint Venture paid Big Cedar and affiliates approximately $925,000 and $51,000 for gift certificates and hotel lodging during the years ended March 31, 2002 and April 1, 2001, respectively, in connection with the Joint Venture's timeshare marketing activities.

On December 15, 1997, the Company invested $250,000 of capital in Bluegreen Properties N.V. ("BPNV"), an entity organized in Aruba that previously had no operations, in exchange for a 50% ownership interest. Concurrently, the Company and an affiliate of the other 50% owner of BPNV (who is not an affiliate of the Company), each loaned BPNV $3 million pursuant to promissory notes due on December 15, 2000 and bearing interest at the prime rate plus 1%. BPNV then acquired from a third party approximately 8,000 unsold timeshare intervals at the La Cabana Beach & Racquet Club, a fully developed timeshare resort in Oranjestad, Aruba, in exchange for $6 million cash and the assumption of approximately $16.6 million of interest-free debt from a bank in Aruba. The debt was recorded by BPNV at approximately $12.5 million, which reflects a discount based on an imputed interest rate of 12%. The debt is to be repaid over five years through release-prices as intervals are sold, subject to minimum monthly principal payments of approximately $278,000.

On August 25, 2000, the Company acquired the 50% minority ownership interest in BPNV. The minority interest was acquired for $250,000 in cash, which approximated the book value of the minority interest on the acquisition date. Subsequent to the acquisition, the Company also repaid the $3.0 million loan to an affiliate of the former joint venture partner in BPNV and wrote off approximately $368,000 of forgiven accrued interest. The Company now owns 100% of BPNV.

3. Marketing Agreement

On June 16, 2000, the Company entered into an exclusive, 10-year marketing agreement with Bass Pro, a privately-held retailer of fishing, marine, hunting, camping and sports gear. Bass Pro is an affiliate of Big Cedar (see Note 2). Pursuant to the agreement, the Company has the right to market its Timeshare Interests at each of Bass Pro's national retail locations (currently consisting of eleven stores), in Bass Pro's catalogs and on its web site. The Company also has access to Bass Pro's customer lists. In exchange for these services, the Company agreed to pay Bass Pro a commission ranging from 3.5% to 7.0% on each sale of a Timeshare Interest, net of cancellations and defaults, that is made to a customer as a result of one of the Bass Pro marketing channels described above (the "Commission"). The amount of the Commission is dependent on the level of additional marketing efforts required by the Company to convert the prospect into a sale and a defined time frame for such marketing efforts. There is no Commission paid to Bass Pro on sales made by the Joint Venture.

On June 16, 2000, the Company prepaid $9.0 million to Bass Pro (the "Prepayment"). The Prepayment is amortized from future Commissions earned by Bass Pro and future member distributions otherwise payable to Big Cedar from the earnings of the Joint Venture as a member thereof. No additional Commissions or member distributions will be paid in cash to Bass Pro or Big Cedar, respectively, until the Prepayment has been fully utilized. The Company periodically evaluates the Prepayment for any indications of impairment. The Prepayment is

included in prepaid expenses on the Consolidated Balance Sheets. As of March 31, 2002 and April 1, 2001, the unamortized balance of the Prepayment was approximately $8.9 million and $9.0 million, respectively.

During the years ended March 31, 2002 and April 1, 2001, the Company paid Bass Pro Trademarks L.L.C., an affiliate of Bass Pro, approximately $333,000 and $35,000, respectively, for advertising services.

4. Notes Receivable and Note Receivable Sale Facilities

The table below sets forth additional information relating to the Company's notes receivable (in thousands).

	March 31, 2002	April 1, 2001
Notes receivable secured by Timeshare Interests	$ 50,892	$ 64,245
Notes receivable secured by land	7,079	9,001
Other notes receivable	1,884	5,136
Notes receivable, gross	59,855	78,382
Reserve for loan losses	(4,207)	(3,586)
Notes receivable, net	$ 55,648	$ 74,796

The weighted-average interest rate on notes receivable from customers was 14.7% and 15.2% at March 31, 2002 and April 1, 2001, respectively. All of the Company's timeshare loans bear interest at fixed rates. The average interest rate charged on loans secured by Timeshare Interests was 15.4% at March 31, 2002. Approximately 39.0% of the Company's notes receivable secured by land bear interest at variable rates, while approximately 61.0% bear interest at fixed rates. The average interest rate charged on loans secured by land was 11.1% at March 31, 2002.

The Company's timeshare receivables are generally secured by property located in Tennessee, Missouri, Wisconsin, Florida, Virginia and South Carolina. No concentrations of credit risk exist for the Company's notes receivable secured by land.

The table below sets forth activity in the reserve for loan losses (in thousands).

Reserve for loan losses, April 3, 2000	$ 3,024
Provision for loan losses	4,887
Charge-offs	(4,325)
Reserve for loan losses, April 1, 2001	3,586
Provision for loan losses	4,851
Charge-offs	(4,230)
Reserve for loan losses, March 31, 2002	$ 4,207

Installments due on notes receivable held by the Company during each of the five fiscal years subsequent to the year ended March 31, 2002, and thereafter, are set forth below (in thousands).

2003..................	$9,044
2004..................	6,649
2005..................	5,013
2006..................	5,353
2007..................	5,796
Thereafter............	28,000
Total	$59,855

The First GE Purchase Facility

On June 26, 1998, the Company executed a timeshare receivables purchase facility (the "First GE Purchase Facility") with Heller Financial, Inc., a financial institution that has since been acquired by General Electric Capital Real Estate ("GE"). Under the First GE Purchase Facility, a special purpose finance subsidiary of the Company sold $103.1 million aggregate principal amount of timeshare receivables to GE in securitization transactions, which fully utilized the First GE Purchase Facility. The First GE Purchase Facility had detailed requirements with respect to the eligibility of receivables for purchase. Under the First GE Purchase Facility, a purchase price equal to approximately

97% (subject to adjustment in certain circumstances) of the principal balance of the receivables sold was paid at closing in cash, with a portion deferred until such time as GE has received a return equal to the weighted-average term treasury rate plus 1.4% and all servicing, custodial and similar fees and expenses have been paid and a cash reserve account has been funded. The Company's special purpose finance subsidiary is required to maintain a specified overcollateralization level and a cash reserve account. Receivables were sold without recourse to the Company or its special purpose finance subsidiary except for breaches of representations and warranties made at the time of sale. The Company acts as servicer under the First GE Purchase Facility for a fee, and is required to make advances to GE to the extent it believes such advances will be recoverable. The First GE Purchase Facility includes various provisions customary for a transaction of this type.

During the year ended April 2, 2000, the Company sold approximately $48.3 million in aggregate principal amount of timeshare receivables under the First GE Purchase Facility for a purchase price equal to 97% of the principal balance and recognized an aggregate gain of $2.1 million. As a result of all receivables sold under the First GE Purchase Facility, the Company recorded aggregate retained interests in notes receivable sold of $8.6 million.

The Second GE Purchase Facility

In October 2000, the Company executed agreements for a new timeshare receivables purchase facility (the "Second GE Purchase Facility") with two financial institutions, including Barclays Bank, PLC (the "Senior Purchaser") and GE (the "Subordinated Purchaser") (collectively, the "Purchasers"). The Second GE Purchase Facility utilized an owner's trust structure, pursuant to which the Company sold $95.4 million aggregate principal amount of timeshare receivables to a special purpose finance subsidiary of the Company (the "Subsidiary") and the Subsidiary sold the receivables to an owner's trust, which fully utilized the Second GE Purchase Facility. Receivables were sold without recourse except for breaches of customary representations and warranties at the time of sale. Under the Second GE Purchase Facility, a purchase price equal to 95.00% (subject to adjustment in 0.50% increments down to 87.50% depending on the difference between the weighted-average interest rate on the notes receivable sold and the sum of the returns to the Purchasers plus the servicing fee, as more fully defined below) of the principal balance of the receivables sold was paid at closing in cash. For eligible notes generated by Bluegreen Properties N.V., the Company's subsidiary in Aruba, the purchase price paid in cash at closing was equal to 85.00% (subject to adjustment in 0.50% increments down to 77.00% depending on the difference between the weighted-average interest rate on the notes receivable sold and the sum of the returns to the Purchasers plus the servicing fee) of the principal balance of the receivables sold. The balance of the purchase price will be deferred until such time as the Purchasers have received a specified return, all servicing, custodial and similar fees and expenses have been paid and a cash reserve account has been funded. The 95.00%

purchase price was funded 71.58% by the Senior Purchaser and 28.42% by the Subordinated Purchaser. For the Aruba receivables, the 85.00% purchase price was funded 70.00% by the Senior Purchaser and 30.00% by the Subordinated Purchaser. The Senior Purchaser shall earn a return equal to the rate equivalent to its borrowing cost (based on then applicable commercial paper rates) plus 0.60%, subject to use of alternate return rates in certain circumstances. The Subordinated Purchaser shall earn a return equal to one-month LIBOR plus 4.00%, subject to use of alternate return rates in certain circumstances. The Company acts as servicer under the Second GE Purchase Facility for a fee equal to 1.5% of the principal amount of the receivables serviced, and is required to make advances to the Purchasers to the extent it believes such advances will be recoverable. The Second GE Purchase Facility Agreement includes various conditions to purchase, covenants, trigger events and other provisions customary for a transaction of this type.

During the years ended March 31, 2002 and April 1, 2001, the Company sold approximately $17.6 million and $77.7 million, respectively, in aggregate principal amount of timeshare receivables under the Second GE Purchase Facility for aggregate purchase prices of $16.8 million and $73.2 million, respectively, and recognized aggregate gains of $978,000 and $3.3 million, respectively. As a result of all receivables sold under the Second GE Purchase Facility, the Company recorded aggregate retained interests in notes receivable sold of $10.3 million and servicing assets totaling $726,000.

The CSFB/ING Purchase Facility

In June 2001, the Company executed agreements for a new timeshare receivables purchase facility (the "CSFB/ING Purchase Facility") with Credit Suisse First Boston ("CSFB") acting as the initial purchaser. In April 2002, ING Capital, LLC ("ING"), an affiliate of ING Bank N.V., acquired and assumed CSFB's rights, obligations and commitments as initial purchaser in the CSFB/ING Purchase Facility by purchasing the outstanding principal balance under the facility of $64.9 million from CSFB. In connection with its assumption of the CSFB/ING Purchase Facility, ING expanded and extended the CSFB/ING Purchase Facility's size and term. The CSFB/ING

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Purchase Facility utilizes an owner's trust structure, pursuant to which the Company sells receivables to a special purpose finance subsidiary of the Company (the "Finance Subsidiary") and the Finance Subsidiary sells the receivables to an owners' trust without recourse to the Company or the Finance Subsidiary except for breaches of customary representations and warranties at the time of sale. Pursuant to the agreements that constitute the CSFB/ING Purchase Facility (collectively, the "Purchase Facility Agreements"), the Finance Subsidiary may receive $125.0 million of cumulative purchase price (as more fully described below) on sales of timeshare receivables to the owner's trust on a revolving basis, as the principal balance of receivables sold amortizes, in transactions through April 16, 2003 (subject to certain conditions as more fully described in the Purchase Facility Agreements). The CSFB/ING Purchase Facility has detailed requirements with respect to the eligibility of receivables for purchase and fundings under the CSFB/ING Purchase Facility are subject to certain conditions precedent. Under the Purchase Facility, a variable purchase price expected to approximate 85.00% of the principal balance of the receivables sold, subject to certain terms and conditions, is paid at closing in cash. The balance of the purchase price will be deferred until such time as ING has received a specified return and all servicing, custodial, agent and similar fees and expenses have been paid. ING shall earn a return equal to the London Interbank Offered Rate ("LIBOR") plus 1.00%, subject to use of alternate return rates in certain circumstances. In addition, ING will receive a 0.25% facility fee during the term of the facility. The CSFB/ING Purchase Facility also provides for the sale of land notes receivable, under modified terms.

ING's obligation to purchase under the CSFB/ING Purchase Facility may terminate upon the occurrence of specified events. These specified events, some of which are subject to materiality qualifiers and cure periods, include, without limitation, (1) a breach by the Company of the representations or warranties in the Purchase Facility Agreements, (2) a failure by the Company to perform its covenants in the Purchase Facility Agreements, including, without limitation, a failure to pay principal or interest due to ING, (3) the commencement of a bankruptcy proceeding or the like with respect to the Company, (4) a material adverse change to the Company since December 31, 2001, (5) the amount borrowed under the Purchase Facility exceeding the borrowing base, (6) significant delinquencies or defaults on the receivables sold, (7) a payment default by the Company under any other borrowing arrangement of $5 million or more (a "Significant Arrangement"), or an event of default under any indenture, facility or agreement that results in a default under any Significant Arrangement, (8) a default or breach under any other agreement beyond the applicable grace period if such default or breach (a) involves the failure to make a payment in excess of 5% of the Company's tangible net worth or (b) causes, or permits the holder of indebtedness to cause, an amount in excess of 5% of the Company's tangible net worth to become due, (9) the Company's tangible net worth not equaling at least $110 million plus 50% of net income and 100% of the proceeds from new equity financing following the first closing under the Purchase Facility, or (10) the ratio of the Company's debt to tangible net worth exceeding 6 to 1.

The Company acts as servicer under the CSFB/ING Purchase Facility for a fee. The Purchase Facility Agreement includes various conditions to purchase, covenants, trigger events and other provisions customary for a transaction of this type.

During the year ended March 31, 2002, the Company sold $83.2 million of aggregate principal balance of notes receivable under the CSFB/ING Purchase Facility for a cumulative purchase price of $70.7 million. In connection with these sales, the Company recognized an aggregate $5.2 million gain and recorded retained interests in notes receivable sold of $18.8 million and servicing assets totaling $800,000.

The following assumptions were used to measure the initial fair value of the retained interests for the above sales under the CSFB/ING Purchase Facility: Prepayment rates ranging from 17% to 14% per annum as the portfolios mature; loss severity rate of 45%; default rates ranging from 6% to 1% per annum as the portfolios mature; and a discount rate of 14%.

Other Notes Receivable

On June 26, 2001, the Company loaned $1.7 million to the Casa Grande Resort Cooperative Association I (the "Association"), the property owners' association controlled by the timeshare owners at the La Cabana Beach and Racquet Club resort in Aruba. This unsecured loan bears interest at Prime plus 1%, payable in semi-annual installments commencing on December 26, 2001, and matures on June 26, 2003.

On December 15, 2000, the Company loaned $4.7 million to Napa Partners, LLC ("Napa"), a real estate company in Napa, California (the "Napa Loan"). Napa used the proceeds to acquire approximately 32 acres of undeveloped land in Napa, California, which is zoned for mixed use as a timeshare resort, hotel and commercial property. On January 4, 2001, Napa repaid approximately $68,000 in principal of the Napa Loan. In May 2001, Napa repaid the remaining outstanding principal balance on the Napa Loan and all accrued interest.

On October 7, 1998, Leisure Capital Corporation ("LCC"), a wholly-owned subsidiary of the Company, acquired from a bank delinquent notes receivable issued by AmClub, Inc. ("AmClub"), with an aggregate outstanding principal balance of $5.3 million (the "AmClub Notes"). LCC acquired the AmClub Notes for a purchase price of approximately $2.9 million. During fiscal 1999, the Company had also advanced $1.3 million to AmClub, primarily for timeshare resort improvements (the "AmClub Loan"). On December 14, 1998, LCC notified AmClub that the AmClub Notes and AmClub Loan were in default and due immediately. On September 1, 1999, the Company completed a foreclosure of the underlying collateral securing the AmClub Notes and the AmClub Loan. As a result of the foreclosure, the Company obtained a golf course, residential land, land for future resort development (all of which properties are located at the Shenandoah Crossing Farm & Club in Gordonsville, Virginia) and a portfolio of timeshare notes receivable with an aggregate net carrying value of approximately $4.0 million. The aggregate outstanding principal and interest on the AmClub Notes and AmClub Loan were allocated to the foreclosed assets based on relative fair market value. On December 17, 1999, the Company sold the golf course and related buildings for approximately $1.3 million and recorded a field operating profit (as defined in Note 17) of approximately $510,000. AmClub was owned by the former stockholders of RDI Group, Inc. ("RDI"), an entity which was acquired by the Company on September 30, 1997.

5. Retained Interests in Notes Receivable Sold and Servicing Assets

Retained Interests in Notes Receivable Sold

The Company's retained interests in notes receivable sold, which are classified as available-for-sale investments, and associated unrealized gains and losses are set forth below (in thousands).

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
March 31, 2002				
1995 REMIC retained interest	$ 2,066	$ 442	$ --	$ 2,508
1996 REMIC retained interests	1,248	65	--	1,313
First GE Purchase Facility retained interest (see Note 4)	4,462	--	96	4,366
Second GE Purchase Facility retained interest (see Note 4)	9,201	2,198	--	11,399
CSFB/ING Purchase Facility retained interest (see Note 4)	17,602	1,372	--	18,974
Total	$34,579	$ 4,077	$ 96	$38,560

	Amortized	Gross Unrealized	Gross Unrealized

	Cost	Gain	Loss	Fair Value
April 1, 2001				
1995 REMIC retained interest	$ 2,236	$ 1,060	$ --	$ 3,296
1996 REMIC retained interests	1,594	--	6	1,588
First GE Purchase Facility retained interest (see Note 4)	5,427	494	--	5,921
Second GE Purchase Facility retained interest (see Note 4)	8,217	876	--	9,093
Total	$17,474	$ 2,430	$ 6	$19,898

Contractual maturities are set forth below (in thousands), based on the final maturity dates of the underlying notes receivable sold:

	Amortized Cost	Fair Value
After one year but within five	$ 3,773	$ 4,168
After five years but within ten	30,806	34,392
Total	$34,579	$38,560

The following assumptions were used to measure the fair value of the above retained interests: Prepayment rates ranging from 23% to 14% per annum as the portfolios mature; loss severity rates of 25% to 45%; default rates ranging from 9% to 0.75% per annum as the portfolios mature; and a discount rates ranging from 14% to 15%.

The following table shows the hypothetical fair value of the Company's retained interests in notes receivable sold of both a 10% and a 20% adverse change in each of the assumptions used to measure the fair value of those retained interests (the impacts on the fair value of the 1995 REMIC and 1996 REMIC retained interest were not material):

Assumption		Hypothetical Fair Value at March 31, 2002 of: First GE Purchase Facility Retained Interest	Second GE Purchase Facility Retained Interest	CSFB/IN Purchase Fa Retained In
Prepayment rate:	10% adverse change	$4,334	$11,237	$18,832
	20% adverse change	4,302	11,081	18,546
Loss severity rate:	10% adverse change	4,053	10,845	18,716
	20% adverse change	3,746	10,283	18,283

Default rate:	10% adverse change	4,056	10,792	18,527
	20% adverse change	3,750	10,184	17,921
Discount rate:	10% adverse change	4,337	11,134	18,541
	20% adverse change	4,307	10,882	17,964

The table below summarizes certain cash flows received from and (paid to) special purpose finance subsidiaries of the Company (in thousands):

	Year Ended	
	March 31, 2002	April 1, 2001
Proceeds from new sales of receivables	$ 85,975	$ 73,244
Proceeds from collection of previously sold receivables	(61,862)	(41,292)
Servicing fees received	2,693	1,853
Purchases of foreclosed assets	(632)	(1,224)
Proceeds from resales of foreclosed assets	(4,403)	(2,962)
Remarketing fees received	1,812	974
Cash received on investment in securities	7,856	6,890

Quantitative information about the portfolios of notes receivable previously sold without recourse in which the Company holds the above retained interests as investments in securities is as follows (in thousands):

	As of March 31, 2002		For the yea March 31,
	Total Principal Amount of Loans	Principal Amount of Loans More Than 60 Days Past Due	Credit L Net Recove
1995 REMIC - land mortgages	$ 4,383	$ 256	$ 20
1996 REMIC - land mortgages	2,795	14	3
First GE Purchase Facility - timeshare receivables	40,972	1,300	-
Second GE Purchase Facility - timeshare receivables	67,576	2,607	92
CSFB/ING Purchase Facility - timeshare receivables	75,969	1,596	-

The net unrealized gain on available-for-sale securities, presented as a separate component of shareholders' equity, is net of income taxes of approximately $1.6 million.

During the year ended April 2, 2000, the Company exchanged its retained interest in a 1994 REMIC transaction for the underlying mortgages. The 1994 REMIC retained interest was exchanged in connection with the termination of the

REMIC, as all of the senior 1994 REMIC security holders had received all of the required cash flows pursuant to the terms of their REMIC certificates. Although the Company had previously recorded an unrealized loss of $304,000 on this available-for-sale security, the Company only realized a $179,000 loss on the exchange, based on the net realizable value of the mortgages received and the amortized cost of the retained interest.

Servicing Assets

The changes in the Company's servicing assets, included in other assets in the Consolidated Balance Sheets, for the years ended March 31, 2002 and April 1, 2001 were as follows (in thousands):

Balance at April 3, 2000	$ --
Additions	593
Less: amortization	(31)
Balance at April 1, 2001	562
Additions	932
Less: amortization	(305)
Balance at March 31, 2002	$ 1,189

The estimated fair value of the servicing assets approximated their carrying amounts as of March 31, 2002 and April 1, 2001. Fair value is estimated by discounting estimated future cash flows from the servicing assets using discount rates and the other assumptions used to measure the fair value of the Company's retained interests for portfolios of notes receivable sold. For purposes of measuring impairment, the Company stratifies the pools of assets underlying the servicing assets by the portfolios of timeshare notes receivable previously sold. A valuation allowance is recorded where the fair value is below the carrying amount of specific strata, even though the overall fair value of the servicing assets exceeds amortized cost. As of March 31, 2002 and April 1, 2001, no such valuation allowance was necessary.

6. Inventory

The Company's net inventory holdings, summarized by division, are set forth below (in thousands).

	March 31, 2002	April 1, 2001
Resorts	$ 86,288	$ 97,012
Residential Land and Golf	101,400	96,622
	$187,688	$193,634

Resorts Division inventory as of March 31, 2002, consisted of land inventory of $10.0 million, $31.0 million of construction-in-progress and $45.3 million of completed units. Resorts Division inventory as of April 1, 2001 consisted of land inventory of $10.3 million, $17.2 million of construction-in-progress, and $69.5 million of completed units.

Interest capitalized during the years ended March 31, 2002, April 1, 2001 and April 2, 2000, totaled approximately $8.0 million, $7.5 million and $6.9 million, respectively. Interest expense in the consolidated statements of income is net of capitalized interest.

During the years ended March 31, 2002, April 1, 2001 and April 2, 2000, the Company recognized impairment charges of $4.1 million, $2.0 million and $187,000, respectively, on the Company's Crystal Cove residential land project in Rockwood, Tennessee. These impairment charges are included in cost of sales in the consolidated statements of income. Certain aspects of the Crystal Cove project have required changes in planned development methods, which are estimated to be more costly than the Company's original estimates. The fair value of the Crystal Cove project was determined based on the estimated aggregate retail sales prices of the home sites in the project.

7. Property and Equipment

The table below sets forth the property and equipment held by the Company (in thousands).

	Useful Life	March 31, 2002	April 1, 2001
Office equipment, furniture and fixtures	3-14 years	$ 23,225	$ 19,486
Golf course land, land improvements, buildings and equipment	10-30 years	24,958	18,940
Land, buildings and building improvements	10-30 years	11,171	8,386
Leasehold improvements	3-14 years	5,245	5,143
Aircraft	3-5 years	1,070	1,070
Vehicles and equipment	3-5 years	618	703
		66,287	53,728
Accumulated depreciation and amortization of leasehold improvements		(16,949)	(12,266)
Total		$ 49,338	$ 41,462

8. Receivable-Backed Notes Payable

During the year ended March 31, 2002, the Company had a timeshare receivables warehouse loan facility (the "Warehouse Facility"), which expired on April 16, 2002, with GE. Loans under the Warehouse Facility bear interest at LIBOR plus 3.5%. The Warehouse Facility had detailed requirements with respect to the eligibility of receivables for inclusion and other conditions to funding. The borrowing base under the Warehouse Facility was 90% of the outstanding principal balance of eligible notes arising from the sale of Timeshare Interests except for eligible notes generated by Bluegreen Properties N.V. (TM), for which the borrowing base was 80%. The Warehouse Facility includes affirmative, negative and financial covenants and events of default. During the year ended March 31, 2002, the Company borrowed an aggregate $22.2 million under the Warehouse Facility, of which the Company repaid an aggregate $13.7 million by using cash generated from principal and interest payments on the underlying loans and proceeds from the sale of the underlying receivables under a previous timeshare receivables purchase facility with the same financial institution. The remaining balance of the Warehouse Facility was due in April 16, 2002, however, GE has represented to the Company that the remaining balance is not considered to be in default pending GE's approval of a new combined warehouse and purchase facility. The remaining balance on the Warehouse Facility continues to be repaid as principal and interest payments are collected on the timeshare notes receivable. As of March 31, 2002, there was $9.8 million outstanding under the Warehouse Facility.

The Company has a $30.0 million revolving credit facility with Foothill Capital Corporation for the pledge of Residential Land and Golf Division receivables, with up to $10 million of the total facility available for Land and Golf Division inventory borrowings and up to $10 million of the total facility available for the pledge of timeshare receivables. The interest rate charged on outstanding borrowings ranges from prime plus 0.5% to 1.0%, with 7.0% being the minimum interest rate. At March 31, 2002, the outstanding principal balance under this facility was approximately $4.1 million, all of which related to Residential Land and Golf Division receivables borrowings. All principal and interest payments received on pledged receivables are applied to principal and interest due under the facility. The ability to borrow under the facility expires on December 31, 2003. Any outstanding indebtedness is due on December 31, 2005.

The remaining $704,000 of receivable-backed notes payable balances is related to notes receivable sold by RDI with recourse, prior to the acquisition of RDI by the Company.

At March 31, 2002, $15.8 million in notes receivable secured the Company's $14.6 million in receivable-backed notes payable.

9. Lines-of-Credit and Notes Payable

The Company has outstanding borrowings with various financial institutions and other lenders, which have been used to finance the acquisition and development of inventory and to fund operations. Financial data related to the Company's borrowing facilities is set forth below (in thousands).

	March 31, 2002
Lines-of-credit secured by inventory with a carrying value of $62.7 million at March 31, 2002. Interest rates range from 4.88% to 6.0% at March 31, 2002 and from 7.75% to 9.25% at April 1, 2001 Maturities range from July 2003 to January 2006 ...	$27,954
Notes and mortgage notes secured by certain inventory, property and equipment and investments with an aggregate carrying value of $29.0 million at March 31, 2002. Interest rates ranging from 4.75% to 12.00% at March 31, 2002 and from 6.25% to 12.00% at April 1, 2001. Maturities range from December 2002 to September 2015 ...	10,977
Unsecured notes payable to former stockholders of RDI. Interest rate of 9.00%. Matured in October 1999. (see Note 14) ...	1,000
Lease obligations with a imputed interest rates ranging from 2.89% to 5.75%. Maturities range from May 2003 to February 2005 ...	331

Total	$40,262

The table below sets forth the contractual minimum principal payments required on the Company's lines-of-credit and notes payable for each of the five fiscal years subsequent to the year ended March 31, 2002. Such minimum contractual payments may differ from actual payments due to the effect of principal payments required on a lot or timeshare interval release basis for certain of the above obligations (in thousands).

2003	$ 9,028
2004	8,272
2005	19,761
2006	2,767
2007	73
Thereafter	633
Total	40,534
Less: unamortized discount based on an imputed interest rate of 12%	(272)
	$40,262

The following is a discussion of the Company's significant credit facilities and material new borrowings during the year ended March 31, 2002:

The Company has a $12.5 million unsecured line-of-credit with First Union National Bank. Amounts borrowed under the line bear interest at LIBOR plus 2%. Interest is due monthly and all principal amounts are due on December 31, 2002. The Company is only allowed to borrow under the line-of-credit in amounts less than the remaining availability under its current, active timeshare receivables purchase facility plus availability under certain receivable warehouse facilities, less any outstanding letters of credit. The line-of-credit agreement contains certain covenants and conditions typical of arrangements of this type. The Company borrowed and repaid $10 million loans under this line of credit five times during the year ended March 31, 2002. As of March 31, 2002, there was no amount outstanding under the line.

In addition, GE has provided the Company with a $28.0 million acquisition and development facility for its timeshare inventories (the "A&D Facility"). The draw down period on the A&D Facility has expired and outstanding

borrowings under the A&D Facility mature no later than July 2006. Principal will be repaid through agreed-upon release prices as Timeshare Interests are sold at the financed resorts, subject to minimum required amortization. The indebtedness under the facility bears interest at LIBOR plus 3%. On September 14, 1999, the Company borrowed approximately $14.0 million under the A&D facility. The outstanding principal of this loan must be repaid by November 1, 2005, through agreed-upon release prices as Timeshare Interests in the Company's Lodge Alley Inn resort in Charleston, South Carolina are sold, subject to minimum required amortization. On December 20, 1999, the Company borrowed approximately $13.9 million under the acquisition and development facility. The principal of this loan must be repaid by January 1, 2006, through agreed-upon release prices as

Timeshare Interests in the Company's Shore Crest II resort are sold, subject to minimum required amortization. The outstanding balance under the A&D Facility at March 31, 2002 was $10.1 million.

The Company has a $35.0 million revolving credit facility, which expired in March 2002, with Finova Capital Corporation. The Company used this facility to finance the acquisition and development of residential land projects. The facility is secured by the real property (and personal property related thereto) with respect to which borrowings are made. The interest charged on outstanding borrowings is prime plus 1.25%. On September 14, 1999, in connection with the acquisition of 1,550 acres adjacent to the Company's Lake Ridge at Joe Pool Lake residential land project in Dallas, Texas ("Lake Ridge II"), the Company borrowed approximately $12.0 million under the revolving credit facility. Principal payments are effected through agreed-upon release prices as home sites in Lake Ridge II and in another recently purchased section of Lake Ridge are sold. The principal of this loan must be repaid by September 14, 2004. On October 6, 1999, in connection with the acquisition of 6,966 acres for the Company's Mystic Shores residential land project in Canyon Lake, Texas, the Company borrowed $11.9 million under the revolving credit facility. On May 5, 2000, the Company borrowed an additional $2.1 million under this facility in order to purchase an additional 435 acres for the Mystic Shores project. Principal payments on these loans are effected through agreed-upon release prices as home sites in Mystic Shores are sold. The principal under the $11.9 million and $2.1 million loans for Mystic Shores must be repaid by October 6, 2004 and May 5, 2004, respectively. The aggregate outstanding balance on the revolving credit facility was $17.1 million at March 31, 2002

On September 24, 1999, the Company obtained a $4.2 million line-of-credit with Branch Banking and Trust Company for the purpose of developing a golf course on the Brickshire property (the "Golf Course Loan"). During the years ended March 31, 2002 and April 1, 2001, the Company borrowed $1.4 million and $2.6 million, respectively, under the Golf Course Loan. The outstanding balances under the Golf Course Loan bears interest at prime plus 0.5% and interest is due monthly. Principal payments are payable in equal monthly installments of $35,000. The principal must be repaid by October 1, 2005. The loan is secured by the Brickshire golf course property. As of March 31, 2002, $3.7 million was outstanding under the Golf Course Loan.

On August 2, 2001, the Company obtained a revolving line-of-credit with IndyMac Bank F.S.B. ("IndyMac") for the purpose of developing the Company's golf course community in Raleigh, North Carolina known as The Preserve at Jordan Lake. The line-of-credit has an aggregate borrowing capacity of approximately $6.7 million outstanding at any one time. Through March 2002, the Company borrowed an aggregate $7.9 million under the line-of-credit, on a revolving basis. The outstanding balances under the line-of-credit bear interest at prime plus 1.0% and interest is due monthly. Principal payments are effected through agreed-upon release prices as home sites in The Preserve at Jordan Lake are sold. As of March 31, 2002, there was $737,000 outstanding on the line-of-credit.

10. Note Offering

On April 1, 1998, the Company consummated a private placement offering (the "Offering") of $110 million in aggregate principal amount of 10.50% senior secured notes due April 1, 2008 (the "Notes"). Interest on the Notes is payable semiannually on April 1 and October 1 of each year. The Notes are redeemable at the option of the Company, in whole or in part, in cash, on or after April 1, 2003, together with accrued and unpaid interest, if any, to the date of redemption at the following redemption prices: 2003 - 105.25%; 2004 - 103.50%; 2005 - 101.75% and 2006 and thereafter - 100.00%. The Notes are senior obligations of the Company and rank pari passu in right of payment with all existing and future senior indebtedness of the Company and rank senior in right of payment to all existing and future subordinated obligations of the Company. None of the assets of Bluegreen Corporation secure its obligations under the Notes, and the Notes are effectively subordinated to secured indebtedness of the Company to any third party to the extent of assets serving as security therefor.

The Notes are unconditionally guaranteed, jointly and severally, by each of the Company's existing and future subsidiaries (the "Subsidiary Guarantors"), with the exception of Bluegreen/Big Cedar Vacations LLC, Bluegreen Properties N.V., Resort Title Agency, Inc., any special purpose finance subsidiary, any subsidiary which

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is formed and continues to operate for the limited purpose of holding a real estate license and acting as a broker, and certain other subsidiaries which have individually less than $50,000 of assets (collectively, "Non-Guarantor Subsidiaries"). Each of the Note guarantees covers the full amount of the Notes and each of the Subsidiary Guarantors is 100% owned, directly or indirectly, by the Company. The Note guarantees are senior obligations of each Subsidiary Guarantor and rank pari passu in right of payment with all existing and future senior indebtedness of each such Subsidiary Guarantor and senior in right of payment to all existing and future subordinated indebtedness of each such Subsidiary Guarantor. The Note guarantees of certain Subsidiary Guarantors are secured by a first (subject to customary exceptions) mortgage or similar instrument (each, a "Mortgage") on certain residential land and golf properties of such Subsidiary Guarantors (the "Pledged Properties"). Absent the occurrence and the continuance of an event of default, the Notes trustee is required to release its lien on the Pledged Properties as property is sold and the Trustee does not have a lien on the proceeds of any such sale. As of March 31, 2002, the Pledged Properties had an aggregate carrying value of approximately $12.7 million. The Notes' indenture includes certain negative covenants including restrictions on the incurrence of debt and liens and on payments of cash dividends.

Supplemental financial information for Bluegreen Corporation, its combined Non-Guarantor Subsidiaries and its combined Subsidiary Guarantors is presented below:

CONDENSED CONSOLIDATING BALANCE SHEETS

(IN THOUSANDS)	MARCH 31, 2002			
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELI
ASSETS				
Cash and cash equivalents	$ 18,611	$ 21,575	$ 8,529	$
Contracts receivable, net	--	605	21,213	
Intercompany receivable	113,436	--	--	
Notes receivable, net	1,749	6,367	47,532	
Inventory, net	--	19,456	168,232	
Retained interests in notes receivable sold	--	38,560	--	
Investments in subsidiaries	7,730	--	3,230	

Property and equipment, net	10,009	2,017	37,312	
Other assets	6,968	2,663	23,763	
Total assets	$ 158,503	$ 91,243	$ 309,811	$
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities:				
Accounts payable, accrued liabilities and other	$ 11,554	$ 21,138	$ 16,643	$
Intercompany payable	--	12,267	101,169	
Deferred income taxes	(19,279)	23,173	23,925	
Lines-of-credit and notes payable	3,476	5,649	45,765	
10.50% senior secured notes payable	110,000	--	--	
8.00% convertible subordinated notes payable to related parties	6,000	--	--	
8.25% convertible subordinated debentures	34,371	--	--	
Total liabilities	146,122	62,227	187,502	
Minority interest	--	--		
Total shareholders' equity	12,381	29,016	122,309	
Total liabilities and shareholders' equity	$ 158,503	$ 91,243	$ 309,811	$

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	APRIL 1, 2001			
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELI
ASSETS				
Cash and cash equivalents	$ 13,290	$ 17,125	$ 9,601	$
Contracts receivable, net	--	353	18,154	
Intercompany receivable	121,111	3,540	--	
Notes receivable, net	4,929	3,957	65,910	
Inventory, net	--	17,011	176,623	
Retained interests in notes receivable sold	--	19,898	--	
Investments in subsidiaries	7,730	--	3,230	
Property and equipment, net	8,910	860	31,692	
Other assets	7,432	1,682	22,254	
Total assets	$ 163,402	$ 64,426	$ 327,464	$
LIABILITIES AND SHAREHOLDERS' EQUITY				

Liabilities:				
Accounts payable, accrued liabilities and other	$ 9,806	$ 18,036	$ 14,888	$
Intercompany payable		--	124,651	
Deferred income taxes	(16,932)	17,732	18,529	
Lines-of-credit and notes payable	3,568	9,170	54,882	
10.50% senior secured notes payable	110,000	--	--	
8.00% convertible subordinated notes payable to related parties	6,000	--	--	
8.25% convertible subordinated debentures	34,371	--	--	
Total liabilities	146,813	44,938	212,950	
Minority interest	--	--	--	
Total shareholders' equity	16,589	19,488	114,514	
Total liabilities and shareholders' equity	$ 163,402	$ 64,426	$ 327,464	$

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(IN THOUSANDS)

	YEAR ENDED MARCH 31, 200			
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELI
REVENUES				
Sales	$ --	$ 21,604	$ 219,024	$
Other resort and golf operations	--	3,943	21,527	
Management fees	26,133	--	--	
Interest income	564	4,968	9,915	
Gain on sales of notes receivable	--	6,280	--	
	26,697	36,795	250,466	
COSTS AND EXPENSES				
Cost of sales	--	6,606	79,919	
Cost of other resort and golf operations	--	1,532	22,067	
Management fees	--	1,086	25,047	
Selling, general and administrative expenses	25,686	12,234	102,269	
Interest expense	8,371	578	4,068	
Provision for loan losses	--	242	4,609	
Other expense (income)	(239)	1,105	(704)	
	33,818	23,383	237,275	
Income (loss) before income taxes and minority interest	(7,121)	13,412	13,191	
Provision (benefit) for income taxes	(2,742)	4,846	5,397	
Minority interest in income of				

consolidated subsidiary	--	--	--	
Net income (loss)	$ (4,379)	$ 8,566	$ 7,794	$

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	YEAR ENDED APRIL 1, 2001			
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELI
REVENUES				
Sales	$ 58	$ 11,107	$ 218,709	$
Other resort and golf operations	--	3,508	21,141	
Management fees	25,163	--	--	
Interest income	1,378	4,155	11,784	
Gain on sales of notes receivable	--	3,281	--	
	26,599	22,051	251,634	
COSTS AND EXPENSES				
Cost of sales	--	3,270	75,525	
Cost of other resort and golf operations	--	1,577	23,374	
Management fees	--	--	25,163	
Selling, general and administrative expenses	27,085	7,138	113,369	
Interest expense	10,189	941	4,364	
Provision for loan losses	--	69	4,818	
Other expense (income)	44	885	(529)	
	37,318	13,880	246,084	
Income (loss) before income taxes and minority interest	(10,719)	8,171	5,550	
Provision (benefit) for income taxes	(4,127)	3,644	1,639	
Minority interest in loss of consolidated subsidiary	--	--	--	
Net income (loss)	$ (6,592)	$ 4,527	$ 3,911	$

	YEAR ENDED APRIL 2, 2000			
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINED SUBSIDIARY GUARANTORS	ELI
REVENUES				

Sales	$ 25,775	$ 10,575	$ 178,138	$
Other resort and golf operations	--	2,747	18,998	
Management fees	22,066	--	--	
Interest income	1,231	3,431	10,990	
Gain on sales of notes receivable	--	2,063	--	
Other income (expense)	454	(462)	200	
	49,526	18,354	208,326	
COSTS AND EXPENSES				
Cost of sales	7,284	2,787	64,886	
Cost of other resort and golf operations	--	1,228	19,720	
Management fees	--	1,675	20,391	
Selling, general and administrative expenses	42,542	6,676	79,273	
Interest expense	8,843	2,053	2,945	
Provision for loan losses	--	413	4,925	
	58,669	14,832	192,140	
Income (loss) before income taxes and minority interest	(9,143)	3,522	16,186	
Provision (benefit) for income taxes	(3,631)	1,374	6,312	
Minority interest in loss of consolidated subsidiary	--	--	--	
Net income (loss)	$ (5,512)	$ 2,148	$ 9,874	$

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED MARCH 31,		
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBI SUBSID GUARAN
Operating activities:			
Net cash provided by operating activities	$ 5,261	$ 3,107	$ 23,
Investing activities:			
Cash received from retained interests in notes receivable sold	--	7,856	
Investment in note receivable	(1,685)	--	
Principal payments received on investment in note receivable	4,643	--	
Purchases of property and equipment	(2,722)	(1,472)	(8,
Proceeds from sales of property and equipment	4	--	
Net cash (used) provided by investing activities	240	6,384	(8,

Financing activities:			
Proceeds from borrowings under line-of-credit facilities and notes payable	50,225	--	9,
Payments under line-of-credit facilities and notes payable	(50,447)	(3,876)	(25,
Payment of debt issuance costs	(114)	(1,165)	(
Proceeds from exercise of employee and director stock options	156	--	
Net cash used by financing activities	(180)	(5,041)	(15,
Net increase (decrease) in cash and cash equivalents ...	5,321	4,450	(1,
Cash and cash equivalents at beginning of year	13,290	17,125	9,
Cash and cash equivalents at end of year	18,611	21,575	8,
Restricted cash and cash equivalents at end of year	--	(20,199)	(7,
Unrestricted cash and cash equivalents at end of year ..	$ 18,611	$ 1,376	$

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	YEAR ENDED APRI		
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINE SUBSIDIA GUARANTO
Operating activities:			
Net cash provided (used) by operating activities	$(24,250)	$ 2,312	$ 24,0
Investing activities:			
Cash received from investments in securities	--	6,890	
Investment in note receivable	(4,711)	--	
Principal payments received on investment in note receivable	68	--	
Acquisition of minority interest	--	--	(2
Investment in joint venture	--	--	(3,2
Purchases of property and equipment	(1,539)	(739)	(7,2
Proceeds from sales of property and equipment	--	--	
Net cash (used) provided by investing activities	(6,182)	6,151	(10,6
Financing activities:			
Proceeds from borrowings under line-of-credit facilities and notes payable	6,500	645	3,9
Payments under line-of-credit facilities and notes payable	(5,282)	(6,303)	(17,5
Payment of debt issuance costs	(45)	(1,368)	(1
Proceeds from capitalization of joint venture	--	3,230	
Proceeds from exercise of employee and director stock options	28	--	
Payments for treasury stock	(572)	--	

Net cash (used) provided by financing activities	629	(3,796)	(13,7
Net (decrease) increase in cash and cash equivalents	(29,803)	4,667	(3
Cash and cash equivalents at beginning of year	43,093	12,458	9,9
Cash and cash equivalents at end of year	13,290	17,125	9,6
Restricted cash and cash equivalents at end of year	--	(15,961)	(6,4
Unrestricted cash and cash equivalents at end of year	$ 13,290	$ 1,164	$ 3,1

	YEAR ENDED APRI		
	BLUEGREEN CORPORATION	COMBINED NON-GUARANTOR SUBSIDIARIES	COMBINE SUBSIDIA GUARANTO
Operating activities:			
Net cash (used) provided by operating activities	$ 2,807	$ 1,528	$(16,5
Investing activities:			
Loan to related party	--	--	(2
Payments received on loan to related party	--	--	4
Cash received from investments in securities	--	6,201	
Business acquisition, net of cash acquired	--	--	(6
Purchases of property and equipment	(2,722)	(162)	(7,9
Proceeds from sales of property and equipment	--	--	1,5
Net cash (used) provided by investing activities	(2,722)	6,039	(6,9
Financing activities:			
Proceeds from borrowings under line-of-credit facilities and notes payable	--	--	27,8
Payments under line-of-credit facilities and notes payable	(126)	(3,596)	(3,7
Payment of debt issuance costs	(1,042)	(203)	(7
Proceeds from issuance of common stock	14,973	--	
Proceeds from exercise of employee and director stock options	261	--	
Payments for treasury stock	(7,768)	--	
Net cash provided (used) by financing activities	6,298	(3,799)	23,3
Net increase (decrease) in cash and cash equivalents	6,383	3,768	(1
Cash and cash equivalents at beginning of year	36,710	8,690	10,1
Cash and cash equivalents at end of year	43,093	12,458	9,9
Restricted cash and cash equivalents at end of year	(1,437)	(12,458)	(7,2

Unrestricted cash and cash equivalents at end of year	$ 41,656	$ --	$ 2,7
	========	========	======

11. Convertible Subordinated Notes Payable and Debentures

Notes Payable

The Company financed the cash portion of the purchase price of RDI by issuing two 8% convertible subordinated promissory notes in the aggregate principal amount of $6 million (the "8% Notes) to a member of the Board of Directors of the Company (the "Board") and an affiliate of a Board member. The 8% Notes, which were executed on September 11, 1997, are due on September 11, 2002, and are convertible into shares of the Company's common stock at a conversion price of $3.92 per share, subject to adjustment under certain circumstances.

Debentures

The Company has $34.4 million of its 8.25% Convertible Subordinated Debentures (the "Debentures") outstanding at both March 31, 2002 and April 1, 2001. The Debentures are convertible at any time prior to maturity (2012), unless previously redeemed, into common stock of the Company at a current conversion price of $8.24 per share, subject to adjustment under certain conditions. The Debentures are redeemable at any time, at the Company's option, in whole or in part at 100% of the face amount. The Company is obligated to redeem annually 10% of the principal amount of the Debentures originally issued, commencing May 15, 2003, net of previous redemptions of approximately $5.6 million. Such redemptions are calculated to retire 90% of the principal amount of the Debentures prior to maturity. The Debentures are unsecured and subordinated to all senior indebtedness of the Company. Interest is payable semi-annually on May 15 and November 15.

Under financial covenants of the Indenture pursuant to which the Debentures were issued, the Company is required to maintain net worth of not less than $29.0 million. Should net worth fall below $29.0 million for two

consecutive quarters, the Company is required to make an offer to purchase 20% of the outstanding Debentures at par, plus accrued interest.

12. Fair Value of Financial Instruments

In estimating the fair values of its financial instruments, the Company used the following methods and assumptions:

Cash and cash equivalents: The amounts reported in the Consolidated Balance Sheets for cash and cash equivalents approximate fair value.

Contracts receivable: The amounts reported in the Consolidated Balance Sheets for contracts receivable approximate fair value. Contracts receivable are non-interest bearing and generally convert into cash or an interest-bearing mortgage note receivable within thirty days.

Notes receivable: The amounts reported in the Consolidated Balance Sheets for notes receivable approximate fair value based on discounted future cash flows using current rates at which similar loans with similar maturities would be made to borrowers with similar credit risk.

Retained interests in notes receivable sold: Retained interests in notes receivable sold are carried at fair value based on discounted cash flow analyses.

Lines-of-credit, notes payable and receivable-backed notes payable: The amounts reported in the Consolidated Balance Sheets approximate their fair value for indebtedness that provides for variable interest rates. The fair value of the Company's fixed-rate indebtedness was estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

10.50% senior secured notes payable: The fair value of the Company's 10.50% senior secured notes is based on the quoted market price in the over-the-counter bond market.

8.00% convertible subordinated notes payable to related parties: The fair value of the Company's $6 million notes was estimated using a discounted cash flow analysis, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

8.25% convertible subordinated debentures: The fair value of the Company's 8.25% convertible subordinated debentures is based on the quoted market price as reported on the New York Stock Exchange.

	March 31, 2002		April 1, 2	
(in thousands)	Carrying Amount	Estimated Fair Value	Carrying Amount	E F
Cash and cash equivalents	$ 48,715	$ 48,715	$ 40,016	
Contracts receivable, net	21,818	21,818	18,507	
Notes receivable, net	55,648	55,648	74,796	
Retained interests in notes receivable sold	38,560	38,560	19,898	
Lines-of-credit, notes payable, and receivable-backed notes payable	54,890	54,890	67,620	
10.50% senior secured notes payable	110,000	85,800	110,000	
8.00% convertible subordinated notes payable to related parties	6,000	6,084	6,000	
8.25% convertible subordinated debentures	34,371	25,091	34,371	

13. Common Stock and Stock Option Plans

On August 14, 1998, the Company entered into a Securities Purchase Agreement (the "Stock Agreement") by and among the Company, Morgan Stanley Real Estate Investors III, L.P., Morgan Stanley Real Estate Fund III, L.P., ("MSREF"), MSP Real Estate Fund, L.P., and MSREF III Special Fund, L.P., (collectively, the "Funds") pursuant to which the Funds purchased 4.1 million and 1.8 million shares of the Company's common stock for an

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aggregate of $35 million and $15 million during the years ended March 28, 1999 and April 2, 2000, respectively. Legal and other stock issuance costs totaled approximately $774,000.

Treasury Stock

During the year ended April 2, 2000, the Company repurchased approximately 1.6 million common shares at an aggregate cost of $7.8 million under a repurchase plan approved by the Company's Board of Directors during the year ended March 28, 1999 and expanded during the year ended April 2, 2000. During the year ended April 1, 2001, the Company repurchased approximately 198,000 common shares at an aggregate cost of $572,000 under the expanded repurchase plan. No common stock was repurchased during the year ended March 31, 2002.

Stock Option Plans

Under the Company's employee stock option plans, options vest ratably over a five-year period and expire ten years from the date of grant. All options were granted at exercise prices that either equaled or exceeded fair market value at the respective dates of grant.

The stock option plan covering the Company's non-employee directors provides for the grant to the Company's non-employee directors (the "Outside Directors") of non-qualified stock options that vest ratably over a three-year period and expire ten years from the date of grant.

A summary of stock option activity related to the Company's Employee and Outside Directors Plans is presented below (in thousands, except per share data).

	Number of Shares Reserved	Outstanding Options	Exercise Price Per Share	Number of Shares Exercisable
Employee Stock Option Plans				
Balance at March 29, 1999	3,701	2,912	$1.25-$9.50	821
Granted	--	115	$4.88-$8.50	
Forfeited	(2)	(144)	$3.13-$8.50	
Exercised	(54)	(54)	$2.29-$4.51	
Balance at April 2, 2000	3,645	2,829	$1.25-$9.50	1,288
Granted	--	60	$2.26-$3.00	
Forfeited	(5)	(185)	$3.13-$8.50	
Exercised	(11)	(11)	$3.13	
Balance at April 1, 2001	3,629	2,693	$1.25-$9.50	1,637
Granted	--	50	$2.29	
Forfeited	(81)	(654)	$2.29-$9.50	
Exercised	(78)	(78)	$1.25-$1.46	
Balance at March 31, 2002	3,470	2,011	$1.46-$9.50	1,457
Outside Directors Plans				
Balance at March 28, 1999	955	545	$0.83-$9.31	381
Granted	--	120	$5.94	
Exercised	(52)	(52)	$0.83-$2.81	
Balance at April 2, 2000	903	613	$1.46-$9.31	408
Granted	--	105	$2.88	

Balance at April 1, 2001	903	718	\$1.46-\$9.31	503
Granted	--	120	\$2.11	
Forfeited	(2)	(30)	\$2.88	
Exercised	(36)	(36)	\$1.46	
Balance at March 31, 2002	865	772	\$1.77-\$9.31	562

The weighted-average fair values of options granted during the year ended March 31, 2002 were: Exercise price equal to fair value at grant date: employees \$1.34, directors - \$1.24

The weighted-average exercise prices and weighted-average remaining contractual lives of the Company's outstanding stock options at March 31, 2002 (grouped by range of exercise prices) were:

	Number of Options	Number of Vested Options	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Weigh Aver Exercis (vested
	(In 000's)				
Employees:					
\$1.46	24	24	(a)	\$1.46	\$1
\$2.29-\$3.13	546	395	6	\$2.87	\$2
\$3.58-\$4.88	698	595	5	\$4.28	\$4
\$8.50-\$9.50	743	443	7	\$9.19	\$9
	2,011	1,457			

(a) - Weighted-average remaining contractual life is less than one year.

	Number of Options	Number of Vested Options	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Weig Ave Exerci (veste
Directors:					
\$1.77-\$2.11	156	36	8	\$2.03	\$1
\$2.82-\$3.80	406	356	5	\$3.21	\$3
\$5.94	120	80	7	\$5.94	\$5

$9.31	90	90	6	$9.31	$9
	-----	-----			
	772	562			
	=====	=====			

Pro forma information regarding net income and earnings per share as if the Company had accounted for its employee stock options under the fair value method of SFAS No. 123 is presented below. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for the years ended March 31, 2002, April 1, 2001 and April 2, 2000, respectively: risk free investment rates of 2.0%, 5.5% and 5.7%, dividend yields of 0%, 0% and 0%, a volatility factor of the expected market price of the Company's common stock of .698, .532 and .448 and a weighted average life of the options of 5.0 years, 5.0 years and 5.3 years, respectively.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The effects of applying SFAS No. 123 for the purpose of providing pro forma disclosures are not likely to be representative of the effects on reported pro forma net income for future years, due to the impact of the staggered vesting periods of the Company's stock option grants. The Company's pro forma information is as follows (in thousands, except per share data).

	Year Ended		
	March 31, 2002	April 1, 2001	April 2, 2000
Pro forma net income	$11,790	$1,873	$5,934
Pro forma earnings per share:			
Basic	$ .49	$ .08	$ .25
Diluted	$ .46	.08	.25

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Common Stock Reserved For Future Issuance

As of March 31, 2002, Common stock reserved for future issuance was comprised of shares issuable (in thousands):

Upon conversion of 8.25% debentures..................	4,171
Upon conversion of 8.00% notes payable...............	1,530
Upon exercise of employee stock options..............	3,470
Upon exercise of outside director stock options......	865
	10,036

14. Commitments and Contingencies

At March 31, 2002, the estimated cost to complete development work in subdivisions or resorts from which lots or Timeshare Interests have been sold totaled $46.6 million. Development is estimated to be completed within the next three fiscal years and thereafter as follows: 2003--$33.1 million, 2004--$4.1 million, 2005--$2.3 million, Thereafter--$7.1 million.

The Company leases certain office space and equipment under various noncancelable operating leases. Certain of these leases contain stated escalation clauses while others contain renewal options.

Rent expense for the years ended March 31, 2002, April 1, 2001 and April 2, 2000, totaled approximately $4.4 million, $4.2 million and $3.5 million, respectively. Lease commitments under these noncancelable operating leases for each of the five fiscal years subsequent to March 31, 2002, and thereafter are as follows (in thousands):

2003	$2,973
2004	2,177
2005	1,464
2006	215
2007	45
Thereafter	34
Total future minimum lease payments	$6,908

In the ordinary course of its business, the Company from time to time becomes subject to claims or proceedings relating to the purchase, subdivision, sale and/or financing of real estate. Additionally, from time to time, the Company becomes involved in disputes with existing and former employees. The Company believes that substantially all of the claims and proceedings are incidental to its business.

In addition to its other ordinary course litigation, the Company became a defendant in a proceeding on December 15, 1998. The plaintiff has asserted that the Company is in breach of its obligations under, and has made certain misrepresentations in connection with, a contract under which the Company acted as marketing agent for the sale of undeveloped property owned by the plaintiff. The plaintiff also alleges fraud, negligence and violation by the Company of an alleged fiduciary duty owed to plaintiff. Among other things, the plaintiff alleges that the Company failed to meet certain minimum sales requirements under the marketing contract and failed to commit sufficient resources to the sale of the property. The original complaint sought damages in excess of $18 million and certain other remedies, including punitive damages. Subsequently, the damages sought were reduced to approximately $15 million by the court. During fiscal 2001, the court dismissed the plaintiff's claims related to promissory estoppel, covenant of good faith and fair dealing, breach of fiduciary duty and negligence. In addition, the court dismissed the claims alleged by a sister company of the plaintiff. The dismissals discussed above further reduced the plaintiff's claims for damages to approximately $8 million, subject to the plaintiff's right of appeal. The Company is continuing to evaluate this action and its potential impact, if any, on the Company and accordingly cannot predict the outcome with any degree of certainty. However, based upon all of the facts presently under consideration of management, the Company believes that it has substantial defenses to the allegations in this action and intends to defend this matter vigorously. The Company does not believe that any likely outcome of this case will have a material adverse effect on the Company's financial condition or results of operations.

On August 21, 2000, the Company received a Notice of Field Audit Action (the "Notice") from the State of Wisconsin Department of Revenue (the "DOR") alleging that two subsidiaries now owned by the Company failed to collect and remit sales and use taxes to the State of Wisconsin during the period from January 1, 1994 through September 30, 1997 totaling $1.9 million. The majority of the assessment is based on the subsidiaries not charging sales tax to purchasers of Timeshare Interests at the Company's Christmas Mountain Village(TM) resort. In addition to the assessment, the Notice indicated that interest would be charged, but no penalties would be assessed. As of March 31, 2002, aggregate interest was approximately $1.5 million. The Company filed a Petition for Redetermination (the "Petition") on October 19, 2000, and, if the Petition is unsuccessful, the Company intends to vigorously appeal the assessment. The Company acquired the subsidiaries that were the subject of the Notice in connection with the acquisition of RDI on September 30, 1997. Under the RDI purchase agreement, the Company has the right to set off payments owed by the Company to RDI's former stockholders pursuant to a $1.0 million outstanding note payable balance and to make a claim against such stockholders for $500,000 previously paid for any breach of representations and warranties. One of the former RDI stockholders is currently employed by the Company in a key management position. The Company has notified the former RDI stockholders that it intends to exercise these rights to mitigate any settlement with the DOR in this matter. In addition, the Company believes that, if necessary, amounts paid to the State of Wisconsin pursuant to the Notice, if any, may be further funded through collections of sales tax from the consumers who effected the assessed timeshare sales with RDI without paying sales tax on their purchases. Based on management's assessment of the Company's position in the Petition, the Company's right of set off with the former RDI stockholders and other factors discussed above, management does not believe that the possible sales tax pursuant to the Notice will have a material adverse impact on the Company's results of operations or financial position, and therefore no amounts have been accrued related to this matter.

15. Income Taxes

The provision for income taxes consists of the following (in thousands):

	Year Ended		
	March 31, 2002	April 1, 2001	April 2, 2000
Federal:			
Current	$ (394)	$(4,645)	$ 3,719
Deferred	7,254	5,481	(303)
	6,860	836	3,416
State and other:			
Current	--	--	696
Deferred	641	320	(57)
	641	320	639
Total	$ 7,501	$ 1,156	$ 4,055

The reasons for the difference between the provision for income taxes and the amount that results from applying the federal statutory tax rate in the years ended March 31, 2002, April 1, 2001 and April 2, 2000 to income before provision for income taxes and minority interest are as follows (in thousands):

	Year Ended

	March 31, 2002	April 1, 2001	April 2, 2000
Income tax expense at statutory rate	$6,819	$1,051	$3,698
Effect of state taxes, net of federal tax benefit ..	682	105	357
	$7,501	$1,156	$4,055

At March 31, 2002 and April 1, 2001, deferred income taxes consist of the following components (in thousands):

	March 31, 2002	April 1, 2001
Deferred federal and state tax liabilities (assets):		
Installment sales treatment of notes	$ 53,115	$ 32,565
Deferred federal and state loss carryforwards/AMT credits	(29,588)	(16,078)
Tax over book depreciation	1,721	1,384
Book over tax carrying value of retained interests in notes receivable sold	2,863	1,305
Other	188	153
Deferred income taxes	$ 28,299	$ 19,329

The Company has available net operating loss carryforwards of $62.1 million, which expire in 2021 and 2022, and alternative minimum tax credit carryforwards of $6.5 million, that never expire.

16. Employee Retirement Savings Plan

The Company's Employee Retirement Plan is a code section 401(k) Retirement Savings Plan (the "Plan"). All employees at least 21 years of age with one year of employment with the Company are eligible to participate in the Plan. During the year ended March 31, 2002, the Plan was amended when the Company agreed to make a minimum matching contribution to the Plan of $226,000, which was equivalent to 50% of the first 3% of each participating employee's contribution to the Plan. During the years ended April 1, 2001 and April 2, 2002, employer contributions to the Plan were at the sole discretion of the Company and no such contributions were made.

17. Business Segments

The Company has two reportable business segments. The Resorts Division acquires, develops and markets Timeshare Interests at the Company's resorts and the Residential Land and Golf Division acquires large tracts of real estate that are subdivided, improved (in some cases to include a golf course and related amenities on the property) and sold, typically on a retail basis. The Company's reportable segments are business units that offer different products. The reportable segments are each managed separately because they sell distinct products with different development, marketing and selling methods.

The Company evaluates performance and allocates resources based on field operating profit. Field operating profit is operating profit prior to the allocation of corporate overhead, interest income, gain on sale of receivables, other income, provision for loan losses, interest expense, income taxes and minority interest. Inventory is the only asset that the Company evaluates on a segment basis - all other assets are only evaluated on a consolidated basis. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies (see Note 1).

Required disclosures for the Company's business segments are as follows (in thousands):

As of and for the year ended March 31, 2002	Resorts	Residential Land and Golf	Totals
Sales	$144,226	$ 96,402	$240,628
Other resort and golf operations revenues	23,149	2,321	25,470
Depreciation expense	2,532	1,077	3,609
Field operating profit	19,729	15,415	35,144
Inventory	86,288	101,400	187,688
As of and for the year ended April 1, 2001			
Sales	$140,975	$ 88,899	$229,874
Other resort and golf operations revenues	22,762	1,887	24,649
Depreciation expense	1,986	873	2,859
Field operating profit	9,724	12,991	22,715
Inventory	97,012	96,622	193,634
As of and for the year ended April 2, 2000			
Sales	$117,271	$ 97,217	$214,488
Other resort and golf operations revenues	19,038	2,707	21,745
Depreciation expense	1,303	831	2,134
Field operating profit	7,410	22,587	29,997
Inventory	109,534	87,559	197,093

Reconciliations to Consolidated Amounts

Field operating profit for reportable segments reconciled to consolidated income before provision for income taxes and minority interest (in thousands):

	Year Ended		
	March 31, 2002	April 1, 2001	April 2000
Field operating profit for reportable segments	$ 35,144	$ 22,715	$ 29,9

Interest income	15,447	17,317	15,6
Gain on sales of notes receivable	6,280	3,281	2,0
Other income (expense)	(162)	(400)	1
Corporate general and administrative expenses	(19,359)	(19,530)	(18,1
Interest expense	(13,017)	(15,494)	(13,8
Provision for loan losses	(4,851)	(4,887)	(5,3
Consolidated income before provision for income taxes and minority interest	$ 19,482	$ 3,002	$ 10,5

Depreciation expense for reportable segments reconciled to consolidated depreciation expense (in thousands):

	Year Ended		
	March 31, 2002	April 1, 2001	April 2000
Depreciation expense for reportable segments	$ 3,609	$ 2,859	$ 2,1
Depreciation expense for corporate fixed assets	1,671	1,404	1,0
Consolidated depreciation expense	$ 5,280	$ 4,263	$ 3,2

Assets for reportable segments reconciled to consolidated assets (in thousands):

	March 31, 2002	April 1, 2001	April 2000
Inventory for reportable segments	$187,688	$193,634	$197,0
Assets not allocated to reportable segments	247,473	226,047	216,8
Total assets	$435,161	$419,681	$413,9

Geographic Information

Sales by geographic area are as follows (in thousands):

	Year Ended		
	March 31, 2002	April 1, 2001	April 2000
United States	$230,179	$219,885	$203,8
Aruba	10,441	9,964	10,5
Canada	8	25	

Consolidated totals	$240,628	$229,874	$214,4

Inventory by geographic area is as follows (in thousands):

	March 31, 2002	April 2001
United States	$177,575	$181,6
Aruba	10,107	11,9
Canada	6	
Consolidated totals	$187,688	$193,6

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18. Quarterly Financial Information (Unaudited)

Summarized quarterly financial information for the years ended March 31, 2002 and April 1, 2001 is presented below (in thousands, except for per share information).

	Three Months Ended			
	July 1, 2001	September 30, 2001	December 30, 2001	March 31, 2002
Sales	$60,183	$69,235	$55,285	$55,925
Gross profit	40,112	45,157	35,301	33,533
Net income	4,135	4,577	1,972	1,048
Earnings per common share:				
Basic	0.17	0.19	0.08	0.04
Diluted	0.16	0.17	0.08	0.04

	Three Months Ended			
	July 2, 2000	October 1, 2000	December 31, 2000	April 1, 2001
Sales	$63,165	$65,600	$45,485	$55,624
Gross profit	41,282	44,705	29,435	35,657
Net income (loss)	3,012	2,001	(1,361)	(935)
Earnings (loss) per common share:				
Basic	0.12	0.08	(0.06)	(0.04)
Diluted	0.12	0.08	(0.06)	(0.04)

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Shareholders
Bluegreen Corporation

We have audited the accompanying consolidated balance sheets of Bluegreen Corporation as of March 31, 2002 and April 1, 2001, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended March 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bluegreen Corporation at March 31, 2002 and April 1, 2001, and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 2002, in conformity with accounting principles generally accepted in the United States.

ERNST & YOUNG LLP

West Palm Beach, Florida
May 28, 2002

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Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

For information with respect to the Company's Directors, see the information provided under the headings "Proposal 1 - Election of Nominees for Director" and "Certain Relationships and Other Transactions" in the Proxy Statement, which sections are incorporated herein by reference. Information concerning the executive officers of the Company appears in Item 1 of Part 1 of this Annual Report on Form 10-K.

Section 16 Compliance

The information provided under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION.

The information provided under the headings "Proposal 1- Election of Nominees for Director," "Board of Directors and its Committees," "Compensation Committee Report on Executive Compensation", "Compensation of Chief Executive Officer", "Executive Compensation" and "Certain Relationships and Other Transactions" in the Company's Proxy Statement is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information provided under the heading "Proposal 1 - Election of Nominees for Director" in the Proxy Statement is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information provided under the headings "Proposal 1 - Election of Nominees for Director," "Executive Compensation" and "Certain Relationships and Other Transactions" in the Proxy Statement is incorporated herein by reference.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)(1) and (a)(2) List of Financial Statements and Schedules.

1. The following Consolidated Financial Statements and Notes thereto of the Company and its subsidiaries and the report of independent certified public accountants relating thereto, are included in Item 8.

   Consolidated Balance Sheets as of March 31, 2002 and April 1, 2001

   Consolidated Statements of Income for each of the three years in the period ended March 31, 2002

   Consolidated Statements of Shareholders' Equity for each of the three years in the period ended March 31, 2002

   Consolidated Statements of Cash Flows for each of the three years in the period ended March 31, 2002

   Notes to Consolidated Financial Statements

   Report of Independent Certified Public Accountants

2. All financial statement schedules are omitted because they are not applicable, are not present in amounts sufficient to require submission of the schedules or the required information is presented in the Consolidated Financial Statements or related notes.

(a)(3) List of Exhibits.

The exhibits which are filed with this Annual Report on Form 10-K or which are incorporated herein by reference are set forth in the Exhibit Index which appears at pages 82 through 86 hereof and are incorporated herein by reference.

(b) Reports on Form 8-K.

None.

(c) Exhibits.

See (a)(3) above.

(d) Financial Statement Schedules.

All financial statement schedules are omitted because they are not applicable, are not present in amounts sufficient to require submission of the schedules or the required information is presented in the Consolidated Financial Statements or related notes.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BLUEGREEN CORPORATION
(Registrant)

Date: February 25, 2003 By: /S/ GEORGE F. DONOVAN
George F. Donovan,
President and Chief Executive Officer

Date: February 25, 2003 By: /S/ JOHN F. CHISTE
John F. Chiste,
Senior Vice President, Treasurer
and Chief Financial Officer
(Principal Financial Officer)

Date: February 25, 2003 By: /S/ ANTHONY M. PULEO
Anthony M. Puleo,
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 25th day of February 2003.

Signature	Title

/S/ JOHN F. CHISTE ------------------------- John F. Chiste	Senior Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)

I, George F. Donovan, certify that:

1. I have reviewed this amendment to annual report on Form 10-K/A of Bluegreen Corporation; and

2. Based on my knowledge, this amendment does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the annual report.

Date: February 25, 2003

/S/ GEORGE F. DONOVAN

George F. Donovan
Chief Executive Officer

I, John F. Chiste, certify that:

1. I have reviewed this amendment to annual report on Form 10-K/A of Bluegreen Corporation; and

2. Based on my knowledge, this amendment does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the annual report.

Date: February 25, 2003

/S/ JOHN F. CHISTE

John F. Chiste
Chief Financial Officer

EXHIBIT INDEX

Number		Description
3.1	-	Restated Articles of Organization, as amended (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the year ended March 31, 1996).
3.2	-	Restated and amended By-laws of the Registrant (incorporated by reference to exhibit 3.3 to Current Report on Form 8-K dated August 14, 1998).
4.4	-	Specimen of Common Stock Certificate (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the year ended April 2, 2000).
4.6	-	Form of Indenture dated as of May 15, 1987 relating to the Company's 8.25% Convertible Subordinated Debentures Due 2012, including Form

of Debenture (incorporated by reference to exhibit of same designation to Registration Statement on Form S-1, File No. 33-13753).

4.7	-	Indenture dated as of April 1, 1998 by and among the Registrant, certain subsidiaries of the Registrant, and SunTrust Bank, Central Florida, National Association, as trustee, for the 10 1/2% Senior Secured Notes due 2008. (incorporated by reference to exhibit of same designation to Registration Statement on Form S-4, File No. 333-50717).
4.8	-	First Supplemental Indenture dated as of March 15, 1999 by and among the Registrant, certain subsidiaries of the Registrant, and SunTrust Bank, Central Florida, National Association, as trustee, for the 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 28, 1999).
4.9	-	Second Supplemental Indenture dated as of December 31, 2000 by and among the Registrant, certain subsidiaries of the Registrant, and SunTrust Bank, Central Florida, National Association, as trustee, for the 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).
4.10	-	Third Supplemental Indenture dated as of October 31, 2001 by and among the Registrant, certain subsidiaries of the Registrant, and SunTrust Bank, Central Florida, National Association, as trustee, for the 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).
4.11	-	Fourth Supplemental Indenture dated as of December 31, 2001 to the Indenture Dated as of April 1, 1998 among the Registrant, certain of its subsidiaries and SunTrust Bank (formerly SunTrust Bank, Central Florida, National Association), as Notes Trustee, relating to the Company's $110 million aggregate principal amount of 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated December 30, 2001).
10.24	-	Form of Agreement dated June 27, 1989 between the Registrant and Peoples Heritage Savings Bank relating to sale of mortgage notes receivable (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended April 2, 1989).
10.77	-	Registrant's Amended 1988 Outside Directors Stock Option Plan (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 29, 1992).
10.78	-	Registrant's 1988 Amended Outside Director's Stock Option Plan (incorporated by reference to exhibit to Registration Statement on Form S-8, File No. 33-61687).

10.79	-	Registrant's 1998 Non-Employee Director Stock Option Plan (incorporated by reference to exhibit 10.131 to Annual report on

Form 10-K for the year ended March 29, 1998).

10.80 - Registrant's 1995 Stock Incentive Plan, as amended (incorporated by reference to exhibit 10.79 to Annual Report on Form 10-K for the fiscal year ended March 29, 1998).

10.81 - Registrant's Retirement Savings Plan (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.85 - Loan and Security Agreement by and between the Registrant and Foothill Capital Corporation dated as of October 29, 1993 (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 27, 1994).

10.93 - Stock Purchase Agreement dated as of November 22, 1994 by and among Harry S. Patten and the Purchasers named therein (incorporated by reference to exhibit of same designation to Current Report on Form 8-K dated November 22, 1994).

10.98 - Pooling and Servicing Agreement dated as of June 15, 1995, among Patten Receivables Finance Corporation X, the Registrant, Patten Corporation REMIC Trust, Series 1995-1 and First Trust National Association, as Trustee (incorporated by reference to exhibit to Current Report on Form 8-K dated July 12, 1995).

10.99 - Pooling and Servicing Agreement dated as of April 15, 1996, among Bluegreen Receivables Finance Corporation I, the Registrant, Bluegreen Corporation REMIC Trust, Series 1996-1 and First Trust National Association, as Trustee (incorporated by reference to exhibit to Current Report on Form 8-K dated May 15, 1996).

10.100 - Pooling and Servicing Agreement dated as of November 15, 1996, among Bluegreen Receivables Finance Corporation II, the Registrant, Bluegreen Corporation REMIC Trust, Series 1996-2 and First Trust National Association, as Trustee (incorporated by reference to exhibit to Current Report on Form 8-K dated December 11, 1996).

10.102 - Amended and Restated Sale and Contribution Agreement dated as of October 1, 1999 by and among Bluegreen Corporation Receivables Finance Corporation III and BRFC III Deed Corporation (incorporated by reference to exhibit 10.103 to Quarterly Report on Form 10-Q dated January 2, 2000).

10.104 - Amended and Restated Asset Purchase Agreement dated as of October 1, 1999 by and among Bluegreen Corporation, Bluegreen Receivables Finance Corporation III, BRFC III Deed Corporation, Heller Financial Inc., Vacation Trust, Inc. and U.S. Bank National Association, as cash administrator, including Definitions Annex (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated January 2, 2000).

10.105 - Sale and Contribution Agreement dated as of September 1, 2000, among the Registrant and Bluegreen Receivables Finance Corporation IV (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated October 1, 2000).

10.106 - Sale and Servicing Agreement dated as of September 1, 2000, among the Registrant, BXG Receivables Owner Trust 2000, Bluegreen Receivables Finance Corporation IV, Concord Servicing Corporation, Vacation Trust, Inc., U.S. Bank Trust National Association, Heller Financial, Inc. and Barclays Bank PLC (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated October 1, 2000).

10.107 - Indenture dated as of September 1, 2000, between BXG Receivables Owner Trust 2000 and U.S. Bank Trust National Association (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated October 1, 2000).

10.108 - BXG Receivables Owner Trust 2000 Definitions Annex dated as of September 1, 2000 (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated October 1, 2000).

10.109 - Class A Note dated as of October 16, 2000, among BXG Receivables Owner Trust 2000, U.S. Bank Trust National Association and Barclays Bank PLC (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated October 1, 2000).

10.110 - Class B Note dated as of October 16, 2000, among BXG Receivables Owner Trust 2000, U.S. Bank Trust National Association and Heller Financial, Inc. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated October 1, 2000).

10.111 - Amended and Restated Sale and Servicing Agreement dated April 17, 2002, among the Registrant, Bluegreen Receivables Finance Corporation V, BXG Receivables Note Trust 2001-A, Concord Servicing Corporation, Vacation Trust, Inc. and U.S. Bank Trust National Association (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.112 - Amended and Restated Note Purchase Agreement dated April 17, 2002, among the Registrant, Bluegreen Receivables Finance Corporation V, BXG Receivables Note Trust 2001-A, the Purchasers Parties Hereto and ING Capital LLC (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.113 - Amended and Restated Indenture dated April 17, 2002, between BXG Receivables Note Trust 2001-A and U.S. Bank Trust National Association (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.114 - Amended and Restate Trust Agreement dated April 17, 2002, by and among Bluegreen Receivables Finance Corporation V, GSS Holdings, Inc. and Wilmington Trust Company (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.123 - Exchange and Registration Rights Agreement dated April 1, 1998, by and among the Registrant and the persons named therein, relating to the 10 1/2% Senior Secured Notes due 2008 (incorporated by reference to exhibit of same designation to Registration Statement on Form S-4, File No. 333-50717).

10.124 - Employment Agreement between George F. Donovan and the Company dated December 19, 2001 (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.125 - Employment Agreement between John F. Chiste and the Company dated December 27, 2001 (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.126 - Employment Agreement between Daniel C. Koscher and the Company dated May 22, 2002 (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.128 - Amended and Restated Credit Facility Agreement entered into as of April 16, 1998 between Finova Capital Corporation and the Registrant (incorporated by reference to exhibit 10.129 to Registration Statement on Form S-4, File No. 333-50717).

10.129 - Second Amended and Restated Credit Facility Agreement entered into as of September 14, 1999, between Finova Capital Corporation and the Registrant (incorporated by reference to exhibit 10.130 to Quarterly Report on Form 10-Q dated October 3, 1999).

10.130 - Amended and Restated Loan and Security Agreement dated as of September 23, 1997 between Foothill Capital Corporation and the Registrant (incorporated by reference to exhibit of same designation to Registration Statement on Form S-4, File No. 333-50717).

10.131 - Amendment Number One to Loan and Security Agreement dated December 1, 2000, by and between the Registrant and Foothill Capital Corporation (incorporated by reference to exhibit 10.140 to Quarterly Report on Form 10-Q dated December 31, 2000).

10.132 - Amendment Number Two to Loan and Security Agreement dated as of November 9, 2001, by and between the Registrant and Foothill Capital Corporation (incorporated by reference to exhibit 10.133 to Quarterly Report on Form 10-Q dated December 31, 2001).

10.133 - Loan and Security Agreement dated October 20, 1998, by the Registrant and Bluegreen Resorts, Inc. as Borrowers and Heller Financial, Inc. as Lender (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated December 27, 1998).

10.134 - Amended and Restated Loan and Security Agreement dated as of June 30, 1999, among the Registrant, Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit 10.138 to Quarterly Report on Form 10-Q dated July 2, 2000).

10.135 - Amended and Restated Loan and Security Agreement dated as of June 29, 2000, among the Registrant, Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit 10.139 to Quarterly Report on Form 10-Q dated July 2, 2000).

10.136 - Third Amendment to Amended and Restated Loan and Security Agreement dated as of October 16, 2000, among the Registrant, Bluegreen Vacations Unlimited, Inc.(TM)and Heller Financial, Inc.

(incorporated by reference to exhibit 10.140 to Quarterly Report on Form 10-Q dated October 1, 2000).

10.137 - Fourth Amendment to Amended and Restated Loan and Security Agreement dated as of October 16, 2001, among the Registrant, Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated September 30, 2001).

10.138 - Fifth Amendment to Amended and Restated Loan and Security Agreement dated as of February 16, 2002, among the Registrant, Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

10.139 - Master Bluegreen Resort Loan Facility dated October 20, 1998, by and between the Registrant and Heller Financial, Inc. (incorporated by reference to exhibit 10.134 to Quarterly Report on Form 10-Q dated December 27, 1998).

10.140 - Acquisition Cost Reimbursement Loan Agreement dated as of September 14, 1999, by and between Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit 10.135 to Quarterly Report on Form 10-Q dated October 3, 1999).

10.141 - Acquisition and Construction Cost Reimbursement Loan Agreement dated as of December 1, 1999, by and between Bluegreen Vacations Unlimited, Inc. and Heller Financial, Inc. (incorporated by reference to exhibit 10.136 to Quarterly Report on Form 10-Q dated January 2, 2000).

10.142 - Letter dated December 1, 1999, amending the Master Bluegreen Resort Facility, dated as of October 20, 1998, between Bluegreen Corporation and Heller Financial, Inc. (incorporated by reference to exhibit 10.137 to Quarterly Report on Form 10-Q dated January 2, 2000).

10.143 - Building Loan Agreement dated July 31, 2001, between Jordan Lake Preserve Corporation and IndyMac Bank F.S.B. d.b.a. Construction Lending Corporation of America (incorporated by reference to exhibit 10.142 to Quarterly Report on Form 10-Q dated September 30, 2001).

10.144 - Revolving Line of Credit Promissory Note dated July 31, 2001, between Jordan Lake Preserve Corporation and IndyMac Bank F.S.B. d.b.a. Construction Lending Corporation of America (incorporated by reference to exhibit 10.143 to Quarterly Report on Form 10-Q dated September 30, 2001).

10.145 - Loan Agreement dated as of September 24, 1999, between Bluegreen Properties of Virginia, Inc. and Branch Banking and Trust Company (incorporated by reference to exhibit 10.140 to Quarterly Report on Form 10-Q dated October 3, 1999).

10.153 - Amended and Restated Loan Agreement dated December 31, 2001 by and among the Registrant, certain subsidiaries of the Registrant and First Union National Bank, for the $12.5 million, unsecured, revolving line-of-credit due December 31, 2002 (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated December 30, 2001).

10.154 - Amended and Restated Promissory Note dated December 31, 2001 by and among the Registrant, certain subsidiaries of the Registrant and First Union National Bank, for the $12.5 million, unsecured, revolving line-of-credit due December 31, 2002 (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated December 30, 2001).

10.200 - Marketing and Promotions Agreement dated as of June 16, 2000, by and between Big Cedar L.L.C., Bass Pro, Inc., Bluegreen Vacations Unlimited, Inc. and Bluegreen/Big Cedar Vacations, LLC. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.201 - Advertising Advance Loan dated as of June 16, 2000 by and between Big Cedar L.L.C., as Maker, and Bluegreen Vacations Unlimited, Inc., as Holder (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.202 - Website Hyperlink License Agreement dated as of June 16, 2000 by and between Bluegreen Vacations Unlimited, Inc. (as User), Bass Pro, Inc. and Bass Pro Outdoors Online, L.L.C. (as Owners) (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.203 - Website Hyperlink License Agreement dated as of June 16, 2000 by and between Bluegreen Vacations Unlimited, Inc. (as Owner), Bass Pro, Inc. and Bass Pro Outdoors Online, L.L.C. (as Users) (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.204 - Contribution Agreement dated as of June 16, 2000 by and between Bluegreen Vacations Unlimited, Inc. and Big Cedar L.L.C. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.205 - Operating Agreement of Bluegreen/Big Cedar Vacations, LLC dated as of June 16, 2000 by and among Bluegreen Vacations Unlimited, Inc. and Big Cedar L.L.C. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.206 - Administrative Services Agreement dated as of June 16, 2000 by and among Bluegreen/Big Cedar Vacations, LLC and Bluegreen Vacations Unlimited, Inc. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

10.207 - Servicing Agreement dated as of June 16, 2000 by and among the Registrant, Bluegreen/Big Cedar Vacations, LLC and Big Cedar L.L.C. (incorporated by reference to exhibit of same designation to Quarterly Report on Form 10-Q dated July 2, 2000).

21.1 - List of Subsidiaries (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).

23.1	-	Consent of Ernst & Young LLP (incorporated by reference to exhibit of same designation to Annual Report on Form 10-K for the fiscal year ended March 31, 2002).
99.1	-	Certifications Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.