



**THE FOUNDATION
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#51130

Date: October 06, 2022

Subject: **Bluerock Residential Growth REIT, Inc. – Contract Adjustment**
Option Symbols: 10/06/22 – BRG remains BRG
10/07/22 – BRG becomes BHM1
10/06/22 – 1BRG remains 1BRG
10/07/22 – 1BRG becomes 1BHM1
Date: 10/06/2022

On April 12, 2022, Shareholders of Bluerock Residential Growth REIT, Inc. (BRG) voted concerning the proposed merger with a wholly-owned subsidiary of Badger Parent LLC, an affiliate of Blackstone Inc. The merger was approved and subsequently consummated before the open on October 6, 2022. BRG will 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.

As a result, each existing BRG Class A Common Share will be converted into the right to receive 0.125 (New) Bluerock Homes Trust, Inc. (BHM) Common Shares and \$24.25 net cash per share. Cash will be paid in lieu of fractional shares.

Bluerock Homes Trust, Inc. Common Shares have been listed on the New York Stock Exchange under the ticker symbol “BHM”.

Contract Adjustment

Date: October 6, 2022

Options Symbols: 10/06/22 – BRG remains BRG (with adjusted deliverable described below)
10/07/22 – BRG changes to BHM1
10/06/22 – 1BRG remains 1BRG (with adjusted deliverable described below)
10/07/22 – 1BRG changes to 1BHM1

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) 12 (New) Bluerock Homes Trust, Inc. (BHM) Common Shares
- 2) Cash in lieu of 0.50 fractional BHM shares
- 3) \$2,425.00 Cash (\$24.25 x 100)

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: 09631H100

Pricing

Until the cash in lieu amount is determined, the underlying price for BHM1/1BHM1 will be determined as follows:

$$\text{BHM1} = 0.125 (\text{BHM}) + 24.25$$

Delayed Settlement

The BHM component of the BHM1/1BHM1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the BHM1/1BHM1 deliverable until the cash in lieu of fractional BHM shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate 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, please email the Investor Education team at options@theocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.