



## OFFERING OVERVIEW

### ■ Series B Redeemable Preferred Stock Terms

**Stated Value:** \$1,000 per unit.

**Offering Type:** Investment Units

1 share of Series B Redeemable Preferred Stock plus 1 Warrant exercisable for 20 shares of Class A Common Stock.

**Offering Size:** \$500,000,000 maximum

**Price per Unit:**

**Brokerage Accounts:** \$1,000\* **Advisory Accounts/RIA:** \$930\*

Minimum investment of \$5,000 (e.g. 5 Units), then \$1,000 increments.

\* Client account statements reflect \$1,000 Stated Value.

### ■ Common Stock Warrant Terms

**Exercisability:** Commencing 1 year following and ending 4 years from date of issuance.

**Conversion Ratio:** 20 shares per Warrant.

**Strike Price:** Per Share, 120% of the price of BRG Class A common stock at time of issuance (based on 20 prior trading days volume weighted average price, subject to a minimum strike price of \$10.00 per share).

**Warrants  
Provide  
Option**  
to capitalize on potential higher BRG common stock price

**Shareholder Redemption Option** as follows:\*\*\*

- Upon issuance, for Stated Value, less a 13% redemption fee (Redemption at par upon death);
- After 1 year, for Stated Value, less a 10% redemption fee;
- After 3 years, for Stated Value, less a 5% redemption fee;
- After 4 years, for Stated Value, less a 3% redemption fee; and
- After 5 years, for Stated Value.

**Company Redemption Option:** After 2 years, BRG may redeem for Stated Value.

\*\* Dividends have been paid on our Class A common stock since May 5, 2014 through the quarter ended September 30, 2018. Through December 31, 2017, such dividends have been declared and paid on a monthly basis at a quarterly rate of \$0.29 per share. Effective January 1, 2018, the common stock dividend was reduced to a quarterly rate of \$0.1625 per share. From May 5, 2014 through September 30, 2018, we have paid total common stock dividends, including dividends reinvested through our dividend reinvestment plan, of \$90,708,972, of which on a cumulative basis, approximately 11% were paid from sources other than cash flows from operations, including from the proceeds of our equity offerings. In addition, the Company has issued Series A preferred stock, Series B Redeemable Preferred Stock, Series C preferred stock and Series D preferred stock. The Series A preferred stock carries an 8.25% stated dividend rate, the Series B Redeemable Preferred Stock carries a 6.00% stated dividend rate, the Series C preferred stock carries a 7.625% stated dividend rate and the Series D preferred stock carries a 7.125% stated dividend rate. From May 5, 2014 through September 30, 2018, we have paid total preferred stock dividends of \$61,292,436, all of which were paid from cash flows from operations.

The security investment described herein relates solely to BRG's Series B Preferred Stock & Warrants, non-traded Securities of BRG which have not been listed on any national exchange. The risks and rewards of investing in the Series B Preferred Shares & Warrants are separate and distinct from an investment in BRG's common stock listed on the NYSE American.

\*\*\* Under Maryland law, redemption may be prohibited if BRG is insolvent. If we experience significant liquidity problems, we may not be able to fulfill our obligation to redeem Series B preferred stock when submitted for redemption. Redemptions may be paid in cash or in equal value of shares of the Company's Class A Common Stock at the discretion of the Company. Holder's estate may redeem for Stated Value if holder dies during first two years following date of issuance. Redemption price includes an amount equal to any accrued but unpaid dividends.

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. AN OFFERING IS MADE ONLY BY THE PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS. THIS SALES AND ADVERTISING LITERATURE MUST BE READ IN CONJUNCTION WITH THE PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF THE OFFERING OF SECURITIES TO WHICH IT RELATES. A COPY OF THE PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS MUST BE MADE AVAILABLE TO YOU IN CONNECTION WITH THE OFFERING. NEITHER THE ATTORNEY GENERAL OF THE STATE OF NEW YORK NOR ANY OTHER STATE REGULATORS HAS PASSED ON OR ENDORSED THE MERITS OF THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

## INVESTMENT OBJECTIVES

**6%** annual dividend;  
paid monthly\*\*

**Advisory Accounts/RIA:**

6.45% annual dividend (based on \$930 Unit price); paid monthly

## Senior Position

to Common Stock

## Liquidity

Shareholder Options\*\*\*

## Equity Appreciation Potential

with included BRG Warrant

## Investor-Focused Fee Structure

Full Investment (Stated Value) on Client Statement & Full Elimination of Acquisition and Ongoing Real Estate Fees

## RISKS TO CONSIDER

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An investment in **Bluerock Residential Growth REIT, Inc.** (“BRG”) involves a high degree of risk. See the “Risk Factors” sections of the Prospectus Supplement and the accompanying Prospectus for a discussion of material risks related to an investment in our Series B Redeemable Preferred Stock and Warrants, which include, but are not limited to, the following:

- There is limited liquidity and no public market for the Series B Redeemable Preferred Stock or Warrants and we do not intend to list them on a securities exchange.
- If our Class A common stock is no longer listed on the NYSE American or another national securities exchange, we would be required to terminate the offering and could result in our raising gross proceeds substantially less than if the maximum offering is sold.
- Distributions paid from sources other than cash flow or funds from operations may constitute a return of capital and reduce investor returns. Rates of distribution to you may not be indicative of our operating results.
- We make no guarantee that we will make distributions.
- Our management has broad discretion over the use of proceeds from the offering of the Series B Redeemable Preferred Stock and Warrants, and investors will not be able to evaluate the economic or other merits of our investments made with such proceeds prior to our making them.
- There are substantial conflicts of interest between us and our affiliates, including conflicts arising out of allocation of personnel to our activities, allocation of investment opportunities between us and investment vehicles of our affiliates, the purchase or sale of apartment properties, that might result in investment decisions that are not in the best interests of our stockholders.
- Upon the sale of any individual property, holders of Series B Redeemable Preferred Stock generally do not have a priority over holders of our common stock regarding return of capital.
- Our charter contains various restrictions on the ownership and transfer of our securities.
- After two years from the date of original issuance, we will be able to redeem the outstanding shares of Series B Redeemable Preferred Stock, without your consent, at 100% of the Stated Value per share, plus any accrued and unpaid dividends.
- Maintenance of our exemption from registration under the Investment Company Act of 1940 and our REIT qualification impose significant limitations on our operations.
- Holders of the Series B Redeemable Preferred Stock will have no voting rights or control over changes in our policies and operations. Our board of directors may approve changes to our policies without your approval.
- Our qualification as a REIT depends upon our satisfaction of numerous regulatory limitations and qualifications.
- We may fail to maintain our qualification as a REIT, which would result in higher taxes for us and reduced cash available for distribution to our stockholders.

**Summary of Fees and Expenses:** Investors will be subject to the following Fees and Expenses as part of the Offering: selling commissions, dealer manager fee, and other offering expenses. Please see the Prospectus Supplement and the accompanying Prospectus for a complete listing of all Fees and Expenses related to the Offering.

BRG has filed a registration statement on Form S-3 (No. 333-224990, the “Registration Statement”) with the Securities and Exchange Commission (the “SEC”), including a prospectus (the “Prospectus”), with respect to the securities we may offer and sell from time to time, and has further filed with the SEC a prospectus supplement relating to the offering of the Series B Redeemable Preferred Stock and the Warrants (the “Prospectus Supplement”). A copy of the Prospectus Supplement and the accompanying Prospectus must be made available to you in connection with the offering of the Series B Redeemable Preferred Stock and the Warrants, and must be read in conjunction with these materials in order to fully understand the risks of an investment in the offering.

This material contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of BRG’s business, financial condition, liquidity, results from operations, plans and objectives. These forward-looking statements are based on BRG’s beliefs, assumptions and expectations of its future performance, taking into account all information currently available to us. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to BRG, and we cannot guarantee that we will achieve any or all of these expectations.