

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer			
1 Issuer's name		2 Issuer's employer identification number (EIN)	
BLUEROCK RESIDENTIAL GROWTH REIT, INC.		26-3136483	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
CHRISTOPHER VOHS	248-226-5700	CVOHS@BLUEROCKMI.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
27777 FRANKLIN ROAD, SUITE 900		SOUTHFIELD, MI 48034	
8 Date of action		9 Classification and description	
MONTHLY DISTRIBUTIONS		SERIES B PREFERRED STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
09627J805		BRG PrB	

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 cash distributions to its shareholders in excess of its current accumulated earnings and profits. Please see attached schedule for additional detail.

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 distributions reduced basis of the security in the hand of the United States Taxpayers. Please see attached schedule for additional detail.

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 IRC Section 857(d) for a Real Estate Investment Trust) and the regulations thereunder, which supports the calculation of nontaxable distributions paid with respect to preferred stock during 2018.

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 preferred 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 2018 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 2018 Federal Form 1099-DIV with respect to their preferred 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 ► 2/5/19

Print your name ► CHRISTOPHER VOHS Title ► CHIEF FINANCIAL OFFICER

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>
10/13/2017	12/22/2017	01/05/2018
1/12/2018	01/25/2018	02/05/2018
1/12/2018	02/23/2018	03/05/2018
1/12/2018	03/23/2018	04/05/2018
4/13/2018	04/25/2018	05/04/2018
4/13/2018	05/25/2018	06/05/2018
4/13/2018	06/25/2018	07/05/2018
7/10/2018	07/25/2018	08/03/2018
7/10/2018	08/24/2018	09/05/2018
7/10/2018	09/25/2018	10/05/2018
10/12/2018	10/25/2018	11/05/2018
10/12/2018	11/23/2018	12/05/2018

Form 8937 Part II Organizational Act Line 15:

<u>Payment Date</u>	<u>Monthly Distributions</u>	<u>Nontaxable Distributions</u>
01/05/2018	\$5.000000	\$3.299750
02/05/2018	\$5.000000	\$3.299750
03/05/2018	\$5.000000	\$3.299750
04/05/2018	\$5.000000	\$3.299750
05/04/2018	\$5.000000	\$3.299750
06/05/2018	\$5.000000	\$3.299750
07/05/2018	\$5.000000	\$3.299750
08/03/2018	\$5.000000	\$3.299750
09/05/2018	\$5.000000	\$3.299750
10/05/2018	\$5.000000	\$3.299750
11/05/2018	\$5.000000	\$3.299750
12/05/2018	\$5.000000	\$3.299750
Totals	<u>\$60.000000</u>	<u>\$39.597000</u>

Therefore, the tax basis of each share of preferred stock held throughout 2018 is reduced by \$39.597.