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June 16, 2011

Via Electronic Mail

Securities and Echange Commission
100 F Street, N.W.
Washington, DC 20549

Re: BF Enterprises, Inc. Application under Section 12(h) of the Exchange Act (File No. 81-937)

Ladies and Gentlemen:

We represent Leeward Capital, L.P. ("Leeward") and its Manager, Kent Rowett, in his capacity as trustee of BFE Trusts 1 through 500 (the "Trusts"). Leeward is the sole beneficiary of the Trusts. The Trusts are holders of shares of BF Enterprises, Inc. (the "Company"). On behalf of Leeward and Mr. Rowett, we are writing to oppose the Company's application (the "Application") for an exemption from the provisions of Section 12(g) of the Securities Exchange Act of 1934 (the "Exchange Act").

In the Application, the Company concedes that its position is not supported by the provisions of Section 12 and the rules promulgated thereunder, and so asks the Commission for an exemption from the law based on the premise that the Company has fewer than 100 shareholders and there is no active market for the Company's shares. However, it was by the Company's own action, taking advantage of the "held of record" standard employed in Section 12(g) and the related rules, that its shareholder base was reduced and the market for its securities eliminated. Now it seeks to avoid the application of that same standard by asking the Commission to ignore the artifice the Company used to get out from under the Exchange Act's reporting requirements.

I. Background

Leeward is a small investment fund whose limited partners are a small group of friends and family. Despite being referred to in the Application by the pejorative label "Hedge Fund," Leeward's investment focus is primarily on patient, long-term common stock holdings. For example, it has held stock in the Company since Leeward's founding in 1997 and has added to this position over time.

In 2005, the Company "went dark" by means of a reverse stock split (the "Reverse Split") that was approved by written consent of officers and directors controlling 54% of the Company's shares.[1] Unlike many companies that go dark, the Company did not do so out of financial desperation. In its last Form 10-Q filed before it went dark, the Company reported assets with a book value of $30.3 million (including cash and marketable securities in excess of $16 million) and liabilities of $2.4 million. The Company had been profitable or close to break-even in recent periods and was cash-flow-positive. During the seven quarters before it went dark, the closing bid price for the Company's shares had fluctuated from a low of $7.00 per share to a high of $8.95.[2]

By the Company's own estimate, at the time it went dark, it had "approximately 870 record holders and beneficial holders."[3] By going dark, the Company also dramatically reduced public interest in its stock. Previously, there had existed a much more active market for the Company's shares. Approximately 575,000 shares traded in the two quarters prior to the Company going dark – a meaningful amount compared to both Leeward's holdings and the Company's public float.[4] In 2010, there were only a few reported trades, and, to Leeward's knowledge, there have been no reported trades in 2011. The Company acknowledged in its information statement regarding the Reverse Split that a "public market … would cease to exist" for its shares following the transaction.[5]

Notwithstanding these circumstances, Leeward continued to consider the Company a good investment and continued to acquire some shares in the Company. Leeward's decision to increase its position was based on three factors. First, the Company committed formally and informally to unlocking and returning value to its shareholders, meaning that at some point Leeward would be rewarded for its patience.[6] Second, the Company's shares continued to trade below what Leeward considered to be their intrinsic value. The intrinsic value, for example, was partially evident in the settlement price the Company paid in connection with a fair value hearing in Delaware relating to the Reverse Split; in this settlement, the Company agreed to pay $11.34 per share versus the $8.95 per share it had determined was fair when it cashed out shares in the Reverse Split.[7] Finally, the Company would presumably have more value to return to its shareholders if it was no longer bearing the cost of public reporting.

In the roughly six years since it went dark, however, the Company has returned little value to its shareholders. Mr. Rowett came to fear that Leeward might never see any return on its investment, regardless of the underlying value of the Company's assets, and recognized that his options for obtaining such a return were extremely limited. Mr. Rowett was also concerned

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[1] Definitive Information Statement of the Company dated July 21, 2005 ("Information Statement"), at 4.
[2] *Id.* at 8.
[3] *Id.* at 16.
[4] *Id.* at 8. As reported on the Company's Form 10-KSB/A Amendment No. 1 to Annual Report, filed on May 2, 2005, on April 28, 2005 the Company had 3,482,331 shares of common stock outstanding, of which 1,864,662 shares were beneficially owned by directors and officers of the Company.
[5] *Id.* at 6.
[6] See letters to shareholders of the Company from Brian P. Burns, Chairman of the Board, dated March 17, 2003 and July 15, 2008, copies of which are attached hereto as Exhibits A and B, respectively (the latter of which is referred to herein as the "2008 Chairman's Letter").
[7] 2008 Chairman's Letter at 1.

that, with management having consolidated its control of the Company through the cashing out of small shareholders, and with there being no public disclosure requirements and very limited financial information available to minority shareholders, management of the Company was likely to become less responsive to the interests of its shareholder over time. As evidence of this trend, Mr. Rowett observed that the Company's general and administrative expenses on a pro forma basis (after taking into account the amount the Company estimated it would save on public reporting costs) have been 17% to 59% higher in the five years since the Company went dark, averaging 32% over this period.[8]

In July 2010, Leeward offered to sell its shares back to the Company at a price of $9.85 per share, which it considered to be a significant discount off of the value of the Company's underlying assets but attractive enough to persuade the Company to buy out Leeward's entire stake. The Company responded, however, by stating that it was not interested in buying back shares at that price but might consider repurchasing some of Leeward's shares for a price in the $6.00 per share range, which signaled to Leeward that the Company may be willing to buy out isolated shareholders at bargain-basement prices but was not interested in paying anything close to fair value for its shares. In the Application, Leeward is depicted as having issued an ultimatum in which the Company could either give in to Leeward's demand or face unilateral action that would force the Company to resume reporting under the Exchange Act. In fact, it was Leeward that was faced with an ultimatum; unless the Company agreed to repurchase Leeward's shares at a fair price, Leeward's only choices were to either hold the shares in perpetuity, with little or no hope of realizing any value from its investment, or explore whatever alternatives might be available to it to create the conditions under which it might be able to sell its shares on the open market.

Faced with these choices, Leeward determined that if the Company became subject to Exchange Act reporting requirements, this could eventually facilitate the reemergence of a public market for the Company's shares. Accordingly, Leeward transferred its shares to the Trusts for the purpose of increasing the number of record holders of the Company's stock to more than 500. The Company attempted to stall these transfers by, among other things, raising a series of questions about whether the transfers might violate the Securities Act of 1933 or the Investment Company Act of 1940, as described in great detail in the Application. In Leeward's view, the motivation behind these questions was purely obstructionist rather than being based on an actual concern about whether the transfers were "rightful." Ultimately, however, faced with the realization that it had no basis to block the transfers, the Company authorized its transfer agent to transfer Leeward's shares to the Trusts.

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[8] Information Statement at 15; Consolidated Statements of Income and Consolidated Statements of Operations included in the Company's annual reports to shareholders for the years ended December 31, 2005, 2006, 2008 and 2010, copies of which are attached as Exhibit C hereto. Pro forma General and Administrative ("G&A") expense is estimated at $1,770,000, based on $2,163,000 in G&A expense reported for 2004 as reported in the 2004 annual report, less $393,000 in tangible cost savings related to termination of Exchange Act registration of the Company's common stock, as estimated in the Information Statement.

II. Analysis

A. Section 12(g)

The Company's case for exemptive relief is based primarily upon the premise that "Section 12(g) was clearly not intended to apply to the scenario that the Hedge Fund has unilaterally imposed on the Company." We concede that the legislative history of Section 12(g) suggests that its provisions were aimed primarily at unlisted companies whose shares were traded over the counter and whose shareholder bases were significantly larger than the Company's. We respectfully submit, however, that even though the Company may currently differ from the sort of enterprise that Section 12(g) originally targeted, its circumstances do not warrant the special protection afforded by the exemptive order sought by the Application, and that any action taken by the Commission to address the anomalies created by the record holder standard under Section 12(g) should be undertaken as part of a comprehensive review of all relevant factors rather than in the form of exemptive orders granted to individual issuers.

The Application advances a policy argument that "an issuer should be able to take steps 'to assure that it does not cross the 500 holder threshold and trigger registration and reporting'"[9] and asks the Staff to "consider the possibility for manipulative or abusive practices involving structures using trusts . . . created for the purpose of unilaterally forcing private companies to go public."[10] However, the circumstances facing typical private companies differ significantly from the circumstances facing companies whose shares are – or previously were – publicly traded, in ways that afford protections both to the investing public and to the company's equity holders. Ordinarily, a pre-public company can limit the growth of its shareholder base, and prevent an active trading market from emerging, through transfer restrictions set forth in agreements with investors and other equity holders. In light of such restrictions, prior to the adoption of Rule 12h-1(a), the Staff routinely issued no-action letters in connection with equity incentives granted to employees by private companies.[11] At the same time, investors in such private companies are not powerless to obtain liquidity for their investments but can protect their interests by negotiating for contractual rights such as registration rights and special management rights.

By contrast, investors who purchased the Company's shares on the open market did so with the reasonable expectation that their shares would enjoy continued liquidity for so long as the Company's business remained viable. It was only after the Company went dark that Leeward and many other shareholders found themselves holding illiquid shares of a private company, with none of the contractual rights through which private investors typically assure themselves of future liquidity. Moreover, because few if any of the Company's outstanding shares are restricted securities, the Company has no ability to prevent an active trading market from emerging at some point in the future as investors give up on their investment and begin to dispose of their shares at whatever price they can get, or as investor interest spikes due to rumors that may circulate in the marketplace.

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[9] Application, at 11.
[10] Application, at note 16.
[11] *See, e.g., Avago Technologies Limited* (Oct. 6, 2006).

To say that the scenario in which the Company finds itself has been "unilaterally imposed" on it by Leeward is disingenuous. It was the Company that initiated this sequence of events by effecting the Reverse Split – immediately followed by a forward split in the same ratio – for the sole purpose of causing its smaller shareholders to convert their shares to cash, while denying its remaining shareholders an equal opportunity to obtain meaningful liquidity. In doing so, the Company took advantage of the same technicality under Section 12(g) as it now seeks to avoid through an exemptive order.

The Commission itself has come to recognize that the reporting threshold based on holders of record merits reconsideration, given the prevalence of shares held in "street name." In Chairman Schapiro's April 6, 2011 letter to Chairman Issa, immediately following the statement quoted in the Application,[12] Chairman Schapiro makes it clear that this statement is not meant to "emphasize" the way in which Rule 12g5-1 measures holders of record but as a lead-in to her recommendation that the standard be reexamined altogether:

> Securities markets have changed significantly since the enactment of Section 12(g). Also, since the definition of "held of record" was put into place, a fundamental shift has occurred in how securities are held in the United States. Today, the vast majority of securities of publicly traded companies are held in nominee or "street name." This means that the brokers that purchase securities on behalf of investors typically are listed as the holders of record. One broker may own a large position in a company on behalf of thousands of beneficial owners. However, since the shares are all held "in street name," those shares count as being owned by one "holder of record." This shift has meant that for most publicly-traded companies, much of their individual shareholder base is not counted under the current definition of "held of record." Conversely, the shareholders of most private companies, who generally hold their shares directly, are counted as "holders of record" under the definition. This has required private companies that have more than $10 million in total assets and that cross the 500 record holder threshold – where the number of record holders is actually representative of the number of shareholders – to register and commence reporting. At the same time, it has allowed a number of public companies, many of whom likely have substantially more than 500 shareholders, to stop reporting, or "go dark," because there are fewer than 500 "holders of record" due to the fact that the public companies' shares are held in street name. I believe that both the question of how holders are counted and how many holders should trigger registration need to be examined.[13]

Chairman Schapiro goes on to state:

> To the extent that the Commission and the staff develop recommendations or proposals regarding changes to reporting thresholds, the consequences of any such proposed change will be subject to rigorous analysis as to the impact on

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[12] See Application, at 10.
[13] Letter from Chairman Schapiro to Hon. Darrell E. Issa, Chairman, Committee on Oversight and Government Reform (Apr. 6, 2011), at 17-18.

> investor protection and capital formation and the other costs and benefits of any proposed change.[14]

We respectfully submit that granting the Company's request for an exemption under Section 12(h), based on the arguments the Company has advanced, would fall short of "rigorous analysis."

B. Rule 12g5-1

The Application sets forth the Company's belief that, because all of the Trusts hold their shares for the benefit of Leeward, "under Rule 12g5-1(a)(3), the trusts are properly viewed as fiduciary custodians who hold on behalf of a single account, the Hedge Fund, and that the Hedge Fund accordingly should be counted as a single holder of record for purposes of Section 12(g)."[15] Rule 12g5-1(a)(3) states:

> Securities identified as held of record by one or more persons as trustees, executors, guardians, custodians or in other fiduciary capacities with respect to a single trust, estate or account shall be included as held of record by one person.

Although the Trusts all share a single trustee and a single beneficiary, they do not represent a single trust or account. In a letter issued in 1988 in response to a no-action request, the Staff took the position that, where a single stockholder holds shares for the benefit of several custodial accounts, each of those accounts represents a separate record holder under Rule 12g5-1(a)(3).[16] The Staff referred to the example of a husband and wife each of whom holds shares of a company individually and who hold additional shares as joint tenants. According to the Staff, the husband, the wife and the two of them as joint tenants would represent three separate holders of record:

> "The fact that the same person would make investment or other decisions regarding the shares held in each capacity would impact only as to the 'beneficial ownership' of such shares and not to whether these shares were 'held of record' by the same person.[17]

Based on the principles espoused by the Staff, shares held of record by separate trusts are properly considered to have separate holders of record, even if the trusts all share a common trustee, a common beneficiary, or both.

In 1989, in *In the Matter of Bacardi Corporation*, the Commission considered a procedural motion in connection with an issuer's request to terminate the registration of its common stock under Section 12(g) under circumstances that were very similar to the Company's: the issuer had attempted to go dark by means of a reverse stock split, and a shareholder had transferred its shares to a series of trusts in an attempt to prevent the issuer from reducing its number of record shareholders to below 300. In denying the motion, the

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[14] *Id.* at 20.
[15] Application, at 10.
[16] *Techne* (September 20, 1988).
[17] *Id.*

Commission accepted the Staff's straightforward interpretation of Rule 12g5-1, under which, to determine the number of record holders, one need look only to the number of holders listed on the stockholder list maintained by the issuer's transfer agent, regardless of the nature of those holders or the circumstances under which they had acquired their shares.

Although the Commission's order in *Bacardi* was based on arguments that have not been raised in the Application,[18] it is worth noting that the issuer in *Bacardi*, in its attempt to persuade the Commission to adopt the issuer's broader reading of the relevant provisions of Rule 12g5-1, raised the policy argument that, if the issuer's interpretation were not adopted, when an issuer attempts to go dark by means of a reverse stock split, "a small minority of shareholders [could] frustrate the desire of the majority and subject the issuer to the expenses attendant on registration." The Commission found this consideration to be irrelevant: "[W]e have only determined that the Commission is not the proper forum for registrant to resolve these issues. Such matters, like other corporate disputes, may properly be litigated in the courts."

C. Effect on Capital Formation

Broadly speaking, we understand that the SEC's mission is to protect investors and maintain fair and orderly markets, each serving the ultimate goal of facilitating capital formation. Capital formation is significantly hindered if there is no assurance of liquidity in a secondary market. If investors in a security understand that such a secondary market may disappear in the foreseeable future, then they will have far less interest in acquiring that security, and the security will trade at a substantial liquidity discount. If companies in the over-the-counter market – especially those with larger insider holdings – have a virtually unchecked ability to exit their reporting requirements using reverse/forward splits, then investors will approach this segment of the market with the clear understanding that exiting a stock position may be an uncertain prospect.

For company insiders that choose the going-dark route, the financial rewards that can be had at the expense of minority shareholders are great. Not only can management avoid the scrutiny that accompanies periodic reporting, but companies that have gone dark can buy back their own shares from stranded shareholders at very substantial discounts to intrinsic value. Leeward believes that a fairer alternative for companies that seek to shed the expense of public reporting is to go private – e.g., through a management buyout or a sale to a third party. Such transactions afford greater protection to minority shareholders. First, in most cases the consideration paid in the transaction is distributed equally to all shareholders. Second, due to concerns over liability under state corporation laws, insiders have a strong motivation to seek approval from at least a "majority of the minority," which ensures a fairer deal price than when a transaction is approved with just the votes of insiders. Finally, in a going private transaction involving a merger, dissenters usually have recourse to an appraisal proceeding in state court, a second level of protection for those who find the pricing unfair.

[18] In *Bacardi*, the primary issue was whether the anti-circumvention provisions of Rule 12g5-1(b)(3) apply to actions taken by a shareholder to inflate the number of record holders to prevent an issuer from going dark in addition to actions taken by an issuer to artificially depress the number of holders of record of their shares to avoid having to register under Section 12(g).

In the matter currently before the Commission, Leeward believes that granting the requested exemption will have a disproportionate effect on the OTC market. Although the Commission would only be granting relief to one company, investors in OTC stocks may take the granting of such an exemption as an indication that they should be wary of investing in any OTC company that is susceptible of going dark. Based on the foregoing, we respectfully submit that that granting the exemption would be inconsistent with the Commission's mission of protecting investors, maintaining fair and orderly markets, and facilitating capital formation.

D. Appropriateness of Exemption

Regardless of the merits of an exemption as applied to companies whose securities had never been publicly traded, were the Commission to grant such exemptions under these present circumstances, it would be embracing an inconsistent application of the record holder standard under Section 12(g); it would be enabling companies to rely on that standard when they go dark while shielding those companies from the same standard when shareholders take steps to protect their own interests as public investors.

In the Application, the Company discusses three factors cited in Section 12(h) as appropriate bases for exemptive relief: (1) the number of public investors; (2) trading interest; and (3) the nature of the issuer. However diminished the number of public investors and trading interest may be at present, these circumstances were brought about by the Company's own action. Before the Company went dark, its shares were held by a large number of beneficial owners and were subject to substantial trading interest, as discussed above. Leeward believes that, given that many of the Company's current shareholders are "public investors," in that they hold unrestricted shares that they purchased on the open market, there is real potential for a public market in the Company's shares to emerge over time if the Company were an Exchange Act reporting company.

The Company's argument that the nature of the issuer also warrants an exemption is based in large part on the Company having approximately $13.3 million of assets and net income for 2010 of approximately $103,000. However, Leeward believes that the intrinsic value of the Company's assets is far greater than their book value, as indicated by the cash-out price ultimately paid in the Reverse Split. Leeward further submits that the Company's net income would be significantly greater had its general and administrative expenses not risen after the Company went dark.

Although Section 12(h) *authorizes* the Commission to grant exemptions based on the factors cited in that section, it does not *require* it to grant such exemptions. While those factors might be present in the Company's circumstances at a superficial level, we respectfully submit that the granting of an exemptive order as requested in the Application would represent a misapplication of Section 12(h) in light of the Company's role in bringing those factors about.

III. Conclusion

Leeward believes that to permit issuers to go dark in reliance on the record holder standard under Section 12(g) but to deny shareholders the ability to rely on that same standard when seeking liquidity for their investments unfairly tips the balance against shareholder interests and may potentially impair capital formation. To the extent the Commission wishes to correct the anomalies created by the record holder standard, we agree with Chairman Schapiro's advice that such action should be based on "rigorous analysis as to the impact on investor protection and capital formation" rather than on case-by-case exemptions that favor the interests of issuers over the interests of investors. Accordingly, we respectfully request that the Commission deny the exemptive order requested by the Application.

Should any hearing be ordered in this matter, we request notice of such hearing, as specified in the Commission's notice issued on May 12, 2011 regarding the Application (Release No. 34-64479).

Very truly yours,

WHITE & LEE LLP

By: ______________________________
Paul Blumenstein

cc: Kent Rowett

EXHIBIT A

Letter from Brian P. Burns Dated March 17, 2003

Dear Shareholders:

In the midst of a troubled economy, your Company's financial results in 2002 were adversely affected by a decline in the inventory of residential lots available for sale within the Company's Meadow Pointe project and by a delay in obtaining permits for construction of the remaining lots. In brief, the past year was a difficult one for your Company.

Nevertheless, we should point out that the project has already sold 3,193 residential lots or, 90% of the original development plan of 3,548. This was accomplished approximately 3 years ahead of schedule and has returned to the Company almost $12 million in net cash, exclusive of an additional $10 million in cash from the sale of our largest commercial tract in 2001.

For the year 2002, the Company reported net income of $906,000 or $.24 per diluted share on total revenues of $3,680,000. By contrast, in 2001, the Company reported net income of $1,839,000 or $.48 per diluted share on total revenues of $8,983,000.

The net income figure for 2002 was reduced sharply by the following factors:

(1) As the Meadow Pointe project nears completion, the depletion of our inventory of available lots has declined to the point that at December 31, 2002 there remained only 246 residential lots to be constructed. Subject to permitting, there is land currently planned for 675 multi-family residential units and 3 commercial tracts which together aggregate 30 gross acres.

(2) In addition to the depletion of our inventory of lots, the Company also was hurt by delays in permitting and construction of remaining residential lots which severely limited lot sales in Meadow Pointe. Thus, only 195 lot sales were made in Meadow Pointe during 2002 as contrasted with 447 lot sales in 2001 – representing a dramatic drop in lot sales of more than 55% versus the prior year. Also in 2001, the Company benefited from the sale of our largest commercial tract in Meadow Pointe for approximately $10 million cash. No such sale occurred in 2002.

(3) Despite the lower volume of lot sales, the Company's general and administrative expenses increased materially in 2002. This increase was due, in part, to the various expenses attendant to the termination of the Company's relationship with our long time outside auditing firm, Arthur Andersen LLP, the subsequent search process leading to the engagement of Ernst & Young LLP as new outside auditors, and various legal and consulting expenses incurred in connection with the Company's adoption of various compliance programs and practices in accordance with the provisions of the Sarbanes-Oxley Act of 2002, which was signed into law by President Bush on July 30, 2002. Moreover the Company's operations were burdened by approximately $225,000 in legal fees and expenses relating to a lawsuit in Florida in which your Company is the plaintiff.

The Recent Economic Climate for Public Companies

During the past three years ended December 31, 2002, the market performance of public companies as measured by the following traditional indexes, was the worst in several decades:

Name of Index	3 year period ended December 31, 2002
S&P 500	−37.6%
Dow Jones	−23.5%
NASDAQ	−67.2%

The virtual collapse of the dot-com and high technology sectors contributed to an almost unbelievable loss of value in companies listed on the NASDAQ. This has resulted in the total loss of several trillion dollars in the market value of publicly traded securities.

Other factors contributing to this dramatic decline were the prospects of a possible war with Iraq, the continuing threat of domestic terrorism, the pervasive and negative impact of corporate scandals and the related profound loss of trust by the investing public in the integrity and reliability of financial statements issued by prominent public companies.

As of the date of this letter, it is still difficult to discern any wellspring of confidence in the public equity markets in the United States over the near term.

Whence We Came

While original shareholders are familiar with the origin and purpose of your Company, it is perhaps timely and appropriate to state briefly whence BFEN came.

In mid-1987, one of our predecessor companies, Boothe Financial Corporation ("Boothe" or "old Boothe"), decided to effect a major corporate restructuring. A few years earlier Boothe had acquired the franchisor and several important franchisees of Robert Half International and Accountemps ("RHI"). Since RHI represented, in Boothe's view, a major corporate opportunity to grow RHI into a significant factor in the temporary personnel and permanent placement industry, it was believed that the various other disparate assets and liabilities of old Boothe should be placed in another entity so that RHI could be viewed in the investment community as a "pure play" personnel services company and thereby enjoy the high multiples accorded to those companies. Accordingly, in mid-1987 a new Company, BFEN, was formed to hold the non-RHI assets and virtually all of the liabilities of old Boothe. As a result of the restructuring, shares of BFEN were distributed to the shareholders of old Boothe as a taxable dividend and old Boothe changed its name to RHI, which, under its superb management, went on to become one of the great business successes of the last 15 years.

Your Company, BFEN, was launched with a threefold objective:

- To pay off and discharge almost $30 million of the IDS Realty Trust debentures;
- To resolve and discharge substantial deferred tax liabilities, various pending tax issues in and among the several states and a myriad of other liabilities attributable to the operations of old Boothe; and
- To develop and realize, in an orderly manner, the values inherent in our remaining real estate assets.

Having completed two of our three principal objectives, your management in recent years has focused on capturing the values of our remaining assets.

A Current Look at Your Company

At this juncture it is worthwhile to consider the financial position of your Company as we enter calendar 2003:

(1) The Company had a profitable year from operations in 2002. The year benefited from gains from the sale of securities — a non operating item — which amounted to $569,000 on a pretax basis.

(2) At year end 2002, the balance sheet of your Company was solid with cash, marketable securities and short term mortgages amounting to $17,936,000.

(3) Despite having used approximately $836,000 during the year 2002 to repurchase shares of the Company's common stock, Total Stockholder's Equity was $27,321,000 at year end, the second highest level in the Company's history.

(4) The Company's liabilities, exclusive of Deferred Income Taxes, were only $544,000 at December 31, 2002.

(5) The Company's unutilized Net Operating Loss Carryforwards at December 31, 2002, were $3,200,000.

In addition to its strong liquidity position, the Company has quickened its pace to realize the substantial value inherent in the assets of the Company.

In Meadow Pointe, after a careful review, a new real estate brokerage firm was selected to market our 3 commercial parcels, as well as your Company's 34 acre multi-family parcel.

In Nashville, Tennessee, the Company is in the midst of complex negotiations involving a proposal to exchange a portion of our approximate 21 acre parcel in return for other parties undertaking to complete and pay for substantial infrastructure improvements, including grading, drainage and a reconfiguration of the topography of our parcel, which, if completed, would place the Company in a position finally to realize the substantial development potential of this property.

In Tempe, Arizona, your Company has begun to explore with Bank One and other advisors in the Phoenix area the possible extension of its lease with Bank One. Shareholders will recall that the existing lease covering this 228,000 sq. ft. building on a 16-acre parcel expires in February 2005. While management is guardedly optimistic, we cannot provide any assurance to shareholders whether a lease extension or a new lease on favorable terms can be accomplished.

With yields on Treasury Bills and Notes providing an unsatisfactory return, the Company began a program of investing in short term mortgages with the Graham Mortgage Corporation of Dallas, Texas. Mr. Joseph Graham, the principal owner thereof, was a former key employee of old Boothe, and provided critical assistance to us in liquidating the portfolio of the former IDS Realty Trust. At January 31, 2003, the Company had invested a total of $3,305,500 in 17 such mortgages, with a weighted average yield of 12.78% and a weighted term of 21-months. The Company is giving consideration to increasing its investment in this mortgage program.

A Look at the Future

Your Board of Directors continues to review various alternatives aimed at unlocking values inherent in the Company's assets.

The principal obstacle facing the Company in 2003 is the lack of completed lots for sale to residential customers. In fact, the governmental delays in obtaining the required permits and the consequent postponement of the construction of those lots will severely impact the Company in the first several months of 2003. While Meadow Pointe has had a good relationship with Pasco County, Florida from the inception of the project, the difficulties in obtaining permits have been exacerbated in recent years. As Pasco County has matured and with many other large projects underway in the surrounding area, the permitting process has become more complex and has slowed noticeably. This is a real challenge for the Company, as we enter the final phases of development at Meadow Pointe.

With the passage of Sarbanes-Oxley in July 2002, we explicitly recognize that the burdens and accompanying costs of complying with the ever increasing rules and regulations being promulgated by the Securities and Exchange Commission pursuant to Sarbanes-Oxley fall very heavily on small public companies such as BFEN. As just one example, the tripartite Certification Process required of your management under Sarbanes-Oxley will result in a substantial increase in the fees of our outside auditors and additional consulting expenses. Under the existing and prospective regulatory climate, we anticipate that small public companies will be forced to merge with other and perhaps larger public companies or to seek out other avenues to realize fully shareholder value.

In view of the foregoing, in mid-2002 the Board of Directors retained an experienced real estate financial adviser to help the Board continue to explore various strategic alternatives for the Company.

As we enter 2003, your Board has made the resolution of this important issue of unlocking asset values a matter of priority.

Once again, we expressly acknowledge our appreciation and gratitude to each of our colleagues in the Company and to our valuable Board of Directors.

In so doing, we also renew our thanks to our shareholders for their continued support.

Respectfully submitted,

Brian P. Burns

Brian P. Burns

March 17, 2003

EXHIBIT B

Letter from Brian P. Burns Dated July 15, 2008

B F ENTERPRISES, INC.

100 BUSH STREET
SUITE 1250
SAN FRANCISCO, CA 94104
TELEPHONE: (415) 989-6580
FACSIMILE (415) 296-7125

July 15, 2008

Dear Stockholder:

I am pleased to inform you that on June 30, 2008, the Board of Directors of BF Enterprises, Inc. ("BFE" or the "Company"), declared a Special Cash Dividend of Fifty Cents ($0.50) on each outstanding share of common stock of the Company ("Common Stock") payable on July 15, 2008, to all stockholders of record on June 30, 2008. This dividend represents a large portion of the proceeds from the December 2007 sale of one of the Company's remaining two commercial parcels at Meadow Pointe.

The enclosed check represents Fifty Cents ($0.50) per share for each of the shares owned by you as of the record date of June 30, 2008. Stockholders should be aware that the taxability of distributions will not be known until early 2009 as the taxability depends upon the Company's earnings and profits for the current year 2008. While we will advise you as to our earnings and profits for Federal Income Taxes in 2009, the determination as to the tax implications of this special cash dividend will need to be made by each individual stockholder and we suggest that each of you consult your personal tax advisor as to the particular federal, state, local, foreign and other tax consequences of the special dividend, in light of your specific circumstance.

Results of 2008 Annual Meeting

Our 2008 Annual Meeting was held on June 24, 2008. At the Annual Meeting, over 84% of the outstanding common stock was represented and voted. All of the Directors were in attendance and were re-elected with each receiving over 98% of all votes cast. We thank you for this support.

At our Board Meeting, following the Annual Meeting, it was suggested that a brief summary of matters discussed at the Meeting would be timely and helpful to our stockholders. Accordingly, we advise you as follows:

Origin of BFE

BFE had its origin as a "stub security" in June 1987, when its shares were distributed as a taxable dividend, valued at $0.50 per share, to the stockholders of Robert Half International (formerly known as Boothe Financial Corporation ("RHI")). The principal financial goal of BFE was to assume and discharge all of the liabilities of its predecessor company so that RHI could be viewed by the investment community as a "pure play" personnel services company without any of the liabilities and non-personnel assets. RHI, with outstanding management, has gone on to become one of the great public companies of the past twenty years. After suffering losses during the *1987 Stock Market Crash*, BFE worked diligently on its remaining assets to resolve and pay-off or discharge approximately $50 million of liabilities. In addition, BFE devoted its resources to developing its 1,800-acre Meadow Pointe project in Tampa, FL, enhancing the value of its Tempe, AZ office building, and realizing the potential values inherent in its other assets.

Going Private Transaction – August 2005

Because of the impact on small public companies attributable to the passage of the Sarbanes-Oxley Act of 2002, BFE, upon the recommendations of several stockholders and our advisors, began a careful consideration in July 2004 of a possible "going private" transaction. After a lengthy and not inexpensive process, on August 30, 2005, the Company effected a "going private" transaction in an effort to reduce the growing expenses of being a public reporting Company. The "going private price", as recommended by an independent investment banker was $8.95 per share. A class action proceeding was initiated in the Delaware Chancery Court in September 2005 and, in mid-2006, after formal discovery and mediation proceedings in Delaware, the class action litigation was settled in the Delaware Chancery Court and the "going private price" was increased from $8.95 to $11.34 per share.

Brief Discussion of Strategic Alternatives Available to the Company

During the last year, the Company has been diligently exploring and evaluating a number of strategic alternatives for the Company aimed at enhancing value for stockholders, including a potential sale, merger, REIT Conversion, S-Corporation election, asset sale, UPREIT and a variety of others. The Company also has given serious consideration to placing a mortgage on its debt free Tempe building and distributing the loan proceeds to stockholders. However, we have been strongly advised that due to (1) the serious decline in the financial condition of Countrywide Financial Corporation ("CFC"), prior to its acquisition by Bank of America Corporation ("BAC") on July 1, 2008, (2) the related uncertainty as to how CFC's real estate facilities will be integrated into or utilized by BAC's existing operations and (3) the bleak current economic conditions for financial institutions, such a mortgage transaction is neither feasible nor prudent.

In addition, the Company's Tempe building has a low tax basis dating back to its original construction in the mid-1970's. This fact presents complex tax challenges and requires careful tax planning if BFE is to achieve favorable tax treatment in connection with any proposed disposition of this asset. Finally, the lease with CFC has certain restrictions on our ability to sell the Tempe building, the principal one of which does not expire until July 31, 2009 (see Note F to Notes to Consolidated Financial Statements in our 2007 Annual Report).

Considerations involving Distributions, Dividends and Share Re-Purchases

Since going private in August 2005, the Company has made aggregate dividends of $1.50 per share, inclusive of the enclosed payment of $0.50 per share. Additionally, from time to time, the Company has made share re-purchases of its common stock when shares can be acquired at attractive purchase prices..

The Company has been conservative in assessing the future capital needs of the Company. While the Company expects to generate positive net income and operating cash flows for the year ended December 31, 2008, the uncertainty surrounding the future use and occupancy by the Company's sole tenant in its Tempe, AZ building is of great concern. Accordingly, prudence dictates retaining additional capital pending clarification of the future of the Tempe building by BAC.

A Word on Corporate Expenses

BFE is a small company with six full-time and two part-time employees. With but two exceptions, every employee has been with the Company for more than twenty years. The liability ridden "stub security" valued at $0.50 a share in 1987 has been successfully transformed into today's company with its strong balance sheet, by this small cadre of dedicated employees. The Board of Directors and management continue to balance the ongoing expenses of the Company with its determination to realize the maximum value of our remaining real estate and other assets for our stockholders in this difficult economic and financial climate.

We hope this information provides you with a better understanding of the Company and your investment. If you have any questions, please contact us.

Respectfully submitted,

Brian P. Burns

Brian P. Burns
Chairman

EXHIBIT C

Consolidated Statements of Income and Statements of Operations Included in Annual Reports for the Years Ended December 31, 2005, 2006, 2008 and 2010

BF ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Years Ended December 31, 2010 and 2009
(in thousands)

	2010	2009
Revenues:		
Real estate rental income	$ 2,617	$ 2,649
Interest and dividends from securities	26	27
Interest from mortgage loans	57	44
Equity in (losses) earnings of real estate joint ventures	(18)	66
Recognition of deferred gain from real estate sale	--	49
Other	5	(3)
	2,687	2,832
Costs and Expenses:		
Real estate operations	76	83
Depreciation and amortization	225	228
General and administrative	2,064	2,249
Litigation	167	--
	2,532	2,560
Income before gains from securities and income taxes	155	272
Gains from securities	26	1
Income before income taxes	181	273
Provision for income taxes	78	106
Net income	$ 103	$ 167

The accompanying notes are an integral part of these consolidated statements.

BF ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2008 and 2007
(in thousands)

	2008	2007
Revenues:		
Real estate sales	$ --	$ 1,095
Real estate rental	2,649	2,649
Interest and dividends from securities	100	339
Interest from mortgage loans	58	123
Equity in earnings of real estate joint ventures	64	157
Other	18	122
	2,889	4,485
Costs and Expenses:		
Cost of real estate sold	--	520
Real estate operations	76	31
Depreciation and amortization	228	227
Impairment of investment in real estate joint ventures	791	--
General and administrative	2,156	2,421
	3,251	3,199
Income (loss) before gains (losses) from securities and income taxes	(362)	1,286
Gains (losses) from securities:		
Realized from sales	--	35
Unrealized	(502)	--
	(502)	35
Income (loss) before income taxes	(864)	1,321
Provision for (benefit from) income taxes	(377)	513
Net income (loss)	$ (487)	$ 808

The accompanying notes are an integral part of these consolidated statements.

BF ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2006, 2005 and 2004
(in thousands)

	2006	2005	2004
Revenues:			
Real estate sales	$ --	$ 4,273	$ 1,967
Real estate rental	1,959	1,537	1,884
Interest and dividends from securities	529	445	183
Interest from mortgage loans	239	148	183
Equity in earnings of joint ventures	136	9	--
Other	--	4	7
	2,863	6,416	4,224
Costs and Expenses:			
Cost of real estate sold	--	2,702	1,374
Real estate operations	282	223	26
Depreciation and amortization	201	59	96
General and administrative	2,812	2,159	2,163
Costs related to the Company's going private transaction	--	761	180
	3,295	5,904	3,839
Income (loss) before gains from securities and income taxes expense	(432)	512	385
Gains (losses) from securities:			
Realized from sales	282	229	(10)
Unrealized, other than temporary, loss	(52)	(23)	--
	230	206	(10)
Income (loss) before provision for (benefit from) income taxes	(202)	718	375
Provision for (benefit from) income taxes	(76)	637	156
Net income (loss)	$ (126)	$ 81	$ 219

The accompanying notes are an integral part of these consolidated statements.

BF ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2005, 2004 and 2003
(in thousands)

	2005	2004	2003
Revenues:			
Real estate sales	$ 4,273	$ 1,967	$ 680
Real estate rental	1,537	1,884	1,815
Interest and dividends from securities	445	183	144
Interest from mortgage loans	148	183	371
Equity in earnings of joint ventures	9	--	--
Other	4	7	29
	6,416	4,224	3,039
Costs and Expenses:			
Cost of real estate sold	2,702	1,374	250
Real estate operations	223	26	70
Depreciation and amortization	59	96	96
General and administrative	2,159	2,163	2,257
Costs related to the Company's going private transaction	761	180	--
	5,904	3,839	2,673
Income before gains from securities and income taxes expense	512	385	366
Gains (losses) from securities:			
Realized from sales	229	(10)	96
Unrealized	(23)	--	--
	206	(10)	96
Income before provision for income taxes	718	375	462
Provision for income taxes	637	156	191
Net income	$ 81	$ 219	$ 271

The accompanying notes are an integral part
of these consolidated statements.