

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

1 Issuer's name  BLUEROCK RESIDENTIAL GROWTH REIT, INC.		2 Issuer's employer identification number (EIN)  26-3136483	
3 Name of contact for additional information  CHRISTOPHER VOHS	4 Telephone No. of contact  248-226-5700	5 Email address of contact  cvohs@bluerockmi.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  27777 FRANKLIN ROAD, SUITE 900		7 City, town, or post office, state, and Zip code of contact  SOUTHFIELD, MI 48034	
8 Date of action  MONTHLY DISTRIBUTIONS		9 Classification and description  COMMON SHARES	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol  N/A - PRIVATE	13 Account number(s)

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The company declared monthly common distributions. Please refer to details on the attached schedule.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The company declared distributions in the amount of \$0.1726029 per share with respect to its Common Stock during 2014. These amounts were paid on a monthly basis at a rate of \$0.0594521 or \$0.0536987 per share. 91.8% of each such distribution would constitute a nontaxable distribution (i.e., return of capital) to the extent of the shareholders' tax basis in the share of common stock with respect to which the distribution was paid. Please see attached for the monthly distributions and nontaxable cash distributions per share.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The company determines its annual earnings and profits under IRC Section 312 (as modified by IRS Section 857(d) for a Real Estate Investment Trust) and the regulations thereunder, which supports the calculation of nontaxable distributions paid with respect to common stock during 2014.

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_  
IRC Section 301(c)(2) provides that the portion of the common stock distribution which is not a dividend shall be applied against  
and reduce the adjusted basis of the stock.

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**18** Can any resulting loss be recognized? ▶ \_\_\_\_\_  
No tax loss is recognized by shareholders as a result of receiving the 2014 nontaxable distributions.

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_  
Nontaxable distributions have been reported to shareholders on their 2014 Federal Form 1099-DIV with respect to their common stock  
holdings in the company.

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

**Sign Here**  
Signature ▶  Date ▶ 3/3/17  
Print your name ▶ Christopher Vohs Title ▶ CAO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Form 8937 Part I Organizational Act Line 10:**

Common Shares

**Form 8937 Part II Organizational Act Line 14:**

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payable Date</u>
10/14/2013	12/31/2013	01/02/2014
12/27/2013	01/31/2014	02/03/2014
3/12/2014	02/28/2014	03/17/2014

**Form 8937 Part II Organizational Act Line 15:**

<u>Payment Date</u>	<u>Monthly Distributions</u>	<u>Nontaxable Distributions</u>
01/02/2014	\$0.0594521	\$0.0545770
02/03/2014	\$0.0594521	\$0.0545770
03/17/2014	\$0.0536987	\$0.0492954
<b>Total per share</b>	<b><u>\$0.1726029</u></b>	<b><u>\$0.1584495</u></b>

Therefore, the tax basis of each share of common stock held throughout 2014 is reduced by \$0.1584495.