

**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	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 27777 FRANKLIN ROAD, SUITE 900		5 Email address of contact cvohs@bluerockmi.com	
8 Date of action MONTHLY DISTRIBUTIONS		7 City, town, or post office, state, and Zip code of contact SOUTHFIELD, MI 48034	
9 Classification and description CLASS B-3 COMMON STOCK		10 CUSIP number 09627J409	
11 Serial number(s)	12 Ticker symbol	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 paid monthly common distributions which are detailed on the attached statement.

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 quarterly distributions in the amount of \$0.2900 per share with respect to its Class B-3 Common Stock during 2016. These amounts were paid on a monthly basis at a rate of \$0.96667 or \$0.96666 per share. One hundred percent 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. The amounts of the quarterly distributions and nontaxable cash distributions per share are detailed on the attached statement.

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 2016.


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.

18 Can any resulting loss be recognized? ▶ _____
No tax loss is recognized by shareholders as a result of receiving the 2016 nontaxable
distributions.

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 2016 Federal Form 1099-DIV with respect to their common stock
holdings in the company.

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 ▶ Christophe Vohs Title ▶ CAO

Paid Preparer Use Only	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 II Organizational Act Line 14:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payable Date</u>
10/12/2015	12/25/2015	01/05/2016
1/15/2016	01/25/2016	02/05/2016
1/15/2016	02/25/2016	03/05/2016

Form 8937 Part II Organizational Act Line 15:

<u>Payment Date</u>	<u>Monthly Distributions</u>	<u>Nontaxable Distributions</u>
01/05/2016	\$0.096667	\$0.096667
02/05/2016	\$0.096666	\$0.096666
03/05/2016	\$0.096667	\$0.096667
Total per share	<u>\$0.290000</u>	<u>\$0.290000</u>

Therefore, the tax basis of each share of common stock held throughout 2016 is reduced by \$0.29.