October 12, 1999

TO ALL SHAREHOLDERS OF
BFC CONSTRUCTION CORPORATION

Dear Shareholder:

Re: Offer to Purchase Shares

You will find enclosed with this letter a Circular setting out the Corporation's offer to repurchase up to (Cdn.) $40 million worth of its outstanding shares, together with a Letter of Transmittal and a Notice of Guaranteed Delivery. The same price will be paid to all tendering shareholders, but the actual purchase price will be set through an auction mechanism with shareholders being entitled to elect a price of not more than (Cdn.) $12 nor less than (Cdn.) $9 per share. The company will buy back as many shares as possible, at the lowest price that will result in all (Cdn.) $40 million being spent.

Attached as part of the Circular is a valuation that has been prepared by Newcrest Capital Inc. The conclusion in the valuation is that the current value of BFC's shares is between $11.75 and $15.50 per share.

The offer is being made to provide shareholders of BFC with an opportunity to sell their shares should they wish to do so. The market for our stock has not been particularly liquid, so shareholders may not have been able to sell their investment in the market without affecting the price of the shares.

The board of directors of BFC believes the prospects for the company going forward are good, however the business operates in an environment which is very competitive. We also believe that the company currently has excess capital and that applying $40 million to repurchase shares in accordance with the auction process set out in the Circular is appropriate at this time. The decision of a particular shareholder to sell or to continue as a shareholder of the company will depend upon the views and circumstances of that shareholder. The board is making no recommendation as to whether shareholders should sell or continue to hold shares of the company.

Persons wishing to accept the offer will need to return the enclosed Letter of Transmittal to Montreal Trust Company of Canada by November 8, 1999. Please review the enclosed material and consider it carefully or consult with your stockbroker or other professional advisor for assistance.

Yours very truly,

BFC CONSTRUCTION CORPORATION

Per: "Stephen W.C. Mulherin"
Stephen W.C. Mulherin
Chairman, Management Committee
and Acting Chief Executive Officer