



**THE FOUNDATION
FOR SECURE
MARKETS**

#50229

Date: March 24, 2022

Subject: **Bluerock Residential Growth REIT, Inc. – Anticipated Adjustment**
Option Symbol: BRG
New Symbol: BRG1
Date: ???

On April 12, 2022, Shareholders of Bluerock Residential Growth REIT, Inc. (BRG) will vote concerning the proposed merger with a wholly-owned subsidiary of Badger Parent LLC, an affiliate of Blackstone Inc.

If the merger is approved and other closing conditions satisfied, as a condition to and prior to the consummation of the merger, BRG intends to spin off its single-family rental business into a newly formed real estate investment trust named Bluerock Homes Trust, Inc. and distribute its shares to BRG shareholders on a prorated basis.

Bluerock Homes Trust, Inc. Common Shares are anticipated to be listed on the New York Stock Exchange under the ticker symbol “BHM”.

Following the consummation of the distribution and consummation of the merger, each existing BRG Class A Common Share will be converted into the right to receive \$24.25 net cash per share, subject to adjustment as described in the BRG Proxy Statement, dated March 10, 2022 (“Proxy”). The merger is expected to happen on the same day as the distribution.

Contract Adjustment

Date: Effective the opening of the business day after the merger is consummated.
Contract adjustment is expected to occur during the second quarter of 2022.

Options Symbol: BRG changes to BRG1

Strike Divisor: 1

Contract Multiplier: 1

New Multiplier: 100 (e.g., a premium of 1.50 yields \$150.00; a strike of 10 yields \$1,000.00)

**New Deliverable
Per Contract:**

- 1) A number of (New) Bluerock Homes Trust, Inc. (BHM) Common Shares distributed per BRG share x 100
- 2) Cash in lieu of fractional BHM share, if any
- 3) \$2,425.00 Cash (\$24.25 x 100), subject to adjustment as described in the Proxy

Note: Once determined the cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.

CUSIP: (New) BHM: TBD

Delayed Settlement

OCC will delay settlement of the BHM component and cash component of the BRG1 deliverable until the final distribution ratio, final merger consideration, and cash in lieu amount, if any, are determined. Upon determination of the final distribution ratio, final merger consideration, and cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of shares and cash amount.

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.