Section 1: 10-Q (FORM 10-Q)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to ______

Commission File Number 001-36369

BLUEROCK RESIDENTIAL GROWTH REIT, INC.

(Exact name of registrant as specified in its charter)

Maryland	**26-3136483**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1345 Avenue of the Americas, 32nd Floor, New York, NY	**10105**
(Address of principal executive offices)	(Zip Code)

(212) 843-1601
(Registrant's telephone number, including area code)

712 Fifth Avenue, 9th Floor, New York, NY 10019
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	BRG	NYSE American
8.250% Series A Cumulative Redeemable Preferred Stock, $0.01 par value per share	BRG-PrA	NYSE American
7.625% Series C Cumulative Redeemable Preferred Stock, $0.01 par value per share	BRG-PrC	NYSE American
7.125% Series D Cumulative Preferred Stock, $0.01 par value per share	BRG-PrD	NYSE American

Securities registered pursuant to Section 12(g) of the Exchange Act:

Title of each class
Series B Redeemable Preferred Stock, $0.01 par value per share
Warrants to Purchase Shares of Class A Common Stock, $0.01 par value per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☒	Non-Accelerated Filer	☐
Smaller reporting company	☒	Emerging growth company	☐		

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Number of shares outstanding of the registrant's classes of common stock, as of August 1, 2019:
Class A Common Stock: 22,317,190 shares
Class C Common Stock: 76,603 shares

BLUEROCK RESIDENTIAL GROWTH REIT, INC.
FORM 10-Q
June 30, 2019

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

BLUEROCK RESIDENTIAL GROWTH REIT, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	(Unaudited) June 30, 2019	December 31, 2018
ASSETS		
Net Real Estate Investments		
Land	$ 191,192	$ 200,385
Buildings and improvements	1,480,761	1,546,244
Furniture, fixtures and equipment	54,148	55,050
Construction in progress	155	989
Total Gross Real Estate Investments	1,726,256	1,802,668
Accumulated depreciation	(117,115)	(108,911)
Total Net Operating Real Estate Investments	1,609,141	1,693,757
Operating real estate held for sale, net	172,555	—
Total Net Real Estate Investments	1,781,696	1,693,757
Cash and cash equivalents	28,534	24,775
Restricted cash	26,615	27,469
Notes and accrued interest receivable from related parties	175,768	164,084
Due from affiliates	3,542	2,854
Accounts receivable, prepaids and other assets	16,582	14,395
Preferred equity investments and investments in unconsolidated real estate joint ventures	100,704	89,033
In-place lease intangible assets, net	1,786	1,768
Non-real estate assets associated with operating real estate held for sale	481	—
Total Assets	$ 2,135,708	$ 2,018,135
LIABILITIES, REDEEMABLE PREFERRED STOCK AND EQUITY		
Mortgages payable	$ 1,142,635	$ 1,206,136
Mortgages payable associated with operating real estate held for sale	137,394	—
Revolving credit facilities	101,300	82,209
Accounts payable	949	1,486
Other accrued liabilities	27,446	31,690
Due to affiliates	773	726
Distributions payable	12,527	12,073
Liabilities associated with operating real estate held for sale	3,024	—
Total Liabilities	1,426,048	1,334,320
8.250% Series A Cumulative Redeemable Preferred Stock, liquidation preference $25.00 per share, 10,875,000 shares authorized; 5,721,460 shares issued and outstanding as of June 30, 2019 and December 31, 2018	139,912	139,545
6.000% Series B Redeemable Preferred Stock, liquidation preference $1,000 per share, 1,225,000 shares authorized; 399,502 and 306,009 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	357,346	272,842
7.625% Series C Cumulative Redeemable Preferred Stock, liquidation preference $25.00 per share, 4,000,000 shares authorized; 2,323,750 shares issued and outstanding as of June 30, 2019 and December 31, 2018	56,626	56,485
Equity		
Stockholders' Equity		
Preferred stock, $0.01 par value, 229,900,000 shares authorized; no shares issued and outstanding	—	—
7.125% Series D Cumulative Preferred Stock, liquidation preference $25.00 per share, 4,000,000 shares authorized; 2,850,602 shares issued and outstanding as of June 30, 2019 and December 31, 2018	68,705	68,705
Common stock - Class A, $0.01 par value, 747,509,582 shares authorized; 22,294,327 and 23,322,211 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	223	233
Common stock - Class C, $0.01 par value, 76,603 shares authorized; 76,603 shares issued and outstanding as of June 30, 2019 and December 31, 2018	1	1
Additional paid-in-capital	295,444	307,938
Distributions in excess of cumulative earnings	(248,988)	(218,531)
Total Stockholders' Equity	115,385	158,346
Noncontrolling Interests		
Operating Partnership units	15,405	27,613
Partially owned properties	24,986	28,984
Total Noncontrolling Interests	40,391	56,597
Total Equity	155,776	214,943
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK AND EQUITY	$ 2,135,708	$ 2,018,135

See Notes to Consolidated Financial Statements

BLUEROCK RESIDENTIAL GROWTH REIT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Revenues				
Rental and other property revenues	$ 46,464	$ 39,324	$ 92,153	$ 75,998
Interest income from related parties	5,973	5,635	11,749	10,830
Total revenues	52,437	44,959	103,902	86,828
Expenses				
Property operating	18,868	16,874	37,470	32,533
Property management fees	1,235	1,074	2,451	2,067
General and administrative	5,046	4,528	10,674	9,197
Acquisition and pursuit costs	70	28	128	71
Weather-related losses, net	291	—	291	168
Depreciation and amortization	16,226	14,819	33,454	30,460
Total expenses	41,736	37,323	84,468	74,496
Operating income	10,701	7,636	19,434	12,332
Other income (expense)				
Preferred returns on unconsolidated real estate joint ventures	2,492	2,626	4,781	5,088
Gain on sale of non-depreciable real estate investments	—	—	679	—
Loss on extinguishment of debt and debt modification costs	—	(653)	—	(653)
Interest expense, net	(15,125)	(13,041)	(31,191)	(23,158)
Total other expense	(12,633)	(11,068)	(25,731)	(18,723)
Net loss	(1,932)	(3,432)	(6,297)	(6,391)
Preferred stock dividends	(11,019)	(8,643)	(21,403)	(16,890)
Preferred stock accretion	(2,316)	(1,400)	(4,203)	(2,510)
Net loss attributable to noncontrolling interests				
Operating Partnership units	(3,887)	(3,010)	(7,938)	(5,685)
Partially owned properties	(390)	(253)	(882)	(468)
Net loss attributable to noncontrolling interests	(4,277)	(3,263)	(8,820)	(6,153)
Net loss attributable to common stockholders	$ (10,990)	$ (10,212)	$ (23,083)	$ (19,638)
Net loss per common share - Basic	$ (0.50)	$ (0.44)	$ (1.03)	$ (0.83)
Net loss per common share – Diluted	$ (0.50)	$ (0.44)	$ (1.03)	$ (0.83)
Weighted average basic common shares outstanding	22,430,619	23,800,770	22,775,203	23,971,129
Weighted average diluted common shares outstanding	22,430,619	23,800,770	22,775,203	23,971,129

See Notes to Consolidated Financial Statements

BLUEROCK RESIDENTIAL GROWTH REIT, INC.
FOR THE THREE MONTHS ENDED JUNE 30, 2019
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)
(In thousands, except share and per share amounts)

	Class A Common Stock		Class C Common Stock		Series D Preferred Stock						
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Value	Additional Paid-in Capital	Cumulative Distributions	Net (loss) income to Common Stockholders	Noncontrolling Interests	Total Equity
Balance, April 1, 2019	22,861,084	$ 228	76,603	$ 1	2,850,602	$ 68,705	$ 300,407	$ (203,920)	$ (30,443)	$ 47,992	$ 182,970
Issuance of Class A common stock, net	681	-	-	-	-	-	8	-	-	-	8
Issuance of Class A common stock due to Series B warrant exercise	3,780	1	-	-	-	-	40	-	-	-	41
Repurchase of Class A common stock	(749,648)	(8)	-	-	-	-	(8,333)	-	-	-	(8,341)
Issuance of restricted Class A common stock	90,694	1	-	-	-	-	147	-	-	-	148
Vesting of Long-Term Incentive Plan ("LTIP") Units for compensation	-	-	-	-	-	-	-	-	-	1,312	1,312
Issuance of LTIP Units for expense reimbursements	-	-	-	-	-	-	-	-	-	407	407
Issuance of Series B warrants	-	-	-	-	-	-	1,030	-	-	-	1,030
Common stock distributions declared	-	-	-	-	-	-	-	(3,635)	-	-	(3,635)
Series A Preferred Stock distributions declared	-	-	-	-	-	-	-	(2,950)	-	-	(2,950)
Series A Preferred Stock accretion	-	-	-	-	-	-	-	(214)	-	-	(214)
Series B Preferred Stock distributions declared	-	-	-	-	-	-	-	(5,693)	-	-	(5,693)
Series B Preferred Stock accretion	-	-	-	-	-	-	-	(2,021)	-	-	(2,021)
Series C Preferred Stock distributions declared	-	-	-	-	-	-	-	(1,107)	-	-	(1,107)
Series C Preferred Stock accretion	-	-	-	-	-	-	-	(81)	-	-	(81)
Series D Preferred Stock distributions declared	-	-	-	-	-	-	-	(1,269)	-	-	(1,269)
Distributions to Operating											

Partnership noncontrolling interests	-	-	-	-	-	-	-	-	-	(1,430)	(1,430)
Distributions to partially owned noncontrolling interests	-	-	-	-	-	-	-	-	-	(493)	(493)
Redemption of Operating Partnership units	-	-	-	-	-	-	(9)	-	-	(5)	(14)
Redemption of Series B Preferred Stock and conversion into Class A common stock	87,736	1	-	-	-	-	1,065	-	-	-	1,066
Cash redemption of Series B Preferred Stock	-	-	-	-	-	-	1	-	-	-	1
Series B warrant exercise, net	-	-	-	-	-	-	(26)	-	-	-	(26)
Acquisition of noncontrolling interest	-	-	-	-	-	-	(1,021)	-	-	(980)	(2,001)
Adjustment for noncontrolling interest ownership in Operating Partnership	-	-	-	-	-	-	2,135	-		(2,135)	-
Net income (loss)	-	-	-	-	-	-	-	-	2,345	(4,277)	(1,932)
Balance, June 30, 2019	22,294,327	$ 223	76,603	$ 1	2,850,602	$ 68,705	$ 295,444	$ (220,890)	$ (28,098)	$ 40,391	$ 155,776

See Notes to Consolidated Financial Statements

BLUEROCK RESIDENTIAL GROWTH REIT, INC.
FOR THE THREE MONTHS ENDED JUNE 30, 2018
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)
(In thousands, except share and per share amounts)

	Class A Common Stock		Class C Common Stock		Series D Preferred Stock						
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Value	Additional Paid-in Capital	Cumulative Distributions	Net loss to Common Stockholders	Noncontrolling Interests	Total Equity
Balance, April 1, 2018	23,733,296	$ 237	76,603	$ 1	2,850,602	$ 68,705	$ 315,833	$ (144,098)	$ (29,534)	$ 64,021	$ 275,165
Issuance of Class A common stock, net	1,319	-	-	-	-	-	11	-	-	-	11
Repurchase of Class A common stock	(107,040)	(1)	-	-	-	-	(957)	-	-	-	(958)
Vesting of LTIP Units for compensation	-	-	-	-	-	-	-	-	-	1,282	1,282
Issuance of LTIP units for expense reimbursements	-	-	-	-	-	-	-	-	-	349	349
Issuance of Series B warrants	-	-	-	-	-	-	528	-	-	-	528
Contributions from noncontrolling interests, net	-	-	-	-	-	-	-	-	-	2,108	2,108
Common stock distributions declared	-	-	-	-	-	-	-	(3,875)	-	-	(3,875)
Series A Preferred Stock distributions declared	-	-	-	-	-	-	-	(2,950)	-	-	(2,950)
Series A Preferred Stock accretion	-	-	-	-	-	-	-	(198)	-	-	(198)
Series B Preferred Stock distributions declared	-	-	-	-	-	-	-	(3,317)	-	-	(3,317)
Series B Preferred Stock accretion	-	-	-	-	-	-	-	(1,126)	-	-	(1,126)
Series C Preferred Stock distributions declared	-	-	-	-	-	-	-	(1,107)	-	-	(1,107)
Series C Preferred Stock accretion	-	-	-	-	-	-	-	(76)	-	-	(76)
Series D Preferred Stock distributions declared	-	-	-	-	-	-	-	(1,269)	-	-	(1,269)
Distributions to Operating Partnership noncontrolling interests	-	-	-	-	-	-	-	-	-	(1,324)	(1,324)
Distributions to partially owned noncontrolling interests	-	-	-	-	-	-	-	-	-	(356)	(356)
Redemption of Series B Preferred Stock and conversion into Class A common stock	31,416	1	-	-	-	-	281	-	-	-	282
Cash redemption of Series B Preferred Stock	-	-	-	-	-	-	3	-	-	-	3
Transfer of noncontrolling interest to controlling											

interest	-	-	-	-	-	-	-	-	-	(1,384)	(1,384)
Acquisition of noncontrolling interest	-	-	-	-	-	-	(7,705)	-	-	-	(7,705)
Adjustment for noncontrolling interest ownership in Operating Partnership	-	-	-	-	-	-	2,601	-		(2,601)	-
Other	-	-	-	-	-	-	-	3	(4)	-	(1)
Net loss	-	-	-	-	-	-	-	-	(169)	(3,263)	(3,432)
Balance, June 30, 2018	23,658,991	$ 237	76,603	$ 1	2,850,602	$ 68,705	$ 310,595	$ (158,013)	$ (29,707)	$ 58,832	$ 250,650

See Notes to Consolidated Financial Statements

BLUEROCK RESIDENTIAL GROWTH REIT, INC.
FOR THE SIX MONTHS ENDED JUNE 30, 2019
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)
(In thousands, except share and per share amounts)

	Class A Common Stock		Class C Common Stock		Series D Preferred Stock						
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Value	Additional Paid-in Capital	Cumulative Distributions	Net (loss) income to Common Stockholders	Noncontrolling Interests	Total Equity
Balance, January 1, 2019	23,322,211	$ 233	76,603	$ 1	2,850,602	$ 68,705	$ 307,938	$ (187,910)	$ (30,621)	$ 56,597	$ 214,943
Issuance of Class A common stock, net	1,445	-	-	-	-	-	15	-	-	-	15
Issuance of Class A common stock due to Series B warrant exercise	3,880	1	-	-	-	-	41	-	-	-	42
Repurchase of Class A common stock	(1,255,445)	(13)	-	-			(13,391)	-	-	-	(13,404)
Issuance of restricted Class A common stock	90,694	1	-	-	-	-	147	-	-	-	148
Issuance of LTIP Units for director compensation	-	-	-	-	-	-	-	-	-	247	247
Vesting of LTIP Units for compensation	-	-	-	-	-	-	-	-	-	2,610	2,610
Issuance of LTIP units for expense reimbursements	-	-	-	-	-	-	-	-	-	799	799
Issuance of Series B warrants	-	-	-	-	-	-	1,865	-	-	-	1,865
Common stock distributions declared	-	-	-	-	-	-	-	(7,374)	-	-	(7,374)
Series A Preferred Stock distributions declared	-	-	-	-	-	-	-	(5,900)	-	-	(5,900)
Series A Preferred Stock accretion	-	-	-	-	-	-	-	(367)	-	-	(367)
Series B Preferred Stock distributions declared	-	-	-	-	-	-	-	(10,751)	-	-	(10,751)
Series B Preferred Stock accretion	-	-	-	-	-	-	-	(3,695)	-	-	(3,695)
Series C Preferred Stock distributions declared	-	-	-	-	-	-	-	(2,214)	-	-	(2,214)
Series C Preferred Stock accretion	-	-	-	-	-	-	-	(141)	-	-	(141)
Series D Preferred Stock distributions declared	-	-	-	-	-	-	-	(2,538)	-	-	(2,538)
Miscellaneous offering costs	-	-	-	-	-	-	(222)	-	-	-	(222)

Distributions to Operating Partnership noncontrolling interests	-	-	-	-	-	-	-	-	-	(2,851)	(2,851)
Distributions to partially owned noncontrolling interests	-	-	-	-	-	-	-	-	-	(726)	(726)
Redemption of Operating Partnership Units	-	-	-	-	-	-	(15)	-	-	(10)	(25)
Redemption of Series B Preferred Stock and conversion into Class A common stock	131,542	1	-	-	-	-	1,522	-	-	-	1,523
Cash redemption of Series B Preferred Stock	-	-	-	-	-	-	6	-	-	-	6
Series B warrant exercise, net	-	-	-	-	-	-	(26)	-	-	-	(26)
Acquisition of noncontrolling interest	-	-	-	-	-	-	(7,501)	-	-	(2,390)	(9,891)
Adjustment for noncontrolling interest ownership in Operating Partnership	-	-	-	-	-	-	5,065	-		(5,065)	-
Net income (loss)	-	-	-	-	-	-	-	-	2,523	(8,820)	(6,297)
Balance, June 30, 2019	22,294,327	$ 223	76,603	$ 1	2,850,602	$ 68,705	$ 295,444	$ (220,890)	$ (28,098)	$ 40,391	$ 155,776

See Notes to Consolidated Financial Statements

BLUEROCK RESIDENTIAL GROWTH REIT, INC.
FOR THE SIX MONTHS ENDED JUNE 30, 2018
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)
(In thousands, except share and per share amounts)

	Class A Common Stock		Class C Common Stock		Series D Preferred Stock						
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Value	Additional Paid-in Capital	Cumulative Distributions	Net loss to Common Stockholders	Noncontrolling Interests	Total Equity
Balance, January 1, 2018	24,218,359	$ 242	76,603	$ 1	2,850,602	$ 68,705	$ 318,170	$ (134,817)	$ (29,469)	$ 63,346	$ 286,178
Issuance of Class A common stock, net	1,984	-	-	-	-	-	17	-	-	-	17
Repurchase of Class A common stock	(637,733)	(6)	-	-		-	(5,156)	-	-	-	(5,162)
Issuance of LTIP Units for director compensation	-	-	-	-	-	-	-	-	-	190	190
Vesting of LTIP Units for compensation	-	-	-	-	-	-	-	-	-	2,522	2,522
Issuance of LTIP units	-	-	-	-	-	-	-	-	-	1,342	1,342
Issuance of Series B warrants	-	-	-	-	-	-	756	-	-	-	756
Contributions from noncontrolling interests, net	-	-	-	-	-	-	-	-	-	5,059	5,059
Common stock distributions declared	-	-	-	-	-	-	-	(3,796)	-	-	(3,796)
Series A Preferred Stock distributions declared	-	-	-	-	-	-	-	(5,900)	-	-	(5,900)
Series A Preferred Stock accretion	-	-	-	-	-	-	-	(336)	-	-	(336)
Series B Preferred Stock distributions declared	-	-	-	-	-	-	-	(6,237)	-	-	(6,237)
Series B Preferred Stock accretion	-	-	-	-	-	-	-	(2,044)	-	-	(2,044)
Series C Preferred Stock distributions declared	-	-	-	-	-	-	-	(2,214)	-	-	(2,214)
Series C Preferred Stock accretion	-	-	-	-	-	-	-	(130)	-	-	(130)
Series D Preferred Stock distributions declared	-	-	-	-	-	-	-	(2,539)	-	-	(2,539)
Distributions to Operating Partnership noncontrolling interests	-	-	-	-	-	-	-	-	-	(1,499)	(1,499)
Distributions to partially owned noncontrolling interests	-	-	-	-	-	-	-	-	-	(846)	(846)
Redemption of Series B Preferred Stock and conversion into Class A common stock	76,381	1	-	-	-	-	763	-	-	-	764
Cash redemption of Series B Preferred Stock	-	-	-	-	-	-	5	-	-	-	5

Transfer of noncontrolling interest to controlling interest	-	-	-	-	-	-	-	-	-	(1,384)	(1,384)
Acquisition of noncontrolling interest	-	-	-	-	-	-	(7,705)	-	-	-	(7,705)
Adjustment for noncontrolling interest ownership in Operating Partnership	-	-	-	-	-	-	3,745	-		(3,745)	-
Net loss	-	-	-	-	-	-	-	-	(238)	(6,153)	(6,391)
Balance, June 30, 2018	23,658,991	$ 237	76,603	$ 1	2,850,602	$ 68,705	$ 310,595	$ (158,013)	$ (29,707)	$ 58,832	$ 250,650

See Notes to Consolidated Financial Statements

BLUEROCK RESIDENTIAL GROWTH REIT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from operating activities		
Net loss	$ (6,297)	$ (6,391)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	35,282	32,755
Amortization of fair value adjustments	(216)	(218)
Preferred returns on unconsolidated real estate joint ventures	(4,781)	(5,088)
Gain on sale of non-depreciable real estate investments	(679)	—
Fair value adjustment of interest rate caps	2,365	—
Distributions of income and preferred returns from preferred equity investments and unconsolidated real estate joint ventures	4,101	4,558
Share-based compensation attributable to equity incentive plan	2,857	2,712
Share-based compensation to employees – Restricted Stock Grants	148	—
Share-based compensation to former Manager - LTIP Units	—	993
Share-based expense reimbursements to BRE – LTIP Units	799	349
Changes in operating assets and liabilities:		
Due from affiliates, net	(7)	(1,837)
Accounts receivable, prepaids and other assets	(5,971)	(4,076)
Accounts payable and other accrued liabilities	(548)	4,057
Net cash provided by operating activities	27,053	27,814
Cash flows from investing activities:		
Acquisitions of real estate investments	(111,562)	(144,580)
Capital expenditures	(11,132)	(9,508)
Investment in notes receivable from related parties	(11,638)	(20,994)
Proceeds from sale of real estate investments	952	—
Purchase of interests from noncontrolling interests	(9,891)	(9,089)
Investment in unconsolidated real estate joint venture interests	(11,669)	(5,916)
Net cash used in investing activities	(154,940)	(190,087)
Cash flows from financing activities:		
Distributions to common stockholders	(7,570)	(6,218)
Distributions to noncontrolling interests	(3,393)	(2,780)
Distributions to preferred stockholders	(20,937)	(16,630)
Contributions from noncontrolling interests	—	5,059
Borrowings on mortgages payable	77,212	207,097
Repayments on mortgages payable	(3,402)	(68,746)
Proceeds from revolving credit facilities	72,500	135,995
Repayments on revolving credit facilities	(53,407)	(135,456)
Payments of deferred financing fees	(789)	(4,924)
Miscellaneous offering costs	(222)	—
Net proceeds from issuance of Class A common stock	15	17
Repurchase of Class A common stock	(13,404)	(5,162)
Net proceeds from issuance of 6.0% Series B Redeemable Preferred Stock	82,408	43,912
Net proceeds from issuance of Warrants associated with the Series B Redeemable Preferred Stock	1,865	756
Net proceeds from exercise of Warrants associated with the Series B Redeemable Preferred Stock	21	—
Payments to redeem 6.0% Series B Redeemable Preferred Stock	(80)	(51)
Payments to redeem Operating Partnership Units	(25)	—
Net cash provided by financing activities	130,792	152,869
Net decrease in cash, cash equivalents and restricted cash	$ 2,905	$ (9,404)
Cash, cash equivalents and restricted cash, beginning of year	52,244	64,590
Cash, cash equivalents and restricted cash, end of period	$ 55,149	$ 55,186
Supplemental disclosure of cash flow information		
Cash paid for interest (net of interest capitalized)	$ 27,423	$ 20,517
Supplemental disclosure of non-cash investing and financing activities		
Distributions payable – declared and unpaid	$ 12,527	$ 11,690
Capital expenditures held in accounts payable and other accrued liabilities	$ (1,207)	$ —

See Notes to Consolidated Financial Statements

Note 1 – Organization and Nature of Business

Bluerock Residential Growth REIT, Inc. (the "Company") was incorporated as a Maryland corporation on July 25, 2008. The Company's objective is to maximize long-term stockholder value by acquiring and developing well-located institutional-quality apartment properties in knowledge economy growth markets across the United States. The Company seeks to maximize returns through investments where it believes it can drive substantial growth in its core funds from operations and net asset value primarily through its Value-Add and Invest-to-Own investment strategies.

As of June 30, 2019, the Company held investments in fifty real estate properties, consisting of thirty-five consolidated operating properties and fifteen properties through preferred equity or mezzanine loan investments. Of the property interests held through preferred equity and mezzanine loan investments, five are under development, five are in lease-up and five properties are stabilized. The fifty properties contain an aggregate of 15,251 units, comprised of 11,820 consolidated operating units and 3,431 units through preferred equity and mezzanine loan investments. As of June 30, 2019, the Company's consolidated operating properties were approximately 94% occupied.

The Company has elected to be treated, and currently qualifies, as a real estate investment trust ("REIT") for federal income tax purposes. As a REIT, the Company generally is not subject to corporate-level income taxes. To maintain its REIT status, the Company is required, among other requirements, to distribute annually at least 90% of its "REIT taxable income," as defined by the Internal Revenue Code of 1986, as amended (the "Code"), to the Company's stockholders. If the Company fails to qualify as a REIT in any taxable year, it would be subject to federal income tax on its taxable income at regular corporate tax rates.

Note 2 – Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

The Company operates as an umbrella partnership REIT in which Bluerock Residential Holdings, L.P. (its "Operating Partnership"), or the Operating Partnership's wholly-owned subsidiaries, owns substantially all the property interests acquired and investments made on the Company's behalf. As of June 30, 2019, limited partners other than the Company owned approximately 28.23% of the common units of the Operating Partnership (20.48% is held by holders of limited partnership interest in the Operating Partnership ("OP Units") and 7.75% is held by holders of the Operating Partnership's long-term incentive plan units ("LTIP Units"), including 4.64% which are not vested at June 30, 2019).

Because the Company is the sole general partner of the Operating Partnership and has unilateral control over its management and major operating decisions (even if additional limited partners are admitted to the Operating Partnership), the accounts of the Operating Partnership are consolidated in its consolidated financial statements.

The Company also consolidates entities in which it controls more than 50% of the voting equity and in which control does not rest with other investors. Investments in real estate joint ventures in which the Company has the ability to exercise significant influence, but does not have financial or operating control, are accounted for using the equity method of accounting. These entities are reflected on the Company's consolidated financial statements as "Preferred equity investments and investments in unconsolidated real estate joint ventures." All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. The Company will consider future investments for consolidation in accordance with the provisions required by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810: Consolidation.

In accordance with adoption of the lease accounting update issued in July 2018, the Company reflects all income earned pursuant to tenant leases in a single line item, "Rental and other property revenues", in the 2019 consolidated statements of operations. See *New Accounting Pronouncements* below. To facilitate comparability, the Company has reclassified lease and non-lease income for prior periods to conform to the current period presentation.

Summary of Significant Accounting Policies

Preferred Equity Investments and Investments in Unconsolidated Real Estate Joint Ventures

The Company first analyzes an investment to determine if it is a variable interest entity ("VIE") in accordance with Topic ASC 810 and, if so, whether the Company is the primary beneficiary requiring consolidation. A VIE is an entity that has (i) insufficient equity to permit it to finance its activities without additional subordinated financial support or (ii) equity holders that lack the characteristics of a controlling financial interest. VIEs are consolidated by the primary beneficiary, which is the entity that has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that potentially could be significant to the entity. Variable interests in a VIE are contractual, ownership, or other financial interests in a VIE that change in value with changes in the fair value of the VIE's net assets. The Company continuously re-assesses at each level of the investment whether the entity is (i) a VIE, and (ii) if the Company is the primary beneficiary of the VIE. If it was determined that an entity in which the Company holds an interest qualified as a VIE and the Company was the primary beneficiary, the entity would be consolidated.

If, after consideration of the VIE accounting literature, the Company has determined that an entity is not a VIE, the Company assesses the need for consolidation under all other provisions of ASC 810. These provisions provide for consolidation of majority-owned entities through a majority voting interest held by the Company providing control.

In assessing whether the Company is in control of and requiring consolidation of the limited liability company and partnership venture structures, the Company evaluates the respective rights and privileges afforded each member or partner (collectively referred to as "member"). The Company's member would not be deemed to control the entity if any of the other members have either (i) substantive kickout rights providing the ability to dissolve (liquidate) the entity or otherwise remove the managing member or general partner without cause or (ii) has substantive participating rights in the entity. Substantive participating rights (whether granted by contract or law) provide for the ability to effectively participate in significant decisions of the entity that would be expected to be made in the ordinary course of business.

If it has been determined that the Company does not have control but does have the ability to exercise significant influence over the entity, the Company accounts for these unconsolidated investments under the equity method of accounting. The equity method of accounting requires these investments to be initially recorded at cost and subsequently increased (decreased) for the Company's share of net income (loss), including eliminations for the Company's share of intercompany transactions, and increased (decreased) for contributions (distributions). The Company's proportionate share of the results of operations of these investments is reflected in the Company's earnings or losses.

Fair Value Measurements

For financial assets and liabilities recorded at fair value on a recurring or non-recurring basis, fair value is the price the Company would expect to receive to sell an asset, or pay to transfer a liability, in an orderly transaction with a market participant at the measurement date under current market conditions. In the absence of such data, fair value is estimated using internal information consistent with what market participants would use in a hypothetical transaction.

In determining fair value, observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions; preference is given to observable inputs. In accordance with accounting principles generally accepted in the Unites States of America ("GAAP") and as defined in ASC Topic 820, "Fair Value Measurement", these two types of inputs create the following fair value hierarchy:

- Level 1: Quoted prices for identical instruments in active markets
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable
- Level 3: Significant inputs to the valuation model are unobservable

If the inputs used to measure the fair value fall within different levels of the hierarchy, the fair value is determined based upon the lowest level input that is significant to the fair value measurement. Whenever possible, the Company uses quoted market prices to determine fair value. In the absence of quoted market prices, the Company uses independent sources and data to determine fair value.

Financial Instrument Fair Value Disclosures

As of June 30, 2019 and December 31, 2018, the carrying values of cash and cash equivalents, accounts receivable, due to and due from affiliates, accounts payable, accrued liabilities, and distributions payable approximate their fair value based on their highly-liquid nature and/or short-term maturities. The carrying values of notes receivable from related parties approximate fair value because stated interest rate terms are consistent with interest rate terms on new deals with similar leverage and risk profiles. The fair values of notes receivable are classified in Level 3 of the fair value hierarchy due to the significant unobservable inputs that are utilized in their respective valuations.

Derivative Financial Instruments

The estimated fair values of derivative financial instruments are valued using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and volatility. The fair value of interest rate caps is determined using the market-standard methodology of discounting the future expected cash receipts which would occur if floating interest rates rise above the strike rate of the caps. The floating interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. The inputs used in the valuation of interest rate caps fall within Level 2 of the fair value hierarchy.

Interim Financial Information

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with GAAP for interim financial reporting, and the instructions to Form 10-Q and Article 10-1 of Regulation S-X. Accordingly, the financial statements for interim reporting do not include all the information and notes or disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring items) considered necessary for a fair presentation have been included. Operating results for interim periods should not be considered indicative of the operating results for a full year.

The balance sheet at December 31, 2018 has been derived from the audited financial statements at that date but does not include all the information and disclosures required by GAAP for complete financial statements. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in our audited consolidated financial statements for the year ended December 31, 2018 contained in the Annual Report on Form 10-K as filed with the Securities and Exchange Commission ("SEC") on February 27, 2019.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Other than the adoption of new accounting pronouncements as described below, there have been no significant changes to the Company's accounting policies since it filed its audited consolidated financial statements in its Annual Report on Form 10-K for the year ended December 31, 2018.

New Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13 "Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). ASU 2016-13 will require more timely recognition of credit losses associated with financial assets. While current GAAP includes multiple credit impairment objectives for instruments, the previous objectives generally delayed recognition of the full amount of credit losses until the loss was probable of occurring. The amendments in ASU 2016-13, whose scope is asset-based and not restricted to financial institutions, eliminate the probable initial recognition threshold in current GAAP and, instead, reflect an entity's current estimate of all expected credit losses. The amendments in ASU 2016-13 broaden the information that the Company must consider in developing its expected credit loss estimate for assets measured either collectively or individually. The use of forecasted information incorporates more timely information in the estimate of expected credit loss that will be more useful to users of the financial statements. In November 2018, the FASB issued ASU No. 2018-19 "Codification Improvements to Topic 326, Financial Instruments-Credit Losses" ("ASU 2018-19"). ASU 2018-19 clarifies that operating lease receivables are excluded from the scope of ASU 2016-13 and instead, impairment of operating lease receivables is to be accounted for under ASC 842. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the guidance and the impact this standard may have on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02 "Leases (Topic 842)" ("ASU 2016-02"). Under ASU 2016-02, an entity will be required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. ASU 2016-02 offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. For public companies, ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, with early adoption permitted. The Company adopted ASU 2016-02 as of January 1, 2019 and elected the package of practical expedients provided by the standard which includes: (i) an entity need not reassess whether any expired or existing contract is a lease or contains a lease, (ii) an entity need not reassess the lease classification of any expired or existing leases, and (iii) and entity need not reassess initial direct costs for any existing leases. The adoption of ASU 2016-02 did not have a material impact to the Company's consolidated financial statements. In July 2018, the FASB issued ASU No. 2018-11, "Leases (Topic 842): Targeted Improvements" ("ASU 2018-11"). ASU 2018-11 provides lessors with a practical expedient to not separate lease and non-lease components if both: (i) the timing and pattern of revenue recognition for the non-lease component and the related lease component are the same, and (ii) the combined single lease component would be classified as an operating lease. The Company adopted the practical expedient as of January 1, 2019 to account for lease and non-lease components as a single component in lease contracts where the Company is the lessor.

Lessor Accounting

The Company's current portfolio is focused predominately on apartment properties whereby the Company generates rental revenue by leasing apartments to residents in its communities. As lease revenues for apartments fall under the scope of Topic 842, such lease revenues are classified as operating leases with straight-line recognition over the terms of the relevant lease agreement and inclusion within rental revenue. Resident leases are generally for one-year or month-to-month terms and are renewable by mutual agreement between the Company and the resident. Non-lease components of the Company's apartment leases are combined with the related lease component and accounted for as a single lease component under Topic 842. The balances of net real estate investments and related depreciation on the Company's consolidated financial statements relate to assets for which the Company is the lessor.

Lessee Accounting

The Company determines if an arrangement is a lease at inception. The Company is currently engaged in operating lease agreements that primarily relate to certain equipment leases. The Company determined that the lessee operating lease commitments have no material impact on its consolidated financial statements with the adoption of Topic 842. The Company will continue to assess any modification of existing lease agreements and execution of any new lease agreements for the potential requirement of recording a right-of-use-asset or liability in the future.

In August 2018, the FASB issued ASU No. 2018-15 "Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)" ("ASU 2018-15"). ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). ASU 2018-15 is effective for annual periods (including interim periods within those periods) beginning after December 15, 2019, though early adoption, including adoption in interim periods, is permissible. The Company has elected early adoption and there has been no material impact to the Company's consolidated financial statements upon its adoption of ASU 2018-15.

Note 3 – Sale of Real Estate Asset and Held for Sale Properties

Sale of Wesley Village II

On March 1, 2019, the Company closed on the sale of an undeveloped parcel of land known as Wesley Village II located in Charlotte, North Carolina. The parcel was sold for approximately $1.0 million, subject to certain prorations and adjustments typical in such real estate transactions. After deduction for closing costs and fees, the sale of the parcel generated net proceeds of approximately $1.0 million, resulting in a gain on sale of approximately $0.7 million.

Held for sale

The Company has entered into three separate purchase and sales agreements, and three separate amendments thereto, for the sale of ARIUM Palms, Leigh House, Preston View, Sorrel and Sovereign (the "Topaz Portfolio") at an amount more than their carrying values and has classified the properties as held for sale as of June 30, 2019. Please refer to Note 15 for further information.

Note 4 – Investments in Real Estate

As of June 30, 2019, the Company held investments in thirty-five consolidated operating properties and fifteen development properties through preferred equity or mezzanine loan investments. The following tables provide summary information regarding the Company's consolidated operating properties and preferred equity and mezzanine loan investments, which are either consolidated or accounted for under the equity method of accounting.

Consolidated Operating Properties

Multifamily Community Name	Location	Number of Units	Date Built / Renovated [(1)]	Ownership Interest
ARIUM at Palmer Ranch	Sarasota, FL	320	2016	100.0%
ARIUM Glenridge	Atlanta, GA	480	1990	90.0%
ARIUM Grandewood	Orlando, FL	306	2005	100.0%
ARIUM Gulfshore	Naples, FL	368	2016	100.0%
ARIUM Hunter's Creek	Orlando, FL	532	1999	100.0%
ARIUM Metrowest	Orlando, FL	510	2001	100.0%
ARIUM Palms	Orlando, FL	252	2008	100.0%
ARIUM Pine Lakes	Port St. Lucie, FL	320	2003	100.0%
ARIUM Westside	Atlanta, GA	336	2008	90.0%
Ashford Belmar	Lakewood, CO	512	1988/1993	85.0%
Ashton Reserve	Charlotte, NC	473	2015	100.0%
Citrus Tower	Orlando, FL	336	2006	96.8%
Element	Las Vegas, NV	200	1995	100.0%
Enders Place at Baldwin Park	Orlando, FL	220	2003	92.0%
James at South First	Austin, TX	250	2016	90.0%
Marquis at Crown Ridge	San Antonio, TX	352	2009	90.0%
Marquis at Stone Oak	San Antonio, TX	335	2007	90.0%
Marquis at The Cascades	Tyler, TX	582	2009	90.0%
Marquis at TPC	San Antonio, TX	139	2008	90.0%
Outlook at Greystone	Birmingham, AL	300	2007	100.0%
Park & Kingston	Charlotte, NC	168	2015	100.0%
Plantation Park	Lake Jackson, TX	238	2016	80.0%
Preston View	Morrisville, NC	382	2000	100.0%
Providence Trail	Mount Juliet, TN	334	2007	100.0%
Roswell City Walk	Roswell, GA	320	2015	98.0%
Sands Parc	Daytona Beach, FL	264	2017	100.0%
Sorrel	Frisco, TX	352	2015	100.0%
Sovereign	Fort Worth, TX	322	2015	100.0%
The Brodie	Austin, TX	324	2001	92.5%
The Links at Plum Creek	Castle Rock, CO	264	2000	88.0%
The Mills	Greenville, SC	304	2013	100.0%
The Preserve at Henderson Beach	Destin, FL	340	2009	100.0%
Veranda at Centerfield	Houston, TX	400	1999	93.0%
Villages of Cypress Creek	Houston, TX	384	2001	80.0%
Wesley Village	Charlotte, NC	301	2010	100.0%
Total		11,820		

(1) Represents date of last significant renovation or year built if there were no renovations.

Depreciation expense was $15.8 million and $13.0 million, and $31.6 million and $25.1 million for the three and six months ended June 30, 2019 and 2018, respectively.

Intangibles related to the Company's consolidated investments in real estate consist of the value of in-place leases. In-place leases are amortized over the remaining term of the in-place leases, which is approximately six months. Amortization expense related to the in-place leases was $0.4 million and $1.8 million, and $1.9 million and $5.4 million for the three and six months ended June 30, 2019 and 2018, respectively.

Preferred Equity and Mezzanine Loan Investments

Multifamily Community Name	Location	Actual / Planned Number of Units	Actual / Estimated Initial Occupancy	Actual / Estimated Construction Completion
Whetstone Apartments	Durham, NC	204	3Q 2014	3Q 2015
Alexan CityCentre	Houston, TX	340	2Q 2017	4Q 2017
Helios	Atlanta, GA	282	2Q 2017	4Q 2017
Alexan Southside Place	Houston, TX	270	4Q 2017	1Q 2018
Leigh House	Raleigh, NC	245	3Q 2017	3Q 2018
Vickers Historic Roswell	Roswell, GA	79	2Q 2018	3Q 2018
Domain at The One Forty	Garland, TX	299	2Q 2018	4Q 2018
Arlo	Charlotte, NC	286	2Q 2018	1Q 2019
Novel Perimeter	Atlanta, GA	320	3Q 2018	1Q 2019
Cade Boca Raton	Boca Raton, FL	90	4Q 2018	2Q 2019
Flagler Village	Fort Lauderdale, FL	385	2Q 2020	3Q 2020
North Creek Apartments	Leander, TX	259	2Q 2020	4Q 2020
Riverside Apartments	Austin, TX	222	4Q 2020	1Q 2021
Wayforth at Concord	Concord, NC	150	2Q 2020	3Q 2021
The Park at Chapel Hill	Chapel Hill, NC	*	*	*
Total		3,431		

* The development is in the planning phase; project specifications are in process.

Note 5 – Acquisition of Real Estate

The following describes the Company's significant acquisition activity and related new financing during the six months ended June 30, 2019 (dollars in thousands):

Property	Location	Date	Interest	Price	Mortgage
Element	Las Vegas, NV	June 27, 2019	100.0%	$ 41,750	$ 29,260
Providence Trail	Mount Juliet, TN	June 27, 2019	100.0%	68,500	47,950

Purchase Price Allocation

The real estate acquisitions above have been accounted for as asset acquisitions. The purchase prices were allocated to the acquired assets based on their estimated fair values at the dates of acquisition.

The following table summarizes the assets acquired at the acquisition date for acquisitions made during the six months ended June 30, 2019 (amounts in thousands):

	Purchase Price Allocation
Land	$ 13,418
Building	74,898
Building improvements	2,936
Land improvements	16,693
Furniture and fixtures	1,908
In-place leases	1,709
Total assets acquired	$ 111,562

Acquisition of Additional Interests in Properties

In addition to the property acquisitions discussed above, the Company also acquired the noncontrolling partner's interest in the following properties (dollars in thousands):

Property	Date	Amount	Previous Interest	New Interest
ARIUM Pine Lakes	January 29, 2019	$ 7,769	85.0%	100.0%
Sorrel	June 25, 2019	738	95.0%	100.0%
Sovereign	June 25, 2019	1,204	95.0%	100.0%

Note 6 – Notes and Interest Receivable due from Related Parties

Following is a summary of the notes and accrued interest receivable due from related parties as of June 30, 2019 and December 31, 2018 (amounts in thousands):

Property	June 30, 2019	December 31, 2018
Arlo	$ 24,883	$ 24,893
Cade Boca Raton	12,894	11,854
Domain at The One Forty	22,370	20,536
Flagler Village	75,409	75,436
Novel Perimeter	20,859	20,867
The Park at Chapel Hill	8,570	—
Vickers Historic Roswell	10,783	10,498
Total	$ 175,768	$ 164,084

Following is a summary of the interest income from related parties for the three and six months ended June 30, 2019 and 2018 (amounts in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
Property	2019	2018	2019	2018
Arlo	$ 919	$ 919	$ 1,828	$ 1,829
Cade Boca Raton	467	420	904	835
Domain at The One Forty	805	758	1,557	1,508
Flagler Village	2,400	2,400	4,773	4,395
Novel Perimeter	771	771	1,533	1,533
The Park at Chapel Hill	212	—	368	—
Vickers Historic Roswell	399	367	786	730
Total	$ 5,973	$ 5,635	$ 11,749	$ 10,830

The occupancy percentages of the Company's related party properties at June 30, 2019 and December 31, 2018 are as follows:

Property	June 30, 2019	December 31, 2018
Arlo	81%	37%
Cade Boca Raton	66%	8%
Domain at The One Forty	68%	34%
Flagler Village	(1)	(1)
Novel Perimeter	52%	22%
The Park at Chapel Hill	(2)	—
Vickers Historic Roswell	66%	41%

(1) The development has not commenced lease-up.

(2) The development is in the planning phase; project specifications are in process.

Cade Boca Raton Mezzanine Financing

On March 11, 2019, the Company, through BRG Boca, LLC, increased its mezzanine loan commitment to BR Boca JV Member, LLC ("BR Boca JV Member") to $14.0 million, of which $12.7 million has been funded as of June 30, 2019. The increase in the mezzanine loan will provide funding for additional capital calls, including amounts to be contributed on behalf of Bluerock Special Opportunity + Income Fund II, LLC ("Fund II"). In exchange for increasing the mezzanine loan, the Company received an additional 2.5 basis point discount purchase option and has the right to exercise an option to purchase, at the greater of a 30.0 basis point discount to fair market value or 15% internal rate of return for Fund II, up to a 100% common membership interest in BR Boca JV Member. The loan matures on the earliest to occur of: (i) the latest to occur of (a) March 11, 2022 and (b) the applicable maturity date under any extension granted under any construction financing, or (ii) the date of sale or transfer of property, or (iii) such earlier date, by declaration of acceleration or otherwise, on which the final payment of principal becomes due. The loan can be prepaid without penalty.

On June 26, 2019, the Cade Boca Raton property owner, which is owned by an entity in which the Company owns an indirect interest, extended its construction loan made by an unaffiliated party such that the extended maturity date is December 31, 2019, changed from the original maturity date of June 29, 2019. The loan's two one-year extension options remain, subject to certain conditions including a debt service coverage, stabilized occupancy and payment of an extension fee. As the loan matures at year-end, the Cade Boca Raton property owner is engaged in discussions to refinance or replace the loan.

Domain at The One Forty Mezzanine Financing

On March 11, 2019, the Company, through BRG Domain Phase 1, LLC, (i) increased its mezzanine loan commitment to BR Member Domain Phase 1, LLC ("BR Domain 1 JV Member") to $24.5 million, of which $22.1 million has been funded as of June 30, 2019, and (ii) entered into an amended operating agreement for BR Domain 1 JV Member with Fund II, which admits BRG Domain Phase 1 Profit Share, LLC ("BRG Domain 1 PS"), a wholly-owned subsidiary of the Company, as an additional member of BR Domain 1 JV Member. As part of the amended agreement, the Company agreed to (i) terminate its option to purchase up to a 100% common membership interest in BR Domain 1 JV Member, and (ii) reduce the current fixed rate of 15.0% per annum of the mezzanine loan as follows: (a) 5.5% per annum effective January 1, 2020 through the end of the calendar year 2020, (b) 4.0% per annum for the calendar year 2021, and (c) 3.0% per annum for the calendar year 2022 and thereafter. In exchange, Fund II agreed to grant BRG Domain 1 PS a 50% participation in any profits achieved in a sale after repayment of the mezzanine loan and the Company and Fund II each receive full return of their respective capital contributions. The loan matures on the earliest to occur of: (i) the latest to occur of (a) March 11, 2022 and (b) the applicable maturity date under any extension granted under any construction financing, or (ii) the date of sale or transfer of property, or (iii) such earlier date, by declaration of acceleration or otherwise, on which the final payment of principal becomes due. The loan can be prepaid without penalty.

The Park at Chapel Hill Financing

On January 23, 2019, the Company, through BRG Chapel Hill Lender, LLC ("BRG Chapel Hill Lender"), an indirect subsidiary, provided a $7.8 million senior loan (the "BRG Chapel Hill Loan") to BR Chapel Hill, LLC ("BR Chapel Hill"). BR Chapel Hill JV, LLC ("BR Chapel Hill JV") owns a 100.0% interest in BR Chapel Hill and is a joint venture with common interests held by Bluerock Special Opportunity + Income Fund, LLC ("Fund I"), Fund II, and BR Chapel Hill Investment, LLC, all managed by affiliates of the former Manager. The BRG Chapel Hill Loan is secured by BR Chapel Hill's fee simple interest in the Chapel Hill property. The BRG Chapel Hill Loan matures on January 23, 2021 and bears interest at a fixed rate of 10.0%. Regular monthly payments are interest-only during the initial term. The BRG Chapel Hill Loan can be prepaid without penalty.

In conjunction with the BRG Chapel Hill Loan, on January 23, 2019, the Company, through BRG Chapel Hill Lender, provided a $0.8 million mezzanine loan to BR Chapel Hill JV, which is secured by the Chapel Hill property. The loan bears interest at a fixed rate of 10.0% per annum and matures on the earliest to occur of: (i) the latest to occur of (a) January 23, 2021 and (b) the applicable maturity date under any extension granted under any construction financing, or (ii) the date of sale or transfer of property, or (iii) such earlier date, by declaration of acceleration or otherwise, on which the final payment of principal becomes due. The loan can be prepaid without penalty.

Vickers Historic Roswell Mezzanine Financing

On February 26, 2019, the Company, through BRG Vickers Roswell, LLC, increased its mezzanine loan commitment to BR Vickers Roswell JV Member, LLC ("BR Vickers JV Member") to $11.8 million, of which $10.7 million has been funded as of June 30, 2019. The increase in the mezzanine loan will provide funding for additional capital calls, including amounts to be contributed on behalf of Bluerock Special Opportunity + Income Fund III, LLC ("Fund III"). In exchange for increasing the mezzanine loan, the Company received an additional 5.0 basis point discount purchase option and has the right to exercise an option to purchase, at the greater of a 17.5 basis point discount to fair market value or 15% internal rate of return for Fund III, up to a 100% common membership interest in BR Vickers JV Member. The loan matures on the earliest to occur of: (i) the latest to occur of (a) February 26, 2022 and (b) the applicable maturity date under any extension granted under any construction financing, or (ii) the date of sale or transfer of property, or (iii) such earlier date, by declaration of acceleration or otherwise, on which the final payment of principal becomes due. The loan can be prepaid without penalty.

Note 7 – Preferred Equity Investments and Investments in Unconsolidated Real Estate Joint Ventures

The carrying amount of the Company's preferred equity investments and investments in unconsolidated real estate joint ventures as of June 30, 2019 and December 31, 2018 is summarized in the table below (amounts in thousands):

Property	June 30, 2019	December 31, 2018
Alexan CityCentre	$ 12,788	$ 11,205
Alexan Southside Place	24,041	22,801
Arlo	14	14
Cade Boca Raton	7	7
Domain at The One Forty	13	12
Flagler Village	44	44
Helios	19,189	19,189
Leigh House	14,174	13,319
North Creek Apartments	10,210	5,892
Novel Perimeter	12	12
Riverside Apartments	7,274	3,600
Vickers Historic Roswell	6	6
Wayforth at Concord	—	—
Whetstone Apartments	12,932	12,932
Total	$ 100,704	$ 89,033

As of June 30, 2019, the Company, through wholly-owned subsidiaries of the Operating Partnership, had outstanding equity investments in fourteen joint ventures, each of which was created to develop a multifamily property.

Eight of the fourteen equity investments, Alexan CityCentre, Alexan Southside Place, Helios, Leigh House, North Creek Apartments, Riverside Apartments, Wayforth at Concord and Whetstone Apartments, are preferred equity investments, generate a stated preferred return on outstanding capital contributions, and the Company is not allocated any of the income or loss in the joint ventures. The joint venture is the controlling member in an entity whose purpose is to develop a multifamily property.

The preferred returns on the Company's unconsolidated real estate joint ventures for the three and six months ended June 30, 2019 and 2018 are summarized below (amounts in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
Property	2019	2018	2019	2018
Alexan CityCentre	$ 497	$ 402	$ 982	$ 785
Alexan Southside Place	390	885	773	1,687
Helios	335	644	666	1,249
Leigh House	558	462	1,082	903
North Creek Apartments	288	—	510	—
Riverside Apartments	191	—	304	—
Wayforth at Concord	—	—	—	—
Whetstone Apartments	233	233	464	464
Preferred returns on unconsolidated joint ventures	$ 2,492	$ 2,626	$ 4,781	$ 5,088

The occupancy percentages of the Company's unconsolidated real estate joint ventures at June 30, 2019 and December 31, 2018 are as follows:

Property	June 30, 2019	December 31, 2018
Alexan CityCentre	93%	93%
Alexan Southside Place	98%	85%
Helios	94%	90%
Leigh House	93%	90%
North Creek Apartments	(1)	(1)
Riverside Apartments	(1)	(1)
Wayforth at Concord	(1)	(1)
Whetstone Apartments	96%	97%

(1) The development has not commenced lease-up.

Summary combined financial information for the Company's investments in unconsolidated real estate joint ventures as of June 30, 2019 and December 31, 2018 and for the three and six months ended June 30, 2019 and 2018, is as follows (amounts in thousands):

	June 30, 2019	December 31, 2018
Balance Sheets:		
Real estate, net of depreciation	$ 620,236	$ 577,624
Other assets	52,312	45,324
Total assets	$ 672,548	$ 622,948
Mortgages payable	$ 523,392	$ 480,903
Other liabilities	37,632	21,250
Total liabilities	$ 561,024	$ 502,153
Members' equity	111,524	120,795
Total liabilities and members' equity	$ 672,548	$ 622,948

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Operating Statement:				
Rental revenues	$ 8,924	$ 4,217	$ 16,724	$ 7,591
Operating expenses	(5,494)	(3,461)	(10,628)	(6,247)
Income before debt service and depreciation and amortization	3,430	756	6,096	1,344
Interest expense, net	(8,243)	(1,808)	(15,476)	(3,359)
Depreciation and amortization	(4,146)	(2,194)	(8,133)	(4,130)
Net loss	$ (8,959)	$ (3,246)	$ (17,513)	$ (6,145)

Alexan CityCentre Refinance

On April 26, 2019, the Alexan CityCentre owner, which is owned by an entity in which the Company owns an indirect interest, (i) entered into a $46.0 million senior mortgage loan, (ii) entered into a $11.5 million mezzanine loan with an unaffiliated party, and (iii) used the proceeds from the senior loan and mezzanine loan to pay off the previous construction loan of $55.1 million. The senior loan and mezzanine loan both provide for earnout advances of $2.0 million and $0.5 million, respectively, for total loan commitments of $48.0 million and $12.0 million, respectively. The earnout advances are subject to a minimum debt yield and certain other conditions. The loans bear interest at a floating basis of the greater of LIBOR plus 1.50% or 3.99% on the senior loan, and the greater of LIBOR plus 6.00% or 8.49% on the mezzanine loan. The senior loan and mezzanine loan both: (i) have regular monthly payments that are interest-only during the initial term, (ii) have initial maturity dates of May 9, 2022, (iii) contain two one-year extension options, and (iv) can be prepaid in whole prior to maturity provided the lender receives a stated spread maintenance premium.

Alexan Southside Place Interests / Refinance

Alexan Southside Place is developed upon a tract of land ground leased from Prokop Industries BH, L.P., a Texas limited partnership, by BR Bellaire BLVD, LLC ("BR Bellaire BLVD"), as tenant under an 85-year ground lease. BR Bellaire BLVD adopted ASU No. 2016-02 as of January 1, 2019, and as such, has recorded a right-of-use asset and lease liability of $17.1 million as of June 30, 2019.

On April 12, 2019, the Alexan Southside Place owner, which is owned by an entity in which the Company owns an indirect interest, (i) entered into a $26.4 million senior mortgage loan, (ii) entered into a $6.6 million mezzanine loan with an unaffiliated party, and (iii) used the proceeds from the senior loan and mezzanine loan to pay off the previous construction loan of $31.8 million. The senior loan and mezzanine loan both provide for earnout advances of $2.4 million and $0.6 million, respectively, for total loan commitments of $28.8 million and $7.2 million, respectively. The earnout advances are subject to a minimum debt yield and certain other conditions. The loans bear interest at a floating basis of the greater of LIBOR plus 1.50% or 3.99% on the senior loan, and the greater of LIBOR plus 6.00% or 8.49% on the mezzanine loan. The senior loan and mezzanine loan both: (i) have regular monthly payments that are interest-only during the initial term, (ii) have initial maturity dates of May 9, 2022, (iii) contain two one-year extension options, and (iv) can be prepaid in whole prior to maturity provided the lender receives a stated spread maintenance premium.

Leigh House Interests

The Company had the right, in its sole discretion, to convert its preferred membership interest into a common membership interest for a period of six months from the date upon which 70% of the units in Leigh House had been leased and occupied. The six-month period during which the Company had the right to convert commenced on August 9, 2018, the date on which Leigh House achieved 70% leased and occupied units. The Company did not elect to convert into a common membership and its option to convert expired on February 9, 2019.

Whetstone Interests

Effective April 1, 2017, Whetstone Apartments ceased paying its preferred return on a current basis. The preferred return is being accrued, except for a $0.1 million payment received in March 2019. The accrued preferred return of $2.5 million and $2.2 million as of June 30, 2019 and December 31, 2018, respectively, is included in due from affiliates in the consolidated balance sheets. The Company has evaluated the preferred equity investment and accrued preferred return and determined that the investment is fully recoverable.

Note 8 — Revolving credit facilities

The outstanding balances on the revolving credit facilities as of June 30, 2019 and December 31, 2018 are as follows (amounts in thousands):

Revolving Credit Facilities	June 30, 2019	December 31, 2018
Senior Credit Facility	$ 68,800	$ 67,709
Amended Junior Credit Facility		
Revolver loan	21,000	14,500
Term loan	11,500	—
Total Amended Junior Credit Facility	32,500	14,500
Total Credit Facilities	$ 101,300	$ 82,209

Senior Credit Facility

On October 4, 2017, the Company, through its Operating Partnership, entered into a credit agreement (the "Senior Credit Facility") with KeyBank National Association ("KeyBank") and a syndicate of other lenders. The Senior Credit Facility provides for a loan commitment amount of $75 million, which commitment contains an accordion feature to a maximum commitment of up to $175 million.

The Senior Credit Facility matures on October 4, 2020 and contains a one-year extension option, subject to certain conditions and the payment of an extension fee. Borrowings under the Senior Credit Facility bear interest, at the Company's option, at LIBOR plus 1.80% to 2.45%, or the base rate plus 0.80% to 1.45%, depending on the Company's leverage ratio. The weighted average interest rate was 4.76% at June 30, 2019. The Company pays an unused fee at an annual rate of 0.20% to 0.25% of the unused portion of the Senior Credit Facility, depending on the amount of borrowings outstanding. The Senior Credit Facility contains certain financial and operating covenants, including a maximum leverage ratio, minimum liquidity, minimum debt service coverage ratio, and minimum tangible net worth. At June 30, 2019, the Company was in compliance with all covenants under the Senior Credit Facility. The Company has guaranteed the obligations under the Senior Credit Facility and provided certain properties as collateral.

Amended Junior Credit Facility

On March 20, 2018, the Company, through a subsidiary of its Operating Partnership, entered into a credit agreement (the "Junior Credit Facility") with KeyBank and other lenders. The Junior Credit Facility provided for a maximum loan commitment amount of $50 million.

The Junior Credit Facility had a maturity date of March 20, 2019. Borrowings under the Junior Credit Facility bore interest, at the Company's option, at LIBOR plus 4.0%, or the base rate plus 3.0%. The Company paid an unused fee at an annual rate of 0.35% to 0.40% of the unused portion of the Junior Credit Facility, depending on the amount of borrowings outstanding.

On December 21, 2018, the Company, through a subsidiary of its Operating Partnership, entered into an amended and restated, in its entirety, Junior Credit Facility (the "Amended Junior Credit Facility"). The Amended Junior Credit Facility provides for a revolving loan facility and a term loan facility with maximum commitment amounts of $50 million and $25 million, respectively. The revolving loan facility matures on December 21, 2019, with borrowings thereunder bearing interest, at the Company's option, at LIBOR plus 3.5%, or the base rate plus 2.5%. The weighted average interest rate of the revolving loan facility was 5.92% at June 30, 2019. The Company pays an unused fee at an annual rate of 0.35% to 0.40% of the unused portion of the revolving loan facility, depending on the amount of borrowings outstanding. The term loan facility matures on September 30, 2019 or sooner based on certain events, with borrowings thereunder bearing interest, at the Company's option, at LIBOR plus 3.5%, or the base rate plus 2.5%. The interest rate of the term loan facility was 5.94% at June 30, 2019. The Amended Junior Credit Facility contains certain financial and operating covenants, including a maximum leverage ratio, minimum liquidity, minimum debt service coverage ratio, minimum tangible net worth and minimum equity raise and collateral values. As it matures in 2019, the Company is engaged in discussions to amend and extend the Amended Junior Credit Facility.

At June 30, 2019, the Company was in compliance with all covenants under the Amended Junior Credit Facility. The Company has guaranteed the obligations under the Amended Junior Credit Facility and has pledged certain assets as collateral.

The availability of borrowings under the revolving credit facilities at June 30, 2019 is based on the collateral and compliance with various ratios related to those assets and was approximately $29.9 million.

Note 9 – Mortgages Payable

The following table summarizes certain information as of June 30, 2019 and December 31, 2018, with respect to the Company's senior mortgage indebtedness (amounts in thousands):

Property	Outstanding Principal June 30, 2019	Outstanding Principal December 31, 2018	As of June 30, 2019 Interest Rate	Interest-only through date	Maturity Date
Fixed Rate:					
ARIUM at Palmer Ranch	$ 41,348	$ 41,348	4.41%	May 2020	May 1, 2025
ARIUM Grandewood (1)	19,713	19,713	4.35%	July 2020	July 1, 2025
ARIUM Hunter's Creek	72,294	72,294	3.65%	November 2019	November 1, 2024
ARIUM Metrowest	64,559	64,559	4.43%	May 2021	May 1, 2025
ARIUM Pine Lakes	26,950	26,950	3.95%	Interest-only	November 1, 2023
ARIUM Westside	52,150	52,150	3.68%	August 2021	August 1, 2023
Ashford Belmar	100,675	100,675	4.53%	December 2022	December 1, 2025
Ashton Reserve I	30,607	30,878	4.67%	(2)	December 1, 2025
Citrus Tower	41,438	41,438	4.07%	October 2019	October 1, 2024
Element	29,260	—	3.63%	July 2022	July 1, 2026
Enders Place at Baldwin Park (3)	23,581	23,822	4.30%	(2)	November 1, 2022
James on South First	26,323	26,500	4.35%	(2)	January 1, 2024
Outlook at Greystone	22,105	22,105	4.30%	June 2021	June 1, 2025
Park & Kingston (4)	18,432	18,432	3.41%	Interest-only	April 1, 2020
Plantation Park	26,625	26,625	4.64%	July 2024	July 1, 2028
Providence Trail	47,950	—	3.54%	July 2021	July 1, 2026
Roswell City Walk	51,000	51,000	3.63%	December 2019	December 1, 2026
Sovereign	—	28,227			
The Brodie	34,513	34,825	3.71%	(2)	December 1, 2023
The Links at Plum Creek	40,000	40,000	4.31%	April 2020	October 1, 2025
The Mills	26,050	26,298	4.21%	(2)	January 1, 2025
The Preserve at Henderson Beach	35,235	35,602	4.65%	(2)	January 5, 2023
Villages of Cypress Creek	26,200	26,200	3.23%	October 2020	October 1, 2022 (5)
Wesley Village	40,438	40,545	4.25%	(2)	April 1, 2024
Total Fixed Rate	897,446	850,186			
Floating Rate (6):					
ARIUM Glenridge	49,500	49,500	3.76%	September 2021	September 1, 2025
ARIUM Grandewood (1)	19,672	19,672	3.83%	July 2020	July 1, 2025
ARIUM Palms	—	30,320			
Ashton Reserve II	15,213	15,213	3.93%	August 2022	August 1, 2025
Marquis at Crown Ridge	28,342	28,634	4.04%	(2)	June 1, 2024 (7)
Marquis at Stone Oak	42,326	42,725	4.04%	(2)	June 1, 2024 (7)
Marquis at The Cascades I	32,592	32,899	4.04%	(2)	June 1, 2024 (7)
Marquis at The Cascades II	22,745	22,960	4.04%	(2)	June 1, 2024 (7)
Marquis at TPC	16,647	16,826	4.04%	(2)	June 1, 2024 (7)
Preston View	—	41,657			
Sorrel	—	38,684			
Veranda at Centerfield	26,100	26,100	3.69%	July 2021	July 26, 2023 (5)
Total Floating Rate	253,137	365,190			
Total	1,150,583	1,215,376			
Fair value adjustments	1,987	2,204			
Deferred financing costs, net	(9,935)	(11,444)			
Total continuing operations	$ 1,142,635	$ 1,206,136			
Held for Sale:					
ARIUM Palms (6)	30,320	—	3.83%	September 2020	September 1, 2025
Preston View (6)	41,657	—	3.93%	August 2022	August 1, 2025
Sorrel (6)	38,684	—	4.72%	November 2019	May 1, 2023
Sovereign	27,939	—	3.46%	(2)	November 10, 2022
Deferred financing costs, net	(1,206)	—			
Total held for sale	137,394	—			
Total mortgages payable	$ 1,280,029	$ 1,206,136			

(1) ARIUM Grandewood has a fixed rate loan and a floating rate loan.

(2) The loan requires monthly payments of principal and interest.

(3) The principal balance includes a $16.0 million loan at a fixed rate of 3.97% and a $7.6 million supplemental loan at a fixed rate of 5.01%.

(4) The principal balance includes a $15.3 million loan at a fixed rate of 3.21% and a $3.2 million supplemental loan at a fixed rate of 4.34%.

(5) The loan has two one-year extension options subject to certain conditions.

(6) All the Company's floating rate mortgages bear interest at one-month LIBOR + margin. In June 2019, one-month LIBOR in effect was 2.43%. LIBOR rate is subject to a rate cap. Please refer to Note 11 for further information.

(7) The loan can be extended, subject to certain conditions, in connection with an election to convert to a fixed interest rate loan.

Deferred financing costs

Costs incurred in obtaining long-term financing are amortized on a straight-line basis to interest expense over the terms of the related financing agreements, as applicable, which approximates the effective interest method.

Loss on Extinguishment of Debt and Modification Costs

Upon repayment of or in conjunction with a material change (i.e. a 10% or greater difference in the cash flows between instruments) in the terms of an underlying debt agreement, the Company writes-off any unamortized deferred financing costs and fair market value adjustments related to the original debt that was extinguished. Prepayment penalties incurred on the early repayment of debt and costs incurred in a debt modification that are not capitalized are also included in loss on extinguishment of debt and debt modification costs on the consolidated statements of operations.

Master Credit Facility with Fannie Mae

On April 30, 2018, the Company, through certain subsidiaries of the Operating Partnership, entered into a Master Credit Facility Agreement (the "Fannie Facility"), which was issued through Fannie Mae's Multifamily Delegated Underwriting and Servicing Program. The Fannie Facility includes certain restrictive covenants, including indebtedness, liens, investments, mergers and asset sales, and distributions. The Fannie Facility also contains events of default, including payment defaults, covenant defaults, bankruptcy events, and change of control events. Each note under the Fannie Facility is cross-defaulted and cross-collateralized and the Company has guaranteed the obligations under the Fannie Facility. As of June 30, 2019, the mortgage loans secured by ARIUM Grandewood, ARIUM Metrowest, Ashton Reserve II, Outlook at Greystone and Preston View were issued under the Fannie Facility.

The Company may request future fixed rate advances or floating rate advances under the Fannie Facility either by borrowing against the value of the mortgaged properties (based on the valuation methodology established in the Fannie Facility) or adding eligible properties to the collateral pool, subject to customary conditions, including satisfaction of minimum debt service coverage and maximum loan-to-value tests. The proceeds of any future advances made under the Fannie Facility may be used, among other things, for the acquisition and refinancing of additional properties to be identified in the future.

Debt maturities

As of June 30, 2019, contractual principal payments for the five subsequent years and thereafter are as follows (amounts in thousands):

Year	Total
2019 (July 1–December 31)	$ 3,960
2020	30,739
2021	16,241
2022	92,556
2023	222,696
Thereafter	922,991
	$ 1,289,183
Add: Unamortized fair value debt adjustment	1,987
Subtract: Deferred financing costs, net	(11,141)
Total	$ 1,280,029

The net book value of real estate assets providing collateral for these above borrowings, including the Senior Credit Facility, Amended Junior Credit Facility and Fannie Facility, was $1,781.5 million as of June 30, 2019.

The mortgage loans encumbering the Company's properties are generally nonrecourse, subject to certain exceptions for which the Company would be liable for any resulting losses incurred by the lender. These exceptions vary from loan to loan but generally include fraud or a material misrepresentation, misstatement or omission by the borrower, intentional or grossly negligent conduct by the borrower that harms the property or results in a loss to the lender, filing of a bankruptcy petition by the borrower, either directly or indirectly, and certain environmental liabilities. In addition, upon the occurrence of certain events, such as fraud or filing of a bankruptcy petition by the borrower, the Company or our joint ventures would be liable for the entire outstanding balance of the loan, all interest accrued thereon and certain other costs, including penalties and expenses. The mortgage loans generally have a period where a prepayment fee or yield maintenance would be required.

Note 10 – Fair Value of Financial Instruments

As of June 30, 2019 and December 31, 2018, based on the discounted amount of future cash flows using rates currently available to the Company for similar liabilities, the fair value of the Company's mortgages payable is estimated at $1,305.2 million and $1,205.0 million, respectively, compared to the carrying amounts, before adjustments for deferred financing costs, net, of $1,291.2 million and $1,217.6 million, respectively. The fair value of mortgages payable is estimated based on the Company's current interest rates (Level 3 inputs, as defined in ASC Topic 820, "Fair Value Measurement") for similar types of borrowing arrangements.

Note 11 – Derivative Financial Instruments

Risk Management Objective of Using Derivatives

The Company is exposed to certain risk arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of its assets and liabilities and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash payments principally related to the Company's borrowings.

The Company's objectives in using interest rate derivative financial instruments are to add stability to interest expense and to manage the Company's exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate caps as part of its interest rate risk management strategy. Interest rate caps involve the receipt of variable-rate amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an up-front premium.

The Company has not designated any of the interest rate derivatives as hedges. Although these derivative financial instruments were not designated or did not qualify for hedge accounting, the Company believes the derivative financial instruments are effective economic hedges against increases in interest rates. The Company does not use derivative financial instruments for trading or speculative purposes.

As of June 30, 2019, the Company had interest rate caps which effectively limit the Company's exposure to interest rate risk by providing a ceiling on the underlying floating interest rate for $413.8 million of the Company's floating rate debt.

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the consolidated balance sheets as of June 30, 2019 and December 31, 2018 (amounts in thousands):

Derivatives not designated as hedging instruments under ASC 815-20	Balance Sheet Location	Fair values of derivative instruments	
		June 30, 2019	December 31, 2018
Interest rate caps	Accounts receivable, prepaids and other assets	$ 231	$ 2,596

The table below presents the effect of Company's derivative financial instruments as well as their classification on the consolidated statements of operations for the three and six months ended June 30, 2019 and 2018 (amounts in thousands):

Derivatives not designated as hedging instruments under ASC 815-20	Location of Gain or (Loss) Recognized in Income	The Effect of Derivative Instruments on the Statements of Operations			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2019	2018	2019	2018
Interest rate caps	Interest Expense	$ (677)	$ —	$ (2,365)	$ —

Note 12 – Related Party Transactions

Administrative Services Agreement

In October 2017, the Company entered into an Administrative Services Agreement (the "Administrative Services Agreement") with Bluerock Real Estate, LLC and its affiliate, Bluerock Real Estate Holdings, LLC (together "BRE"). Pursuant to the Administrative Services Agreement, BRE provides the Company with certain human resources, investor relations, marketing, legal and other administrative services (the "Services") that facilitate a smooth transition in the Company's management of its operations, enable the Company to benefit from operational efficiencies created by access to such services, and give the Company time to develop such services in-house or to hire other third-party service providers for such services. The Services are provided on an at-cost basis, generally allocated based on the use of such Services for the benefit of the Company's business, and are invoiced on a quarterly basis. In addition, the Administrative Services Agreement permits, from time to time, certain employees of the Company to provide or cause to be provided services to BRE, on an at-cost basis, generally allocated based on the use of such services for the benefit of the business of BRE, and otherwise subject to the terms of the Services provided by BRE to the Company under the Administrative Services Agreement. Payment by the Company of invoices and other amounts payable under the Administrative Services Agreement will be made in cash or, in the sole discretion of the Company's board of directors (the "Board"), in the form of fully-vested LTIP Units.

The initial term of the Administrative Services Agreement was one year from the date of execution, subject to the Company's right to renew for successive one-year terms upon sixty (60) days written notice prior to expiration. The initial term of the Administrative Services Agreement expired on October 31, 2018. On August 6, 2018, the Company delivered written notice to BRE of the Company's intention to renew the Administrative Services Agreement for an additional one-year term, to expire on October 31, 2019. The Administrative Services Agreement will automatically terminate (i) upon termination by the Company of all Services, or (ii) in the event of non-renewal by the Company. Any Company party will also be able to terminate the Administrative Services Agreement with respect to any individual Service upon written notice to the applicable BRE entity, in which case the specified Service will discontinue as of the date stated in such notice, which date must be at least ninety (90) days from the date of such notice. Further, either BRE entity may terminate the Administrative Services Agreement at any time upon the occurrence of a "Change of Control Event" (as defined therein) upon at least one hundred eighty (180) days prior written notice to the Company.

Pursuant to the Administrative Services Agreement, BRE is responsible for the payment of all employee benefits and any other direct and indirect compensation for the employees of BRE (or their affiliates or permitted subcontractors) assigned to perform the Services, as well as such employees' worker's compensation insurance, employment taxes, and other applicable employer liabilities relating to such employees.

Recorded as part of general and administrative expenses, operating expense reimbursements of $0.4 million and $0.6 million were expensed during the three months ended June 30, 2019 and 2018, respectively. Operating expense reimbursements of $0.7 million and $1.1 million were expensed during the six months ended June 30, 2019 and 2018, respectively.

Pursuant to the terms of the Administrative Services Agreement, summarized below are the related party amounts payable to BRE as of June 30, 2019 and December 31, 2018 (amounts in thousands):

	June 30, 2019	December 31, 2018
Amounts Payable to BRE under the Administrative Services Agreement, net		
Operating and direct expense reimbursements	$ 691	$ 568
Offering expense reimbursements	82	158
Total amounts payable to BRE	$ 773	$ 726

As of June 30, 2019 and December 31, 2018, the Company had $3.5 million and $2.9 million, respectively, in receivables due from related parties other than from BRE, primarily for accrued preferred returns on unconsolidated real estate investments for the most recent month.

Selling Commissions and Dealer Manager Fees

In conjunction with the offering of the Series B Preferred Stock, the Company engaged a related party as dealer manager, and pays up to 10% of the gross offering proceeds from the offering as selling commissions and dealer manager fees. The dealer manager re-allows the substantial majority of the selling commissions and dealer manager fees to participating broker-dealers and incurs costs in excess of the 10%, which costs are borne by the dealer manager without reimbursement by the Company. For the six months ended June 30, 2019 and 2018, the Company has incurred $6.7 million and $3.5 million in selling commissions and discounts, respectively, and $2.9 million and $1.5 million in dealer manager fees and discounts, respectively. In addition, BRE was reimbursed for offering costs in conjunction with the Series B Preferred Offering of $0.5 million and $0.6 million during the six months ended June 30, 2019 and 2018, respectively. The selling commissions, dealer manager fees, discounts and reimbursements for offering costs were recorded as a reduction to the proceeds of the offering.

Preferred Equity Investments and Investments in Unconsolidated Real Estate Joint Ventures

The Company invests with related parties in various joint ventures in which the Company owns either preferred or common interests. Please refer to Note 7 and the Company's Form 10-K for the year ended December 31, 2018 for further information.

Notes and interest receivable from related parties

The Company provides mezzanine loans to related parties in conjunction with the developments of multifamily communities. Please refer to Notes 6 and 7 and the Company's Form 10-K for the year ended December 31, 2018 for further information.

Note 13 – Stockholders' Equity and Redeemable Preferred Stock

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss attributable to common stockholders, less dividends on restricted stock and LTIP Units expected to vest, by the weighted average number of common shares outstanding for the period. Diluted net loss per common share is computed by dividing net loss attributable to common stockholders by the sum of the weighted average number of common shares outstanding and any potential dilutive shares for the period. Net loss attributable to common stockholders is computed by adjusting net loss for the non-forfeitable dividends paid on restricted stock and non-vested LTIP Units.

The Company considers the requirements of the two-class method when preparing earnings per share. The Company has two classes of common stock outstanding: Class A common stock, $0.01 par value per share, and Class C common stock, $0.01 par value per share. Earnings per share is not affected by the two-class method because the Company's Class A and C common stock participate in dividends on a one-for-one basis.

The following table reconciles the components of basic and diluted net loss per common share (amounts in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Net loss attributable to common stockholders	$ (10,990)	$ (10,212)	$ (23,083)	$ (19,638)
Dividends on LTIP Units expected to vest	(250)	(172)	(485)	(344)
Basic net loss attributable to common stockholders	$ (11,240)	$ (10,384)	$ (23,568)	$ (19,982)
Weighted average common shares outstanding [1]	22,430,619	23,800,770	22,775,203	23,971,129
Potential dilutive shares [2]	—	—	—	—
Weighted average common shares outstanding and potential dilutive shares [1]	22,430,619	23,800,770	22,775,203	23,971,129
Net loss per common share, basic	$ (0.50)	$ (0.44)	$ (1.03)	$ (0.83)
Net loss per common share, diluted	$ (0.50)	$ (0.44)	$ (1.03)	$ (0.83)

The effect of the conversion of OP Units is not reflected in the computation of basic and diluted earnings per share, as they are exchangeable for Class A common stock on a one-for-one basis. The income allocable to such OP Units is allocated on this same basis and reflected as noncontrolling interests in the accompanying consolidated financial statements. As such, the assumed conversion of these OP Units would have no net impact on the determination of diluted earnings per share.

(1) Amounts relate to shares of the Company's Class A and Class C common stock outstanding.

(2) For the three and six months ended June 30, 2019, the following are excluded from the diluted shares calculations as the effect is antidilutive: a) warrants outstanding from issuances in conjunction with the Company's Series B Preferred Stock offerings that are potentially exercisable for 125,274 and 49,970 shares of Class A common stock, respectively, and b) potential vesting of restricted stock grants to employees for 11,944 and 8,726 shares of Class A common stock, respectively. Excludes no shares for the three and six months ended June 30, 2018.

Series B Redeemable Preferred Stock Offering

The Company issued 95,092 shares of Series B Preferred Stock under a continuous registered offering with net proceeds of approximately $85.6 million after commissions, discounts and dealer manager fees of approximately $9.5 million during the six months ended June 30, 2019. As of June 30, 2019, the Company has sold 403,370 shares of Series B Preferred Stock and 403,370 Warrants to purchase 8,067,400 shares of Class A common stock for net proceeds of approximately $363.0 million after commissions, discounts and fees. During the six months ended June 30, 2019, 1,513 Series B Preferred shares were redeemed through the issuance of 131,542 Class A common shares and 86 Series B Preferred shares were redeemed for $80,450 in cash.

At-the-Market Offerings

On August 8, 2016, the Company, its Operating Partnership and its former Manager entered into an At Market Issuance Sales Agreement (the "Original Sales Agreement") with FBR Capital Markets & Co. ("FBR"). Pursuant to the Original Sales Agreement, FBR acted as distribution agent with respect to the offering and sale of up to $100,000,000 in shares of Class A common stock in "at the market offerings" as defined in Rule 415 under the Securities Act, including without limitation sales made directly on or through the NYSE American, or on any other existing trading market for Class A common stock or through a market maker (the "Original Class A Common Stock ATM Offering"). The Company did not commence any sales through the Original Class A Common Stock ATM Offering before it expired on January 29, 2019.

Class A Common Stock Repurchase Program

In February 2018, the Company authorized a stock repurchase plan to purchase up to $25 million of the Company's outstanding shares of Class A common stock over a period of one year pursuant to a stock repurchase plan. In December 2018, the Company renewed its stock repurchase plan for a period of one year. The repurchase plan can be discontinued at any time. The extent to which the Company repurchases shares of its Class A common stock, and the timing of any such purchases, depends on a variety of factors including general business and market conditions and other corporate considerations. The Company purchased 1,255,445 shares of Class A common stock during the six months ended June 30, 2019 for a total purchase price of $13.4 million.

The following table is a summary of the Class A common stock repurchase activity during the six months ended June 30, 2019:

Period	Total Number of Shares Purchased	Weighted Average Price Paid Per Share	Cumulative Number of Shares Purchased as Part of the Publicly Announced Plan	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plan
First quarter 2019	505,797	$ 10.01	1,560,854	$ 10,919,065
Second quarter 2019	749,648	11.13	2,310,502	2,578,184
Total	1,255,445	$ 10.68		

Operating Partnership and Long-Term Incentive Plan Units

As of June 30, 2019, limited partners other than the Company owned approximately 28.23% of the common units of the Operating Partnership (6,384,512 OP Units, or 20.48%, is held by OP Unit holders, and 2,414,160 LTIP Units, or 7.75%, is held by LTIP Unit holders, including 4.64% which are not vested at June 30, 2019). Subject to certain restrictions set forth in the Operating Partnership's Partnership Agreement, OP Units are exchangeable for Class A common stock on a one-for-one basis, or, at the Company's election, redeemable for cash. LTIP Units may be convertible into OP Units under certain conditions and then may be settled in shares of the Company's Class A common stock, or, at the Company's election, cash.

Equity Incentive Plans

LTIP Unit Grants

On January 1, 2018, the Company granted certain equity grants of LTIP Units of the Company's Operating Partnership to various executive officers under the Second Amended 2014 Incentive Plans pursuant to the executive officers' employment and service agreements as time-based LTIP Units and performance-based LTIP Units. All such grants of LTIP Units require continuous employment for vesting. Due to a limitation on the number of LTIP Units available for issuance under the Second Amended 2014 Incentive Plans, the long-term performance awards were, in aggregate, approximately 81,000 LTIP Units (the "Shortfall LTIP Units") lower than those to which the recipients were entitled pursuant to the terms of their respective employment and service agreements, with the Company planning to issue the remaining LTIP Units at such time as such LTIP Units became available under the Incentive Plans. The time-based LTIP Units were comprised of 770,854 LTIP Units that vest over approximately five years and 160,192 LTIP Units that vest over approximately three years. The performance-based LTIP Units were comprised of 125,165 LTIP Units (the "Initial Long-Term Performance Award"), which are subject to a three-year performance period, and will vest immediately upon successful achievement of performance-based conditions. Performance criteria are primarily based on a mixture of objective internal achievement goals and relative performance against its industry peers, with a minimum, threshold, and maximum performance standard for performance criteria. After the determination of the achievement of the performance criteria, any performance-based LTIP Units that were awarded but do not vest will be canceled.

In addition, on January 1, 2018, the Company granted 6,263 LTIP Units under the Second Amended 2014 Incentive Plans to each independent member of the Board in payment of the equity portion of their respective annual retainers. Such LTIP Units were fully vested upon issuance and the Company recognized expense of $0.2 million immediately based on the fair value at the date of grant.

On September 28, 2018, the Company's stockholders approved the amendment and restatement of each of the Second Amended 2014 Individuals Plan (the "Third Amended 2014 Individuals Plan") and the Second Amended 2014 Entities Plan (the "Third Amended 2014 Entities Plan", and together with the Third Amended 2014 Individuals Plan, the "Third Amended 2014 Incentive Plans," and together with the Second Amended 2014 Incentive Plans, the "Incentive Plans"). The Third Amended 2014 Incentive Plans, which superseded and replaced in their entirety the Second Amended 2014 Incentive Plans, allow for the issuance of up to an aggregate of 2,250,000 additional shares of Class A common stock. The Third Amended 2014 Incentive Plans provide for the grant of options to purchase shares of the Company's common stock, stock awards, stock appreciation rights, performance units, incentive awards and other equity-based awards.

On October 4, 2018, the Company granted an aggregate of 80,798 Shortfall LTIP Units to the executive officers pursuant to their employment and service agreements. The Shortfall LTIP Units vest over a period of three years from the date of grant of each Initial Long-Term Performance Award, followed by immediate vesting based on successful achievement of the performance conditions.

In addition, on October 4, 2018, the Company granted 3,165 LTIP Units pursuant to the Third Amended 2014 Incentive Plans to the newly appointed independent member of the Board in payment of the prorated portion of her annual retainer. Such LTIP Units were fully vested upon issuance and the Company recognized expense of $0.03 million immediately based on the fair value at the date of grant.

On January 1, 2019, the Company granted certain equity grants of LTIP Units to various executive officers under the Third Amended 2014 Incentive Plans pursuant to the executive officers' employment and service agreements as time-based LTIP Units and performance-based LTIP Units. All such LTIP Unit grants require continuous employment for vesting. The time-based LTIP Units were comprised of 196,023 LTIP Units that vest over approximately three years. The performance-based LTIP Units were comprised of 294,031 LTIP Units, which are subject to a three-year performance period and will vest immediately upon successful achievement of performance-based conditions. On April 1, 2019, the Company appointed a new executive officer. On June 25, 2019, the Company, under the Third Amended 2014 Incentive Plans pursuant to the executive officer's employment agreement, granted certain equity grants of LTIP Units as time-based LTIP Units and performance-based LTIP Units to the executive officer. The time-based LTIP Units were comprised of 10,518 LTIP Units and have a similar vesting period to those granted to the other executive officers. The performance-based LTIP Units were comprised of 15,776 LTIP Units, which are subject to a similar performance period to those granted to the other executive officers and will vest immediately upon successful achievement of performance-based conditions.

The Company recognizes compensation expense ratably over the requisite service periods for the time-based LTIP Units based on the fair value at the date of grant; thus, the Company recognized compensation expense of approximately $0.9 million and $1.2 million, and $1.8 million and $2.3 million, during the three and six months ended June 30, 2019 and 2018, respectively. The Company recognizes compensation expense based on the fair value at the date of grant and the probability of achievement of performance criteria over the performance period for the performance-based LTIP Units; thus, the Company recognized approximately $0.4 million and $0.1 million, and $0.8 million and $0.2 million, during the three and six months ended June 30, 2019 and 2018, respectively.

In addition, on January 1, 2019, the Company granted 6,836 LTIP Units pursuant to the Third Amended 2014 Incentive Plans to each independent member of the Board in payment of the equity portion of their respective annual retainers. Such LTIP Units were fully vested upon issuance and the Company recognized expense of $0.2 million immediately based on the fair value at the date of grant.

As of June 30, 2019, there was $8.4 million of total unrecognized compensation cost related to unvested LTIP Units granted under the Incentive Plans. The remaining cost is expected to be recognized over a period of 2.6 years.

Restricted Stock Grants

On April 1, 2019, the Company provided restricted stock grants ("RSGs") to employees under the Incentive Plans. The RSGs vest in three equal consecutive one-year tranches from the date of grant. The RSGs were comprised of 90,694 shares of Class A common stock with a fair value of $10.65 per RSG and a total fair value of $1.0 million. The compensation cost of approximately $0.1 million has been recognized for the six months ended June 30, 2019. The remaining compensation cost is expected to be recognized over the remaining 2.75 years.

Distributions

Declaration Date	Payable to stockholders of record as of		Amount	Date Paid or Payable
Class A Common Stock				
December 7, 2018	December 24, 2018	$	0.162500	January 4, 2019
March 8, 2019	March 25, 2019	$	0.162500	April 5, 2019
June 7, 2019	June 25, 2019	$	0.162500	July 5, 2019
Class C Common Stock				
December 7, 2018	December 24, 2018	$	0.162500	January 4, 2019
March 8, 2019	March 25, 2019	$	0.162500	April 5, 2019
June 7, 2019	June 25, 2019	$	0.162500	July 5, 2019
Series A Preferred Stock				
December 7, 2018	December 24, 2018	$	0.515625	January 4, 2019
March 8, 2019	March 25, 2019	$	0.515625	April 5, 2019
June 7, 2019	June 25, 2019	$	0.515625	July 5, 2019
Series B Preferred Stock				
October 12, 2018	December 24, 2018	$	5.00	January 4, 2019
January 11, 2019	January 25, 2019	$	5.00	February 5, 2019
January 11, 2019	February 25, 2019	$	5.00	March 5, 2019
January 11, 2019	March 25, 2019	$	5.00	April 5, 2019
April 12, 2019	April 25, 2019	$	5.00	May 3, 2019
April 12, 2019	May 24, 2019	$	5.00	June 5, 2019
April 12, 2019	June 25, 2019	$	5.00	July 5, 2019
Series C Preferred Stock				
December 7, 2018	December 24, 2018	$	0.4765625	January 4, 2019
March 8, 2019	March 25, 2019	$	0.4765625	April 5, 2019
June 7, 2019	June 25, 2019	$	0.4765625	July 5, 2019
Series D Preferred Stock				
December 7, 2018	December 24, 2018	$	0.4453125	January 4, 2019

March 8, 2019	March 25, 2019	$	0.4453125	April 5, 2019
June 7, 2019	June 25, 2019	$	0.4453125	July 5, 2019

A portion of each dividend may constitute a return of capital for tax purposes. There is no assurance that the Company will continue to declare dividends or at this rate. Holders of OP Units and LTIP Units are entitled to receive "distribution equivalents" at the same time as dividends are paid to holders of the Company's Class A common stock.

The Company has a dividend reinvestment plan that allows for participating stockholders to have their Class A common stock dividend distributions automatically invested in additional Class A common shares based on the average price of the Class A common shares on the investment date. The Company plans to issue Class A common shares to cover shares required for investment.

Distributions declared and paid for the six months ended June 30, 2019 were as follows (amounts in thousands):

	Distributions	
2019	**Declared**	**Paid**
First Quarter		
Class A Common Stock	$ 3,727	$ 3,820
Class C Common Stock	12	12
Series A Preferred Stock	2,950	2,950
Series B Preferred Stock	5,058	4,842
Series C Preferred Stock	1,107	1,107
Series D Preferred Stock	1,269	1,269
OP Units	1,038	1,038
LTIP Units	383	262
Total first quarter 2019	$ 15,544	$ 15,300
Second Quarter		
Class A Common Stock	$ 3,623	$ 3,726
Class C Common Stock	12	12
Series A Preferred Stock	2,950	2,950
Series B Preferred Stock	5,693	5,443
Series C Preferred Stock	1,107	1,107
Series D Preferred Stock	1,269	1,269
OP Units	1,038	1,058
LTIP Units	392	309
Total second quarter 2019	$ 16,084	$ 15,874
Total	$ 31,628	$ 31,174

Note 14 – Commitments and Contingencies

The Company is subject to various legal actions and claims arising in the ordinary course of business. Although the outcome of any legal matter cannot be predicted with certainty, management does not believe that any of these legal proceedings or matters will have a material adverse effect on the consolidated financial position or results of operations or liquidity of the Company.

Note 15 – Subsequent Events

Declaration of Dividends

Declaration Date	Payable to stockholders of record as of	Amount	Payable Date
Series B Preferred Stock			
July 12, 2019	July 25, 2019	$ 5.00	August 5, 2019
July 12, 2019	August 23, 2019	$ 5.00	September 5, 2019
July 12, 2019	September 25, 2019	$ 5.00	October 4, 2019

Holders of OP and LTIP Units are entitled to receive "distribution equivalents" at the same time as dividends are paid to holders of the Company's Class A common stock. A portion of each dividend may constitute a return of capital for tax purposes. There is no assurance that the Company will continue to declare dividends or at this rate.

Distributions Paid

The following distributions were declared and/or paid to the Company's stockholders, as well as holders of OP and LTIP Units, subsequent to June 30, 2019 (amounts in thousands):

Shares	Declaration Date	Record Date	Date Paid	Distributions per Share	Total Distribution
Class A Common Stock	June 7, 2019	June 25, 2019	July 5, 2019	$ 0.162500	$ 3,623
Class C Common Stock	June 7, 2019	June 25, 2019	July 5, 2019	$ 0.162500	$ 12
Series A Preferred Stock	June 7, 2019	June 25, 2019	July 5, 2019	$ 0.515625	$ 2,950
Series B Preferred Stock	April 12, 2019	June 25, 2019	July 5, 2019	$ 5.000000	$ 1,998
Series C Preferred Stock	June 7, 2019	June 25, 2019	July 5, 2019	$ 0.4765625	$ 1,107
Series D Preferred Stock	June 7, 2019	June 25, 2019	July 5, 2019	$ 0.4453125	$ 1,269
OP Units	June 7, 2019	June 25, 2019	July 5, 2019	$ 0.162500	$ 1,017
LTIP Units	June 7, 2019	June 25, 2019	July 5, 2019	$ 0.162500	$ 317
Series B Preferred Stock	July 12, 2019	July 25, 2019	August 5, 2019	$ 5.000000	$ 2,055
Total					$ 14,348

Sale of the Topaz Portfolio

On July 15, 2019, the Company, through subsidiaries of the Operating Partnership, closed on the sale of four of the five properties in the Topaz Portfolio pursuant to the terms and conditions of two separate purchase and sales agreements for approximately $226.9 million. The sale of the fifth property in the Topaz Portfolio, ARIUM Palms, is expected to close in August 2019.

Acquisition of Denim

On July 24, 2019, the Company, through subsidiaries of its Operating Partnership, acquired a 100.0% interest in a 645-unit apartment community located in Scottsdale, Arizona, known as Denim for approximately $141.3 million. The purchase price of $141.3 million was funded, in part, with a $91.6 million senior mortgage loan secured by the Denim property.

Acquisition of The Sanctuary

On July 31, 2019, the Company, through subsidiaries of its Operating Partnership, acquired a 100.0% interest in a 320-unit apartment community located in Las Vegas, Nevada, known as The Sanctuary (“Sanctuary”) for approximately $51.8 million. The purchase price of $51.8 million was funded, in part, with a $33.7 million senior mortgage loan secured by the Sanctuary property.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements of Bluerock Residential Growth REIT, Inc., and the notes thereto. As used herein, the terms "we," "our" and "us" refer to Bluerock Residential Growth REIT, Inc., a Maryland corporation, and, as required by context, Bluerock Residential Holdings, L.P., a Delaware limited partnership, which we refer to as our "Operating Partnership," and to their subsidiaries. We refer to Bluerock Real Estate, L.L.C., a Delaware limited liability company, as "Bluerock", and we refer to our former external manager, BRG Manager, LLC, a Delaware limited liability company, as our "former Manager." Both Bluerock and our former Manager are affiliated with the Company.

Forward-Looking Statements

Statements included in this Quarterly Report on Form 10-Q that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are only predictions. We caution that forward-looking statements are not guarantees. Actual events or our investments and results of operations could differ materially from those expressed or implied in any forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology.

The forward-looking statements included herein are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. Factors that could have a material adverse effect on our operations and future prospects include, but are not limited to:

- the factors included in this Quarterly Report on Form 10-Q, including those set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations";
- use of proceeds of the Company's securities offerings;
- the competitive environment in which we operate;
- real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for tenants in such markets;
- risks associated with geographic concentration of our investments;
- decreased rental rates or increasing vacancy rates;
- our ability to lease units in newly acquired or newly constructed apartment properties;
- potential defaults on or non-renewal of leases by tenants;
- creditworthiness of tenants;
- our ability to obtain financing for and complete acquisitions under contract at the contemplated terms, or at all;
- development and acquisition risks, including rising and unanticipated costs and failure of such acquisitions and developments to perform in accordance with projections;
- the timing of acquisitions and dispositions;
- the performance of our network of leading regional apartment owner/operators with which we invest through controlling positions in joint ventures;
- potential natural disasters such as hurricanes, tornadoes and floods;
- national, international, regional and local economic conditions;

- Board determination as to timing and payment of dividends, and our ability to pay future distributions at the dividend rates we have paid historically;

- the general level of interest rates;

- potential changes in the law or governmental regulations that affect us and interpretations of those laws and regulations, including changes in real estate and zoning or tax laws, and potential increases in real property tax rates;

- financing risks, including the risks that our cash flows from operations may be insufficient to meet required payments of principal and interest and we may be unable to refinance our existing debt upon maturity or obtain new financing on attractive terms or at all;

- lack of or insufficient amounts of insurance;

- our ability to maintain our qualification as a REIT;

- litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; and

- possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us or a subsidiary owned by us or acquired by us.

Any of the assumptions underlying forward-looking statements could be inaccurate. You are cautioned not to place undue reliance on any forward-looking statements included in this report. All forward-looking statements are made as of the date of this report and the risk that actual results will differ materially from the expectations expressed in this report will increase with the passage of time. Except as otherwise required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements after the date of this report, whether as a result of new information, future events, changed circumstances or any other reason. The forward-looking statements should be read in light of the risk factors set forth in Item 1A of our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 27, 2019, and subsequent filings by us with the SEC, or ("Risk Factors").

Overview

We were incorporated as a Maryland corporation on July 25, 2008. Our objective is to maximize long-term stockholder value by acquiring and developing well-located institutional-quality apartment properties in knowledge economy growth markets across the United States. We seek to maximize returns through investments where we believe we can drive substantial growth in our core funds from operations and net asset value primarily through our Value-Add and Invest-to-Own investment strategies.

We conduct our operations through Bluerock Residential Holdings, L.P., our operating partnership (the "Operating Partnership"), of which we are the sole general partner. The consolidated financial statements include our accounts and those of the Operating Partnership and its subsidiaries.

As of June 30, 2019, our portfolio consisted of investments held in fifty real estate properties, consisting of thirty-five consolidated operating properties and fifteen properties through preferred equity and mezzanine loan investments. Of the property interests held through preferred equity and mezzanine loan investments, five are under development, five are in lease-up and five properties are stabilized. The fifty properties contain an aggregate of 15,251 units, comprised of 11,820 consolidated operating units and 3,431 units through preferred equity and mezzanine loan investments. As of June 30, 2019, our consolidated operating properties were approximately 94% occupied.

We have elected to be taxed as a REIT under Sections 856 through 860 of the Code and have qualified as a REIT commencing with our taxable year ended December 31, 2010. In order to continue to qualify as a REIT, we must distribute to our stockholders each calendar year at least 90% of our taxable income (excluding net capital gains). If we qualify as a REIT for federal income tax purposes, we generally will not be subject to federal income tax on income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax on our taxable income at regular corporate rates and will not be permitted to qualify as a REIT for four years following the year in which our qualification is denied. Such an event could materially and adversely affect our net income and results of operations. We intend to continue to organize and operate in such a manner as to remain qualified as a REIT.

Significant Developments

During the six months ended June 30, 2019, we acquired two stabilized properties, acquired additional interests in three stabilized properties, and provided senior loan funds and mezzanine loan funds in one development project as discussed below.

The Park at Chapel Hill Financing

On January 23, 2019, we, through an indirect subsidiary, provided a $7.8 million senior loan to BR Chapel Hill, LLC ("BR Chapel Hill"). BR Chapel Hill JV, LLC ("BR Chapel Hill JV") owns a 100.0% interest in BR Chapel Hill and is a joint venture with common interests held by Fund I, Fund II, and BR Chapel Hill Investment, LLC, all managed by affiliates of the former Manager. The senior loan is secured by BR Chapel Hill's fee simple interest in the Chapel Hill property.

In conjunction with the senior loan, on January 23, 2019, we, through an indirect subsidiary, provided an $0.8 million mezzanine loan to BR Chapel Hill JV, which is secured by the Chapel Hill property. See Note 6 to the interim Consolidated Financial Statements for additional information.

Acquisition of Additional Interest in ARIUM Pine Lakes

On January 29, 2019, we, through subsidiaries of our Operating Partnership, purchased the non-controlling partner's interest in ARIUM Pine Lakes for $7.8 million, increasing our interest in the property from 85.0% to 100.0%.

Acquisition of Additional Interest in Sorrel

On June 25, 2019, we, through subsidiaries of our Operating Partnership, purchased the non-controlling partner's interest in Sorrel for $0.7 million, increasing our interest in the property from 95.0% to 100.0%.

Acquisition of Additional Interest in Sovereign

On June 25, 2019, we, through subsidiaries of our Operating Partnership, purchased the non-controlling partner's interest in Sovereign for $1.2 million, increasing our interest in the property from 95.0% to 100.0%.

Acquisition of Element

On June 27, 2019, we, through subsidiaries of our Operating Partnership, acquired a 100.0% interest in a 200-unit apartment community located in Las Vegas, Nevada, known as Element for approximately $41.8 million. The purchase price of $41.8 million was funded, in part, with a $29.3 million senior mortgage loan secured by the Element property.

Acquisition of Providence Trail

On June 27, 2019, we, through subsidiaries of our Operating Partnership, acquired a 100.0% interest in a 334-unit apartment community located in Mount Juliet, Tennessee, known as Providence for approximately $68.5 million. The purchase price of $68.5 million was funded, in part, with a $48.0 million senior mortgage loan secured by the Providence property.

Held for sale

We have entered into three separate purchase and sales agreements, and three separate amendments thereto, for the sale of ARIUM Palms, Leigh House, Preston View, Sorrel and Sovereign (the "Topaz Portfolio") at an amount more than their carrying values and have classified the properties as held for sale as of June 30, 2019. On July 15, 2019, we closed on the sale of four of the five properties in the Topaz Portfolio pursuant to the terms and conditions of two separate purchase and sales agreements for approximately $226.9 million. The sale of the fifth property in the Topaz Portfolio, ARIUM Palms, is expected to close in August 2019.

Series B Preferred Stock Continuous Offering

We issued 95,092 shares of Series B Preferred Stock under a continuous registered offering with net proceeds of approximately $85.6 million after commissions, discounts and dealer manager fees of approximately $9.5 million during the six months ended June 30, 2019.

Our total stockholders' equity decreased $42.9 million from $158.3 million as of December 31, 2018 to $115.4 million as of June 30, 2019. The decrease in our total stockholders' equity is primarily attributable to dividends declared of $28.8 million and repurchase of Class A common stock of $13.4 million during the six months ended June 30, 2019.

Results of Operations

The following is a summary of our stabilized consolidated operating real estate investments as of June 30, 2019:

Multifamily Community Name	Location	Number of Units	Date Built/Renovated [(1)]	Ownership Interest	Average Rent [(2)]	% Occupied[(3)]
ARIUM at Palmer Ranch	Sarasota, FL	320	2016	100.0%	$ 1,319	96%
ARIUM Glenridge	Atlanta, GA	480	1990	90.0%	1,241	94%
ARIUM Grandewood	Orlando, FL	306	2005	100.0%	1,416	94%
ARIUM Gulfshore	Naples, FL	368	2016	100.0%	1,324	90%
ARIUM Hunter's Creek	Orlando, FL	532	1999	100.0%	1,409	97%
ARIUM Metrowest	Orlando, FL	510	2001	100.0%	1,392	94%
ARIUM Palms	Orlando, FL	252	2008	100.0%	1,359	97%
ARIUM Pine Lakes	Port St. Lucie, FL	320	2003	100.0%	1,307	92%
ARIUM Westside	Atlanta, GA	336	2008	90.0%	1,530	87%
Ashford Belmar	Lakewood, CO	512	1988/1993	85.0%	1,627	92%
Ashton Reserve	Charlotte, NC	473	2015	100.0%	1,121	96%
Citrus Tower	Orlando, FL	336	2006	96.8%	1,330	92%
Element	Las Vegas, NV	200	1995	100.0%	1,233	94%
Enders Place at Baldwin Park	Orlando, FL	220	2003	92.0%	1,768	98%
James on South First	Austin, TX	250	2016	90.0%	1,277	98%
Marquis at Crown Ridge	San Antonio, TX	352	2009	90.0%	1,026	92%
Marquis at Stone Oak	San Antonio, TX	335	2007	90.0%	1,460	95%
Marquis at The Cascades	Tyler, TX	582	2009	90.0%	1,219	91%
Marquis at TPC	San Antonio, TX	139	2008	90.0%	1,499	96%
Outlook at Greystone	Birmingham, AL	300	2007	100.0%	991	95%
Park & Kingston	Charlotte, NC	168	2015	100.0%	1,304	96%
Plantation Park	Lake Jackson, TX	238	2016	80.0%	1,400	89%
Preston View	Morrisville, NC	382	2000	100.0%	1,124	96%
Providence Trail	Mount Juliet, TN	334	2007	100.0%	1,219	94%
Roswell City Walk	Roswell, GA	320	2015	98.0%	1,542	96%
Sands Parc	Daytona Beach, FL	264	2017	100.0%	1,370	96%
Sorrel	Frisco, TX	352	2015	100.0%	1,196	90%
Sovereign	Fort Worth, TX	322	2015	100.0%	1,391	92%
The Brodie	Austin, TX	324	2001	92.5%	1,277	98%
The Links at Plum Creek	Castle Rock, CO	264	2000	88.0%	1,433	93%
The Mills	Greenville, SC	304	2013	100.0%	1,048	94%
The Preserve at Henderson Beach	Destin, FL	340	2009	100.0%	1,440	97%
Veranda at Centerfield	Houston, TX	400	1999	93.0%	945	94%
Villages of Cypress Creek	Houston, TX	384	2001	80.0%	1,137	93%
Wesley Village	Charlotte, NC	301	2010	100.0%	1,378	94%
Total/Average		11,820			$ 1,312	94%

[(1)] Represents date of last significant renovation or year built if there were no renovations.

[(2)] Represents the average effective monthly rent per occupied unit for the three months ended June 30, 2019. Total concessions for the three months ended June 30, 2019 amounted to approximately $0.3 million.

[(3)] Percent occupied is calculated as (i) the number of units occupied as of June 30, 2019 divided by (ii) total number of units, expressed as a percentage.

The following is a summary of our preferred equity and mezzanine loan investments as of June 30, 2019:

Multifamily Community Name	Location	Actual/ Planned Number of Units	Total Actual/ Estimated Construction Cost (in millions)	Cost to Date (in millions)	Actual/ Estimated Construction Cost Per Unit	Actual/ Estimated Initial Occupancy	Actual/ Estimated Construction Completion	Pro Forma Average Rent [(1)]
Whetstone [(2)]	Durham, NC	204	$ 37.0	$ 37.0	$ 181,373	3Q14	3Q15	$ 1,294
Alexan CityCentre [(2)]	Houston, TX	340	83.5	80.7	245,588	2Q17	4Q17	1,747
Helios [(2)]	Atlanta, GA	282	51.8	50.7	183,688	2Q17	4Q17	1,458
Alexan Southside Place	Houston, TX	270	49.4	47.0	182,963	4Q17	1Q18	1,660
Leigh House	Raleigh, NC	245	40.2	39.4	164,082	3Q17	3Q18	1,291
Vickers Historic Roswell	Roswell, GA	79	31.9	29.9	403,797	2Q18	3Q18	3,176
Domain at The One Forty	Garland, TX	299	53.3	51.5	178,261	2Q18	4Q18	1,469
Arlo	Charlotte, NC	286	60.0	58.0	209,790	2Q18	1Q19	1,507
Novel Perimeter	Atlanta, GA	320	71.0	68.7	221,875	3Q18	1Q19	1,749
Cade Boca Raton	Boca Raton, FL	90	30.1	29.3	334,444	4Q18	2Q19	2,549
Flagler Village	Fort Lauderdale, FL	385	135.4	93.5	351,688	2Q20	3Q20	2,352
North Creek Apartments	Leander, TX	259	44.0	12.2	169,884	2Q20	4Q20	1,358
Riverside Apartments	Austin, TX	222	37.9	8.5	170,721	4Q20	1Q21	1,408
Wayforth at Concord	Concord, NC	150	33.5	5.5	223,333	2Q20	3Q21	1,707
The Park at Chapel Hill	Chapel Hill, NC	*	*	*	*	*	*	*
Total Average		3,431						$ 1,682

* The development is in the planning phase; project specifications are in process.

[(1)] Represents the average pro forma effective monthly rent per occupied unit for all expected occupied units upon stabilization.

[(2)] Represents the average effective monthly rent per occupied unit for the three months ended June 30, 2019.

Three Months Ended June 30, 2019 Compared to Three Months Ended June 30, 2018

Revenue

Rental and other property revenues increased $7.1 million, or 18%, to $46.5 million for the three months ended June 30, 2019 as compared to $39.3 million for the same prior year period. Net rental income increased $5.1 million from the acquisition of two properties in 2019 and the full period impact of four properties acquired in 2018, and a $2.0 million increase from same store properties.

Interest income from related parties increased $0.3 million, or 6%, to $6.0 million for the three months ended June 30, 2019 as compared to $5.6 million for the same prior year period due to increases in the average balance of mezzanine loans outstanding.

Expenses

Property operating expenses increased $2.0 million, or 12%, to $18.9 million for the three months ended June 30, 2019 as compared to $16.9 million for the same prior year period. Property operating expenses increased $2.1 million from the acquisition of two properties in 2019 and the full period impact of four properties acquired in 2018 and a $0.1 million increase from same store properties. Property NOI margins increased to 59.4% of total revenues for the three months ended June 30, 2019 from 57.1% in the prior year quarter. Property NOI margins are computed as total rental and other property revenues less property operating expenses, divided by total rental and other property revenues.

Property management fees expense increased $0.2 million, or 15%, to $1.2 million for the three months ended June 30, 2019 as compared to $1.1 million in the same prior year period. Property management fees increased $0.1 million from the acquisition of two properties in 2019 and the full period impact of four properties acquired in 2018, and a $0.1 million increase from same store properties.

General and administrative expenses amounted to $5.0 million for the three months ended June 30, 2019 as compared to $4.5 million for the same prior year period. Excluding non-cash equity compensation expense of $2.5 million and $1.6 million for the three months ended June 30, 2019 and 2018, respectively, general and administrative expenses were $2.5 million, or 4.9%, of revenues for the three months ended June 30, 2019, as compared to $2.9 million, or 6.4%, of revenues, for the same prior year period.

Acquisition and pursuit costs amounted to $0.07 million for the three months ended June 30, 2019 as compared to $0.03 million for the same prior year period. Acquisition and pursuit costs incurred in the three months ended June 30, 2019 were related to the write-off of pre-acquisition costs from abandoned deals. Abandoned pursuit costs can vary greatly, and the costs incurred in any given period may be significantly different in future periods.

Weather-related losses, net were $0.3 million for the three months ended June 30, 2019 primarily related to hail damage at one property in Texas, partially offset by insurance reimbursements from prior year storms.

Depreciation and amortization expenses were $16.2 million for the three months ended June 30, 2019 as compared to $14.8 million for the same prior year period. Depreciation and amortization expenses increased $1.8 million from the acquisition of two properties in 2019 and the full period impact of four properties acquired in 2018, offset by a $0.4 million decrease from same store properties.

Other Income and Expense

Other income and expense amounted to expense of $12.6 million for the three months ended June 30, 2019 compared to expense of $11.1 million for the same prior year period. Interest expense increased $2.1 million, or 16%, to $15.1 million for the three months ended June 30, 2019 as compared to $13.0 million for the same prior year period due to the increased number of properties and an increase in debt to fund the property acquisitions. This was partially offset by a loss on early extinguishment of debt of $0.7 million due to refinancing loans on three properties during the three months ended June 30, 2018.

Six Months Ended June 30, 2019 Compared to Six Months Ended June 30, 2018

Revenue

Rental and other property revenues increased $16.2 million, or 21%, to $92.2 million for the six months ended June 30, 2019 as compared to $76.0 million for the same prior year period. Net rental income increased $12.0 million from the acquisition of two properties in 2019 and the full period impact of five properties acquired in 2018, and a $4.1 million increase from same store properties.

Interest income from related parties increased $0.9 million, or 8%, to $11.7 million for the six months ended June 30, 2019 as compared to $10.8 million for the same prior year period due to increases in the average balance of mezzanine loans outstanding.

Expenses

Property operating expenses increased $4.9 million, or 15%, to $37.5 million for the six months ended June 30, 2019 as compared to $32.5 million for the same prior year period. Property operating expenses increased $4.6 million from the acquisition of two properties in 2019 and the full period impact of five properties acquired in 2018 and a $0.2 million increase from same store properties. Property NOI margins increased to 59.3% of total revenues for the six months ended June 30, 2019 from 57.2% in the prior year period. Property NOI margins are computed as total rental and other property revenues less property operating expenses, divided by total rental and other property revenues.

Property management fees expense increased $0.4 million, or 19%, to $2.5 million for the six months ended June 30, 2019 as compared to $2.1 million in the same prior year period. Property management fees increased $0.3 million from the acquisition of two properties in 2019 and the full period impact of five properties acquired in 2018, and a $0.1 million increase from same store properties.

General and administrative expenses amounted to $10.7 million for the six months ended June 30, 2019 as compared to $9.2 million for the same prior year period. Excluding non-cash equity compensation expense of $5.0 million and $3.4 million for the six months ended June 30, 2019 and 2018, respectively, general and administrative expenses were $5.7 million, or 5.5%, of revenues for the six months ended June 30, 2019, as compared to $5.8 million, or 6.7%, of revenues, for the same prior year period.

Acquisition and pursuit costs amounted to $0.13 million for the six months ended June 30, 2019 as compared to $0.07 million for the same prior year period. Acquisition and pursuit costs incurred in the six months ended June 30, 2019 were related to the write-off of pre-acquisition costs from abandoned deals. Abandoned pursuit costs can vary greatly, and the costs incurred in any given period may be significantly different in future periods.

Weather-related losses, net amounted to $0.3 million for the six months ended June 30, 2019 as compared to $0.2 million for the same prior year period. In 2019, the expense primarily relates to hail damages at one property in Texas, partially offset by insurance reimbursements related to prior year storms. In 2018, the expense related to freeze damages at three properties in North Carolina and one property in Texas.

Depreciation and amortization expenses were $33.5 million for the six months ended June 30, 2019 as compared to $30.5 million for the same prior year period. Depreciation and amortization expenses increased $5.4 million from the acquisition of two properties in 2019 and the full period impact of five properties acquired in 2018, offset by a $2.4 million decrease from same store properties.

Other Income and Expense

Other income and expense amounted to expense of $25.7 million for the six months ended June 30, 2019 compared to expense of $18.7 million for the same prior year period. Interest expense increased $8.0 million, or 35%, to $31.2 million for the six months ended June 30, 2019 as compared to $23.2 million for the same prior year period due to the increased number of properties and an increase in debt to fund the property acquisitions. This was partially offset by a loss on early extinguishment of debt of $0.7 million due to refinancing loans on three properties during the six months ended June 30, 2018.

Property Operations

We define "same store" properties as those that we owned and operated for the entirety of both periods being compared, except for properties that are in the construction or lease-up phases, or properties that are undergoing development or significant redevelopment. We move properties previously excluded from our same store portfolio for these reasons into the same store designation once they have stabilized or the development or redevelopment is complete and such status has been reflected fully in all quarters during the applicable periods of comparison. For newly constructed or lease-up properties or properties undergoing significant redevelopment, we consider a property stabilized upon attainment of 90% physical occupancy.

For comparison of our three months ended June 30, 2019 and 2018, the same store properties included properties owned at April 1, 2018. Our same store properties for the three months ended June 30, 2019 and 2018 consisted of 29 properties, representing 9,872 units.

For comparison of our six months ended June 30, 2019 and 2018, the same store properties included properties owned at January 1, 2018. Our same store properties for the six months ended June 30, 2019 and 2018 consisted of 28 properties, representing 9,608 units.

The following table presents the same store and non-same store results from operations for the three and six months ended June 30, 2019 and 2018 (dollars in thousands):

	Three Months Ended June 30,		Change	
	2019	**2018**	**$**	**%**
Property Revenues				
Same Store	$ 40,441	$ 38,414	$ 2,027	5.3%
Non-Same Store	6,023	910	5,113	*
Total property revenues	46,464	39,324	7,140	18.2%
Property Expenses				
Same Store	16,597	16,535	62	0.4%
Non-Same Store	2,271	339	1,932	*
Total property expenses	18,868	16,874	1,994	11.8%
Same Store NOI	23,844	21,879	1,965	9.0%
Non-Same Store NOI	3,752	571	3,181	*
Total NOI (1)	$ 27,596	$ 22,450	$ 5,146	22.9%

	Six Months Ended June 30,		Change	
	2019	**2018**	**$**	**%**
Property Revenues				
Same Store	$ 78,023	$ 73,908	$ 4,115	5.6%
Non-Same Store	14,130	2,090	12,040	*
Total property revenues	92,153	75,998	16,155	21.3%
Property Expenses				
Same Store	32,059	31,825	234	0.7%
Non-Same Store	5,411	708	4,703	*
Total property expenses	37,470	32,533	4,937	15.2%
Same Store NOI	45,964	42,083	3,881	9.2%
Non-Same Store NOI	8,719	1,382	7,337	*
Total NOI (1)	$ 54,683	$ 43,465	$ 11,218	25.8%

* Variance is not meaningful.

(1) See "Net Operating Income" below for a reconciliation of Same Store NOI, Non-Same Store NOI and Total NOI to net income (loss) and a discussion of how management uses this non-GAAP financial measure.

Three Months Ended June 30, 2019 Compared to Three Months Ended June 30, 2018

Same store NOI for the three months ended June 30, 2019 increased 9.0%, or $2.0 million, compared to the 2018 period. There was a 5.3% increase in same store property revenues as compared to the 2018 period. The increase was primarily attributable to a 5.5% increase in average rental rates; twenty-eight of our twenty-nine same store properties recognized rental rate increases during the period. In addition, average occupancy increased 10 basis points to 93.9%. Same store expenses for the three months ended June 30, 2019 increased 0.4%, or $0.06 million, compared to the 2018 period. The increase is primarily due to increased real estate taxes due to higher valuations by municipalities.

Property revenues and property expenses for our non-same store properties increased significantly due to the properties acquired after April 1, 2018; the 2019 non-same store property count was six compared to two properties for the 2018 period. The results of operations for acquired properties have been included in our consolidated statements of operations from the date of acquisition and the results of operations for disposed properties have been excluded from the consolidated statements of operations since the date of disposition.

Six Months Ended June 30, 2019 Compared to Six Months Ended June 30, 2018

Same store NOI for the six months ended June 30, 2019 increased 9.2%, or $3.9 million, compared to the 2018 period. There was a 5.6% increase in same store property revenues as compared to the 2018 period. The increase was primarily attributable to a 5.5% increase in average rental rates; twenty-seven of our twenty-eight same store properties recognized rental rate increases during the period. In addition, average occupancy increased 30 basis points to 94.0%. Same store expenses for the six months ended June 30, 2019 increased 0.7%, or $0.23 million, compared to the 2018 period. The increase is primarily due to a $0.11 million increase in real estate taxes due to higher valuations by municipalities and the remaining increase related to insurance and payroll costs.

Property revenues and property expenses for our non-same store properties increased significantly due to the properties acquired after January 1, 2018; the 2019 non-same store property count was seven compared to three properties for the 2018 period. The results of operations for acquired properties have been included in our consolidated statements of operations from the date of acquisition and the results of operations for disposed properties have been excluded from the consolidated statements of operations since the date of disposition.

Net Operating Income

We believe that net operating income ("NOI"), is a useful measure of our operating performance. We define NOI as total property revenues less total property operating expenses, excluding depreciation and amortization and interest. Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to other REITs. NOI also is a computation made by analysts and investors to measure a real estate company's operating performance.

We believe that this measure provides an operating perspective not immediately apparent from GAAP operating income or net income. We use NOI to evaluate our performance on a same store and non-same store basis; NOI allows us to evaluate the operating performance of our properties because it measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance and captures trends in rental housing and property operating expenses.

However, NOI should only be used as a supplemental measure of our financial performance. The following table reflects net loss attributable to common shares together with a reconciliation to NOI and to same store and non-same store contributions to consolidated NOI, as computed in accordance with GAAP for the periods presented (amounts in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Net loss attributable to common shares	**$ (10,990)**	**$ (10,212)**	**$ (23,083)**	**$ (19,638)**
Add back: Net loss attributable to Operating Partnership units	(3,887)	(3,010)	(7,938)	(5,685)
Net loss attributable to common shares and units	**(14,877)**	**(13,222)**	**(31,021)**	**(25,323)**
Add common stockholders and Operating Partnership units pro-rata share of:				
Depreciation and amortization	15,290	13,990	31,432	28,821
Non-real estate depreciation and amortization	84	75	170	139
Non-cash interest expense	786	1,602	1,561	2,062
Unrealized loss on derivatives	652	—	2,287	—
Loss on extinguishment of debt and debt modification costs	—	653	—	653
Property management fees	1,170	1,017	2,318	1,956
Acquisition and pursuit costs	70	28	128	71
Corporate operating expenses	4,975	4,528	10,529	9,197
Weather-related losses, net	249	—	249	165
Preferred dividends	11,019	8,643	21,403	16,890
Preferred stock accretion	2,316	1,400	4,203	2,510
Less common stockholders and Operating Partnership units pro-rata share of:				
Preferred returns on unconsolidated real estate joint ventures	2,492	2,626	4,781	5,088
Interest income from related parties	5,973	5,635	11,749	10,830
Gain on sale of non-depreciable real estate investments	—	—	679	—
Pro-rata share of properties' income	**13,269**	**10,453**	**26,050**	**21,223**
Add:				
Noncontrolling interest pro-rata share of partially owned property income	690	542	1,418	1,152
Total property income	**13,959**	**10,995**	**27,468**	**22,375**
Add:				
Interest expense	13,637	11,455	27,215	21,090
Net operating income	**27,596**	**22,450**	**54,683**	**43,465**
Less:				
Non-same store net operating income	3,752	571	8,719	1,382
Same store net operating income	**$ 23,844**	**$ 21,879**	**$ 45,964**	**$ 42,083**

Liquidity and Capital Resources

Liquidity is a measure of our ability to meet potential cash requirements. Our primary short-term liquidity requirements relate to (a) our operating expenses and other general business needs, (b) distributions to our stockholders, (c) committed investments and capital requirements to fund development and renovations at existing properties, (d) ongoing commitments to repay borrowings, including our credit facilities and our maturing short-term debt, and (e) Class A common stock repurchases under our stock repurchase program.

We believe the properties underlying our real estate investments are performing well with an occupancy of 94%, exclusive of our development properties, at June 30, 2019.

In general, we believe our available cash balances, the proceeds from our continuous offering of Series B Preferred Stock, the Senior and Amended Junior Credit Facilities, the Fannie Facility, other financing arrangements and cash flows from operations will be sufficient to fund our liquidity requirements with respect to our existing portfolio for the next 12 months. We expect that properties added to our portfolio with the proceeds from the continuous offering of Series B Preferred Stock and from the credit facilities will have a positive impact on our future results of operations. In general, we expect that our results related to our portfolio will improve in future periods as a result of anticipated future investments in and acquisitions of real estate.

We believe we will be able to meet our primary liquidity requirements going forward through:

- $28.5 million in cash available at June 30, 2019;
- cash generated from operating activities; and
- our continuous Series B Preferred Stock Offering, proceeds from future borrowings and potential offerings, including potential offerings of common and preferred stock through underwritten offerings, as well as issuances of units of limited partnership interest in our Operating Partnership, or OP Units.

Our primary long-term liquidity requirements relate to (a) costs for additional apartment community investments, (b) repayment of long-term debt and our credit facilities, (c) capital expenditures, (d) cash redemption requirements related to our Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, and (e) Class A common stock repurchases under our stock repurchase program.

In February 2018, we announced a stock repurchase program to purchase up to $25 million of our outstanding shares of Class A common stock over a period of one year. In December 2018, we renewed our stock repurchase plan for a period of one year. The repurchase plan can be discontinued at any time. We purchased 1,255,445 shares of Class A common stock during the six months ended June 30, 2019 for a total purchase price of $13.4 million. As of June 30, 2019, the value of shares that may yet be purchased under the program is $2.6 million.

We intend to finance our long-term liquidity requirements with net proceeds of additional issuances of common and preferred stock, including our Series B Preferred Stock, our credit facilities, as well as future borrowings. Our success in meeting these requirements will therefore depend upon our ability to access capital. Further, our ability to access equity capital is dependent upon, among other things, general market conditions for REITs and the capital markets generally, market perceptions about us and our asset class, and current trading prices of our securities.

We may also selectively sell assets at appropriate times, which would be expected to generate cash sources for both our short-term and long-term liquidity needs. On July 15, 2019, we closed on the sale of four of the five properties in the Topaz Portfolio at an amount greater than their carrying values and pursuant to the terms and conditions of two separate purchase and sales agreements.

We may also meet our long-term liquidity needs through borrowings from a number of sources, either at the corporate or project level. We believe the Senior and Amended Junior Credit Facilities, as well as the Fannie Facility, will continue to enable us to deploy our capital more efficiently and provide capital structure flexibility as we grow our asset base. We expect the combination of these facilities to provide us flexibility by allowing us, among other things, to use borrowings under our Senior and Amended Junior Credit Facilities to acquire properties pending placement of permanent mortgage indebtedness, including under the Fannie Facility. In addition to restrictive covenants, these credit facilities contain material financial covenants. At June 30, 2019, we were in compliance with all covenants under our credit facilities. We will continue to monitor the debt markets, including Fannie Mae and Freddie Mac, and as market conditions permit, access borrowings that are advantageous to us.

We intend to continue to use prudent amounts of leverage in making our investments, which we define as having total indebtedness of approximately 65% of the fair market value of the properties in which we have invested. For purposes of calculating our leverage, we assume full consolidation of all our real estate investments, whether or not they would be consolidated under GAAP, include assets we have classified as held for sale, and include any joint venture level indebtedness in our total indebtedness. However, we are not subject to any limitations on the amount of leverage we may use, and accordingly, the amount of leverage we use may be significantly less or greater than we currently anticipate. We expect our leverage to decline commensurately as we execute our business plan to grow our net asset value.

If we are unable to obtain financing on favorable terms or at all, we would likely need to curtail our investment activities, including acquisitions and improvements to and developments of real properties, which could limit our growth prospects. This, in turn, could reduce cash available for distribution to our stockholders and may hinder our ability to raise capital by issuing more securities or borrowing more money. We also may be forced to dispose of assets at inopportune times to maintain our REIT qualification and Investment Company Act exemption.

We expect to maintain a distribution paid to our Series A Preferred Stock, our Series B Preferred Stock, our Series C Preferred Stock and our Series D Preferred Stock in accordance with the terms of those securities which require monthly or quarterly dividends depending on the series. While our policy is generally to pay distributions from cash flow from operations, our distributions through June 30, 2019 have been paid from cash flow from operations, proceeds from our continuous Series B Preferred Stock offering, proceeds from underwritten securities offerings, and sales of assets and may in the future be paid from additional sources, such as from borrowings.

We have notes receivable to related parties in conjunction with development projects. The development projects are in various stages of completion and lease-up. The notes receivable provide a stated return and required repayment based on a fixed maturity date, generally in relation to the development's construction loan maturity. If the development does not repay the notes receivable upon maturity, our income, FFO, CFFO and cash flows could be reduced below the stated returns currently being recognized if the development project does not produce sufficient cash flow to pay its operating expenses and debt service, or to refinance its debt obligations. In addition, we have, in certain cases, an option to purchase up to 100% of the common interest which holds an interest in the entity that owns the development project. If we were to convert into common ownership, our income, FFO, CFFO and cash flows would be reflective of our pro rata share of the property's results, which could be a reduction from what our notes receivable currently generate. As we evaluate our capital position and capital allocation strategy, we may consider alternative means of financing these investment activities at the subsidiary level.

We have preferred membership interests in development projects in various stages of completion and lease-up. Our preferred equity investments are structured to provide a current preferred return during the development and lease-up phase. Each joint venture in which we own a preferred membership interest is required to redeem our preferred membership interests, plus any accrued but unpaid preferred return, based on a fixed maturity date, generally in relation to the development's construction loan maturity. Upon redemption of the preferred membership interests, our income, FFO, CFFO and cash flows could be reduced below the preferred returns currently being recognized. Alternatively, if the joint ventures do not redeem our preferred membership interest when required, our income, FFO, CFFO and cash flows could be reduced if the development project does not produce sufficient cash flow to pays its operating expenses, debt service and preferred return obligations.

Off-Balance Sheet Arrangements

As of June 30, 2019, we have off-balance sheet arrangements that may have a material effect on our financial condition, revenues or expenses, results of operations, liquidity, capital resources or capital expenditures. As of June 30, 2019, we own interests in fourteen joint ventures that are accounted for under the equity method as we exercise significant influence over, but do not control, the investee.

Cash Flows from Operating Activities

As of June 30, 2019, we owned indirect equity interests in fifty real estate properties, consisting of thirty-five consolidated operating properties and fifteen through preferred equity and mezzanine loan investments. During the six months ended June 30, 2019, net cash provided by operating activities was $27.1 million. After the net loss of $6.3 million was adjusted for $35.8 million of non-cash items, net cash provided by operating activities consisted of the following:

- distributions and preferred returns from unconsolidated joint ventures of $4.1 million, offset by:
- a decrease in accounts payable and other accrued liabilities of $0.5 million; and
- an increase in accounts receivable, prepaid expenses and other assets of $6.0 million.

Cash Flows from Investing Activities

During the six months ended June 30, 2019, net cash used in investing activities was $154.9 million, primarily due to the following:

- $111.6 million used in acquiring consolidated real estate investments;
- $23.3 million used in acquiring additional investments in unconsolidated joint ventures and notes receivable;
- $11.1 million used on capital expenditures;
- $9.9 million used in purchase of interests from noncontrolling interests, partially offset by:
- $1.0 million of proceeds from the sale of non-depreciable real estate investments.

Cash Flows from Financing Activities

During the six months ended June 30, 2019, net cash provided by financing activities was $130.8 million, primarily due to the following:

- net proceeds of $84.3 million from issuance of Units of Series B Preferred Stock and associated Warrants;
- net borrowings of $77.2 million on mortgages payable;
- net proceeds of $72.5 million from borrowings on revolving credit facilities and term loan;
- partially offset by $53.4 million in repayments on revolving credit facilities;
- $3.4 million of repayments of our mortgages payable;
- $0.8 million increase in deferred financing costs;
- $20.9 million paid in cash distributions to preferred stockholders;
- $7.6 million paid in cash distributions to common stockholders;
- $3.4 million in distributions paid to our noncontrolling interests; and
- $13.4 million paid for the repurchase of Class A common stock.

Capital Expenditures

The following table summarizes our total capital expenditures for the six months ended June 30, 2019 and 2018 (amounts in thousands):

	Six Months Ended June 30,	
	2019	2018
Redevelopment/renovations	$ 6,727	$ 6,617
Routine capital expenditures	1,766	1,676
Normally recurring capital expenditures	1,432	1,215
Total capital expenditures	$ 9,925	$ 9,508

Redevelopment and renovation costs are non-recurring capital expenditures for significant projects that are revenue enhancing through unit or common area upgrades, such as clubhouse renovations and kitchen remodels. Routine capital expenditures are necessary non-revenue generating improvements that extend the useful life of the property and that are less frequent in nature, such as roof repairs and asphalt resurfacing. Normally recurring capital expenditures are necessary non-revenue generating improvements that occur on a regular ongoing basis, such as carpet and appliances.

Funds from Operations and Core Funds from Operations Attributable to Common Shares and Units

We believe that funds from operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), and core funds from operations ("CFFO") are important non-GAAP supplemental measures of operating performance for a REIT.

FFO attributable to common shares and units is a non-GAAP financial measure that is widely recognized as a measure of REIT operating performance. We consider FFO to be an appropriate supplemental measure of our operating performance as it is based on a net income analysis of property portfolio performance that excludes non-cash items such as depreciation. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative. We define FFO, consistent with the NAREIT definition, as net income, computed in accordance with GAAP, excluding gains or losses on sales of depreciable real estate property, plus depreciation and amortization of real estate assets, plus impairment write-downs of depreciable real estate, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis.

CFFO makes certain adjustments to FFO, removing the effect of items that do not reflect ongoing property operations such as acquisition expenses, non-cash interest, unrealized gains or losses on derivatives, losses on extinguishment of debt and debt modification costs (includes prepayment penalties incurred and the write-off of unamortized deferred financing costs and fair market value adjustments of assumed debt), one-time weather-related costs, gains or losses on sales of non-depreciable real estate property, shareholder activism, stock compensation expense and preferred stock accretion. We believe that CFFO is helpful to investors as a supplemental performance measure because it excludes the effects of certain items which can create significant earnings volatility, but which do not directly relate to our core recurring property operations. As a result, we believe that CFFO can help facilitate comparisons of operating performance between periods and provides a more meaningful predictor of future earnings potential.

Our calculation of CFFO differs from the methodology used for calculating CFFO by certain other REITs and, accordingly, our CFFO may not be comparable to CFFO reported by other REITs. Our management utilizes FFO and CFFO as measures of our operating performance after adjustment for certain non-cash items, such as depreciation and amortization expenses, and acquisition and pursuit costs that are required by GAAP to be expensed but may not necessarily be indicative of current operating performance and that may not accurately compare our operating performance between periods. Furthermore, although FFO and CFFO and other supplemental performance measures are defined in various ways throughout the REIT industry, we also believe that FFO and CFFO may provide us and our stockholders with an additional useful measure to compare our financial performance to certain other REITs.

Neither FFO nor CFFO is equivalent to net income, including net income attributable to common stockholders, or cash generated from operating activities determined in accordance with GAAP. Furthermore, FFO and CFFO do not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments or uncertainties. Neither FFO nor CFFO should be considered as an alternative to net income, including net income attributable to common stockholders, as an indicator of our operating performance or as an alternative to cash flow from operating activities as a measure of our liquidity.

We have acquired four operating properties and four properties held through preferred equity or mezzanine loan investments subsequent to June 30, 2018. The results presented in the table below are not directly comparable and should not be considered an indication of our future operating performance.

The table below presents our calculation of FFO and CFFO for the three and six months ended June 30, 2019 and 2018 (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net loss attributable to common shares	**$ (10,990)**	**$ (10,212)**	**$ (23,083)**	**$ (19,638)**
Add back: Net loss attributable to Operating Partnership units	(3,887)	(3,010)	(7,938)	(5,685)
Net loss attributable to common shares and units	**(14,877)**	**(13,222)**	**(31,021)**	**(25,323)**
Common stockholders and Operating Partnership units pro-rata share of:				
Real estate depreciation and amortization (1)	15,290	13,990	31,432	28,821
FFO Attributable to Common Shares and Units	**413**	**768**	**411**	**3,498**
Common stockholders and Operating Partnership units pro-rata share of:				
Acquisition and pursuit costs	70	28	128	71
Non-cash interest expense	786	1,602	1,561	2,062
Unrealized loss on derivatives	652	—	2,287	—
Loss on extinguishment of debt and debt modification costs	—	653	—	653
Weather-related losses, net	249	—	249	165
Non-real estate depreciation and amortization	84	75	170	139
Gain on sale of non-depreciable real estate investments	—	—	(679)	—
Shareholder activism	55	—	393	—
Non-cash preferred returns on unconsolidated real estate joint ventures	(386)	(233)	(598)	(464)
Non-cash equity compensation	2,427	1,638	4,819	3,418
Preferred stock accretion	2,316	1,400	4,203	2,510
CFFO Attributable to Common Shares and Units	**$ 6,666**	**$ 5,931**	**$ 12,944**	**$ 12,052**
Per Share and Unit Information:				
FFO Attributable to Common Shares and Units - diluted	**$ 0.01**	**$ 0.02**	**$ 0.01**	**$ 0.11**
CFFO Attributable to Common Shares and Units - diluted	**$ 0.22**	**$ 0.19**	**$ 0.42**	**$ 0.39**
Weighted average common shares and units outstanding - diluted	**30,550,863**	**30,814,839**	**30,704,271**	**30,873,023**

(1) The real estate depreciation and amortization amount includes our share of consolidated real estate-related depreciation and amortization of intangibles, less amounts attributable to noncontrolling interests for partially owned properties, and our similar estimated share of unconsolidated depreciation and amortization, which is included in earnings of our unconsolidated real estate joint venture investments.

Operating cash flow, FFO and CFFO may also be used to fund all or a portion of certain capitalizable items that are excluded from FFO and CFFO.

Presentation of this information is intended to assist the reader in comparing the sustainability of the operating performance of different REITs, although it should be noted that not all REITs calculate FFO or CFFO the same way, so comparisons with other REITs may not be meaningful. FFO or CFFO should not be considered as an alternative to net income (loss) or as an indication of our liquidity, nor is either indicative of funds available to fund our cash needs, including our ability to make distributions. Both FFO and CFFO should be reviewed in connection with other GAAP measurements.

Contractual Obligations

The following table summarizes our contractual obligations as of June 30, 2019 (in thousands) which consisted of mortgage notes secured by our properties and revolving credit facilities. At June 30, 2019, our estimated future required payments on these obligations were:

	Total	Remainder of 2019	2020-2021	2022-2023	Thereafter
Mortgages Payable (Principal)	$ 1,289,183	$ 3,960	$ 46,980	$ 315,252	$ 922,991
Revolving Credit Facilities	101,300	32,500	68,800	—	—
Estimated Interest Payments on Mortgages Payable, Revolving Credit Facilities and Term Loan	287,358	28,858	106,070	93,915	58,515
Total	**$ 1,677,841**	**$ 65,318**	**$ 221,850**	**$ 409,167**	**$ 981,506**

Estimated interest payments are based on the stated rates for mortgage notes payable assuming the interest rate in effect for the most recent quarter remains in effect through the respective maturity dates.

Distributions

Declaration Date	Payable to stockholders of record as of	Amount	Date Paid
Class A Common Stock			
December 7, 2018	December 24, 2018	$ 0.162500	January 4, 2019
March 8, 2019	March 25, 2019	$ 0.162500	April 5, 2019
June 7, 2019	June 25, 2019	$ 0.162500	July 5, 2019
Class C Common Stock			
December 7, 2018	December 24, 2018	$ 0.162500	January 4, 2019
March 8, 2019	March 25, 2019	$ 0.162500	April 5, 2019
June 7, 2019	June 25, 2019	$ 0.162500	July 5, 2019
Series A Preferred Stock			
December 7, 2018	December 24, 2018	$ 0.515625	January 4, 2019
March 8, 2019	March 25, 2019	$ 0.515625	April 5, 2019
June 7, 2019	June 25, 2019	$ 0.515625	July 5, 2019
Series B Preferred Stock			
October 12, 2018	December 24, 2018	$ 5.00	January 4, 2019
January 11, 2019	January 25, 2019	$ 5.00	February 5, 2019
January 11, 2019	February 25, 2019	$ 5.00	March 5, 2019
January 11, 2019	March 25, 2019	$ 5.00	April 5, 2019
April 12, 2019	April 25, 2019	$ 5.00	May 3, 2019
April 12, 2019	May 24, 2019	$ 5.00	June 5, 2019
April 12, 2019	June 25, 2019	$ 5.00	July 5, 2019
Series C Preferred Stock			
December 7, 2018	December 24, 2018	$ 0.4765625	January 4, 2019
March 8, 2019	March 25, 2019	$ 0.4765625	April 5, 2019
June 7, 2019	June 25, 2019	$ 0.4765625	July 5, 2019
Series D Preferred Stock			
December 7, 2018	December 24, 2018	$ 0.4453125	January 4, 2019
March 8, 2019	March 25, 2019	$ 0.4453125	April 5, 2019
June 7, 2019	June 25, 2019	$ 0.4453125	July 5, 2019

A portion of each dividend may constitute a return of capital for tax purposes. There is no assurance that the Company will continue to declare dividends or at this rate.

Our Board will determine the amount of dividends to be paid to our stockholders. The Board’s determination will be based on a number of factors, including funds available from operations, our capital expenditure requirements and the annual distribution requirements necessary to maintain our REIT status under the Internal Revenue Code. As a result, our distribution rate and payment frequency may vary from time to time. However, to qualify as a REIT for tax purposes, we must make distributions equal to at least 90% of our “REIT taxable income” each year.

Distributions paid were funded from cash provided by operating activities except with respect to $4.8 million for the six months ended June 30, 2019, which was funded from sales of real estate, borrowings, and/or proceeds from our equity offerings.

	Six Months Ended June 30,	
	2019	2018
	(in thousands)	
Cash provided by operating activities	$ 27,053	$ 27,814
Cash distributions to preferred shareholders	$ (20,937)	$ (16,630)
Cash distributions to common shareholders	(7,570)	(6,218)
Cash distributions to noncontrolling interests	(3,393)	(2,780)
Total distributions	(31,900)	(25,628)
(Shortfall) excess	$ (4,847)	$ 2,186
Proceeds from sale of real estate investments	$ 952	$ —

Significant Accounting Policies and Critical Accounting Estimates

Our significant accounting policies and critical accounting estimates are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018 and Note 2 “Basis of Presentation and Summary of Significant Accounting Policies” to the interim Consolidated Financial Statements.

Subsequent Events

Other than the items disclosed in Note 15, “Subsequent Events” to our interim Consolidated Financial Statements for the period ended June 30, 2019, no material events have occurred that required recognition or disclosure in these financial statements. See Note 15 to our interim Consolidated Financial Statements for discussion.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to interest rate risk primarily through borrowing activities. There is inherent roll-over risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and our future financing requirements. We are not subject to foreign exchange rates or commodity price risk, and all our financial instruments were entered into for other than trading purposes.

Our interest rate risk is monitored using a variety of techniques. The table below presents the principal payments and the weighted average interest rates on outstanding debt, by year of expected maturity, to evaluate the expected cash flows and sensitivity to interest rate changes.

	2019	2020	2021	2022	2023	Thereafter	Total
Mortgage Notes Payable	$ 3,960	$ 30,739	$ 16,241	$ 92,556	$ 222,696	$ 922,991	$ 1,289,183
Weighted Average Interest Rate	4.13%	3.67%	4.05%	3.72%	4.06%	4.10%	4.05%
Revolving Credit Facilities and Term Loan	$ 32,500	$ 68,800	$ -	$ -	$ -	$ -	$ 101,300
Weighted Average Interest Rate	5.92%	4.76%	-	-	-	-	5.13%

The fair value of mortgages payable is estimated at $1,305.2 million as of June 30, 2019.

The table above incorporates those exposures that exist as of June 30, 2019; it does not consider those exposures or positions which could arise after that date. As a result, our ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period and interest rates.

As of June 30, 2019, a 100-basis point increase or decrease in interest rates on the portion of our debt bearing interest at floating rates would result in an increase in interest expense of approximately $142,000 or decrease in interest expense by $1,163,000 for the quarter ended June 30, 2019.

As of June 30, 2019, we had twelve interest rate caps, which are not accounted for as hedges, that we primarily use as part of our interest rate risk management strategy. Our interest rate caps effectively limit our exposure to interest rate risk by providing a ceiling on the underlying floating interest rates of our tax-exempt floating rate debt.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) and Rule 15d-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), our management, including our Chief Executive Officer and Chief Financial Officer, evaluated, as of June 30, 2019, the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e) and Rule 15d-15(e). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2019 to provide reasonable assurance that information required to be disclosed by us in this report filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Exchange Act and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

We believe, however, that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls systems are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

There has been no change in internal control over financial reporting that occurred during the three months ended June 30, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Other than the following, there have been no material changes to our potential risks and uncertainties presented in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the twelve months ended December 31, 2018 filed with the SEC on February 27, 2019.

Your interests could be diluted by the incurrence of additional debt, the issuance of additional shares of preferred stock, including additional shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock (together the "Preferred Stock") and by other transactions.

As of June 30, 2019, our total indebtedness was approximately $1.4 billion, and we may incur significant additional debt in the future. The Preferred Stock is subordinate to all our existing and future debt and liabilities and those of our subsidiaries. Our future debt may include restrictions on our ability to pay dividends to preferred stockholders in the event of a default under the debt facilities or under other circumstances. Our charter currently authorizes the issuance of up to 250,000,000 shares of preferred stock in one or more classes or series, and as of June 30, 2019, the number of preferred shares outstanding was as follows: 5,721,460 shares of Series A Preferred Stock, 399,502 shares of Series B Preferred Stock, 2,323,750 shares of Series C Preferred Stock and 2,850,602 shares of Series D Preferred Stock. The issuance of additional preferred stock on parity with or senior to the Preferred Stock would dilute the interests of the holders of shares of Preferred Stock, and any issuance of preferred stock senior to the Preferred Stock or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on the Preferred Stock. We may issue preferred stock on parity with the Preferred Stock without the consent of the holders of the Preferred Stock. Other than the Asset Coverage Ratio, our letter agreement with Cetera Financial Group, Inc. pertaining to our Series B Preferred Stock that requires us to maintain a preferred dividend coverage ratio and the right of holders to cause us to redeem the Series A Preferred Stock and Series C Preferred Stock upon a Change of Control/Delisting, none of the provisions relating to the Preferred Stock relate to or limit our indebtedness or afford the holders of shares of Preferred Stock protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, that might adversely affect the holders of shares of Preferred Stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Renewal of Administrative Services Agreement

As previously disclosed in the Company's Form 8-K filed with the SEC on November 6, 2017, on October 31, 2017, the Company entered into the Administrative Services Agreement with BRE, pursuant to which BRE provides the Company with certain human resources, investor relations, marketing, legal and other administrative services. The initial term of the Administrative Services Agreement was to expire on October 31, 2018. On August 6, 2018, the Company delivered written notice to BRE of the Company's intention to renew the Administrative Services Agreement for an additional one-year term, to expire on October 31, 2019, unless renewed by the Company's delivery to BRE of written notice of its intention to renew at least sixty (60) days prior to such expiration date.

On August 2, 2019, the Company delivered written notice to BRE of the Company's intention to renew the Administrative Services Agreement for an additional one-year term, to expire on October 31, 2020.

Because this Quarterly Report on Form 10-Q is being filed within four business days from the date of the reportable events, we have elected to make the foregoing disclosure in this Quarterly Report on Form 10-Q instead of in a Current Report on Form 8-K under Item 1.01.

Amendment and Restatement of Code of Business Conduct and Ethics

In conjunction with the Company's ongoing review of its corporate governance policies, effective August 2, 2019, the Board amended and restated the Company's Code of Business Conduct and Ethics originally adopted on March 26, 2014 (the "Original Code of Ethics"), which is now referred to as the Amended and Restated Code of Business Conduct and Ethics (the "A&R Code of Ethics"). The Original Code of Ethics described the standards of conduct for all employees, officers and directors of the Company, and employees, members, officers and directors of the former Manager and Bluerock who provided services to the Company. The A&R Code of Ethics more accurately reflects the Company's management and operational structure resulting from the internalization of the former Manager as of October 31, 2017, and describes the standards of conduct for all employees, officers and directors of the Company, and employees, members, officers and directors of the Operating Partnership, its wholly owned subsidiary, Bluerock REIT Operator, LLC ("REIT Operator"), and/or Bluerock who provide services to the Company (collectively, "Company Personnel"), as well as to any firm or individual that provides a product or service to the Company, the Operating Partnership and/or REIT Operator (collectively, "Vendors"). In addition, under the A&R Code of Ethics, the Company's Chief Legal Officer is responsible for overseeing and monitoring compliance therewith, whereas such duties were previously the responsibility of the Company's General Counsel.

The foregoing summary is qualified in its entirety by reference to the A&R Code of Ethics, a copy of which is filed as Exhibit 14.1 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Because this Quarterly Report on Form 10-Q is being filed within four business days of the date of the reportable events, we have elected to make the foregoing disclosure in this Quarterly Report on Form 10-Q instead of in a Current Report on Form 8-K under Item 5.05.

Change of Principal Address

On July 26, 2019, the Company moved its principal executive offices from 712 Fifth Avenue, 9th Floor New York, New York 10019 to 1345 Avenue of the Americas, 32nd Floor New York, New York 10105. The Company's telephone number remains the same: (212) 843-1601.

Item 6. Exhibits

10.1 Employment Agreement, dated as of November 5, 2018, by and between Bluerock Residential Growth REIT, Inc., Bluerock Residential Holdings, L.P., Bluerock REIT Operator, LLC, and Michael DiFranco, incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 5, 2019

10.2 Purchase and Sale Agreement, between BR Carroll Phillips Creek Ranch, LLC and Carter-Haston Holdings, L.L.C, dated June 17, 2019, incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 21, 2019

10.3 First Amendment to Purchase and Sale Agreement, between BR Carroll Phillips Creek Ranch, LLC and Carter-Haston Holdings, L.L.C, dated June 17, 2019, incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed June 21, 2019

10.4 Purchase and Sale Agreement, between BR World Gateway, LLC and KRE Topaz Portfolio Investor LLC, dated June 17, 2019, incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed June 21, 2019

10.5 First Amendment to Purchase and Sale Agreement, between BR World Gateway, LLC and KRE Topaz Portfolio Investor, LLC, dated June 17, 2019, incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed June 21, 2019

10.6 Purchase and Sale Agreement, between each of BR Carroll Keller Crossing, LLC, BR-TBR Lake Boone NC Owner, LLC and BR Preston View, LLC, and KRE Topaz Portfolio Investor LLC, dated June 17, 2019, incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed June 21, 2019

10.7 First Amendment to Purchase and Sale Agreement, between each of BR Carroll Keller Crossing, LLC, BR-TBR Lake Boone NC Owner, LLC and BR Preston View, LLC, and KRE Topaz Portfolio Investor LLC, dated June 17, 2019, incorporated herein by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed June 21, 2019

10.8 Second Amendment to Purchase and Sale Agreement, dated as of July 15, 2019, by and among BR Carroll Keller Crossing, LLC, BR-TBR Lake Boone NC Owner, LLC, Tribridge Co-Invest 29 Lake Boone Owner, LLC, LB One Leigh House Owner, LLC, Coyote Leigh House Capital Owner, LLC, TBR LHP TIC, LLC, BR Preston View LLC and KRE Topaz Portfolio Investor, LLC, incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 19, 2019

10.9	Notice of Renewal, dated August 2, 2019, of Administrative Services Agreement dated October 31, 2017, by and among Bluerock Real Estate, L.L.C., Bluerock Real Estate Holdings, LLC, Bluerock Residential Growth REIT, Inc., Bluerock Residential Holdings, L.P., Bluerock TRS Holdings, LLC and Bluerock REIT Operator, LLC
14.1	Amended and Restated Code of Business Conduct and Ethics, effective August 2, 2019
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Press Release dated May 7, 2019, incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed May 7, 2019
99.2	Supplemental Financial Information, incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed May 7, 2019
99.3	Presentation dated June 4, 2019, incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed June 3, 2019
101.1	The following information from the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2019, formatted in XBRL (eXtensible Business Reporting Language): (i) Balance Sheets; (ii) Statements of Operations; (iii) Statement of Stockholders' Equity; (iv) Statements of Cash Flows.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLUEROCK RESIDENTIAL GROWTH REIT, INC.

DATE: August 6, 2019	/s/ R. Ramin Kamfar R. Ramin Kamfar Chief Executive Officer (Principal Executive Officer)
DATE: August 6, 2019	/s/ Christopher J. Vohs Christopher J. Vohs Chief Financial Officer and Treasurer (Principal Financial Officer, Principal Accounting Officer)

(Back To Top)

Section 2: EX-10.9 (EXHIBIT 10.9)

Exhibit 10.9

BRG BLUEROCK™ RESIDENTIAL

August 2, 2019

Via Electronic Mail and First Class Mail

Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas, 32nd Floor
New York, New York 10105
Attention: Michael Konig
Email: mkonig@bluerockre.com

Bluerock Real Estate Holdings, LLC
1345 Avenue of the Americas, 32nd Floor
New York, New York 10105
Attention: Michael Konig
Email: mkonig@bluerockre.com

Re: Notice of Renewal of Administrative Services Agreement dated October 31, 2017 (the "Agreement"), by and between Bluerock Real Estate, L.L.C. ("BRRE") and Bluerock Real Estate Holdings, LLC ("BREH," and together with BRRE, the "Bluerock Entities"), and Bluerock Residential Growth REIT, Inc. (the "REIT"), Bluerock Residential Holdings, L.P. (the "OP"), Bluerock TRS Holdings, LLC (the "TRS"), and Bluerock REIT Operator, LLC ("REIT Operator," and together with the REIT, the OP and the TRS, the "Company").

Gentlemen:

The Company hereby notifies the Bluerock Entities that pursuant to Section 9.1 of the Agreement, the Company elects to renew the Agreement for an additional one-year term, to expire on October 31, 2020.

Please let me know if you have any questions.

Sincerely,

/s/ Jordan B. Ruddy

Jordan B. Ruddy
Chief Operating Officer and President
Bluerock Residential Growth REIT, Inc.

Cc: R. Ramin Kamfar (via email)

(Back To Top)

Section 3: EX-14.1 (EXHIBIT 14.1)

Exhibit 14.1

BLUEROCK RESIDENTIAL GROWTH REIT, INC.
AMENDED AND RESTATED CODE OF BUSINESS CONDUCT AND ETHICS
Effective August 2, 2019

I. PUTTING THIS AMENDED AND RESTATED CODE OF BUSINESS CONDUCT AND ETHICS TO WORK

About this Amended and Restated Code of Business Conduct and Ethics

We at Bluerock Residential Growth REIT, Inc. (the "Company") are committed to the highest standards of business conduct in our relationships with each other, with companies with which we do business and with our stockholders and others. This requires that we conduct our business in accordance with all applicable laws and regulations and in accordance with the highest standards of business ethics. This Amended and Restated Code of Business Conduct and Ethics (this "Code") helps each of us in this endeavor by providing a statement of the fundamental principles and key policies and procedures that govern the conduct of our business. This Code operates in conjunction with, and in addition to, the policies of the Company's operating partnership, Bluerock Residential Holdings, L.P. (the "Operating Partnership"), its wholly owned subsidiary, Bluerock REIT Operator, LLC ("REIT Operator"), and Bluerock Real Estate, L.L.C., the Company's affiliate ("Bluerock"). This Code describes standards of conduct for all employees, officers and directors of the Company, and employees, members, officers and directors of the Operating Partnership and/or REIT Operator who provide services to the Company (collectively, "Company Personnel"), as well as to any firm or individual that provides a product or service to the Company, the Operating Partnership and/or REIT Operator (collectively, "Vendors"). This Code is a statement of the Company's expectations for Company Personnel and Vendors. Neither the adoption of this Code nor any description of its provisions constitutes a representation that all Company Personnel and Vendors are at any time in full compliance therewith. For the avoidance of doubt, in the event the policies and/or procedures of this Code differ from the policies and/or procedures of the Company's Code of Ethics for Senior Executive and Financial Officers (the "SOX Code"), the policies and/or procedures of the SOX Code will control for purposes of the Company Personnel who are subject to the SOX Code.

The purpose of this Code is to deter wrongdoing and to promote: (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, (ii) full, fair, accurate, timely and understandable disclosure in our Securities and Exchange Commission reports and other public communications, (iii) compliance with applicable laws, rules and regulations, including insider trading laws, (iv) prompt internal reporting of violations of the Code to appropriate persons identified in the Code, and (v) accountability for adherence to the Code.

Our business depends on the quality of the Company's reputation and, in turn, on all of us to exhibit integrity and engage only in principled business conduct. Thus, in many instances, the policies referenced in this Code go beyond the requirements of the law.

This Code is a statement of policies for individual and business conduct and does not, in any way, constitute an employment contract or an assurance of continued employment. Employees of the Company are employed at-will except when they are covered by an express, written employment agreement. This means that an employee may choose to resign his or her employment at any time, for any reason or for no reason at all. Similarly, the Company may choose to terminate an individual's employment at any time, for any legal reason or for no reason at all.

Meeting Our Shared Obligations

Each of us is responsible for knowing and understanding the policies and guidelines contained in the following pages. If questions arise, ask them; if there are ethical concerns, raise them. The Company's Chief Legal Officer is responsible for overseeing and monitoring compliance with this Code, and the other resources set forth in this Code are available to answer questions and provide guidance and for all to report suspected misconduct. Our conduct must reflect the Company's values, demonstrate ethical leadership and promote a work environment that upholds the Company's reputation for integrity, ethical conduct and trust.

II. RESPONSIBILITY TO OUR ORGANIZATION

Company Personnel are expected to dedicate their best efforts to the business of the Company and to avoid any conflicts with the interests of the Company.

Conflicts of Interest

The identification and management of all conflicts of interest must be fundamental considerations in all of your business-related activities. Broadly speaking, a conflict of interest may be present whenever your personal interests are inconsistent with, or appear to be inconsistent with, those of the Company. Conflicts of interest, if not properly addressed, can cause serious harm to the Company. Even the mere appearance of a conflict of interest (i.e., where no conflict may actually exist) can result in potentially irreversible damage to the Company's reputation. As such, it is the responsibility of each of us to help in the effort to identify actual or potential conflicts of interest associated with the Company's business and promptly bring any such issues to the attention of the Company's Chief Legal Officer.

In order to maintain the highest degree of integrity in the conduct of the Company's business and to maintain independent judgment, Company Personnel must avoid any activity or personal interest that creates or appears to create a conflict between her or his personal interests and the interests of the Company. A conflict of interest occurs when the individual's personal or private interests interfere in any way, or even appear to interfere, with the interests of the Company as a whole. A conflict situation can arise when the individual takes actions or has interests that make it difficult for the individual to perform her or his work objectively and effectively on behalf of the Company. Company Personnel should never act in a manner that could cause them to lose their independence and objectivity or that could adversely affect the confidence of the companies with which we do business or fellow Company Personnel, or the integrity of the Company or its procedures.

Although we cannot list every conceivable conflict, the following are some common examples that illustrate actual or apparent conflicts of interest that should be avoided:

- Improper Personal Benefits from the Company. Conflicts of interest arise when Company Personnel, or members of the family of Company Personnel, receive improper personal benefits as a result of a position with the Company, the Operating Partnership, or REIT Operator. Loans to, or guarantees of obligations of, such persons are of special concern. Company Personnel may not accept any benefits from the Company that have not been duly authorized and approved pursuant to Company policy and procedures.

- Business Arrangements with the Company. Other than in their roles as employees, members, officers and/or directors of the Operating Partnership or REIT Operator, Company Personnel may not participate in a joint venture, partnership or other business arrangement with the Company, without the prior approval of a majority of the Company's Board of Directors (the "Board").

- Outside Employment or Activities. Other than employment with, or being a member of, or serving as an officer or director of, the Operating Partnership, REIT Operator or Bluerock or with the prior written consent of the Company's Chief Legal Officer, simultaneous employment with any other entity, serving as a trustee/director of a significant competitor of the Company, serving as a trustee/director of any entity in which the Company is invested or engaging in any activity that Company Personnel should reasonably expect to advance a competitor's interests is strictly prohibited. It is the responsibility of such person to consult with the Company's Chief Legal Officer to determine whether a planned activity will compete impermissibly with any of the Company's business activities before such person pursues the activity in question.

- Charitable, Government and Other Outside Activities. The Company encourages all Company Personnel to participate in projects and causes that further the welfare of our local communities. However, Company Personnel must obtain the prior written approval of the Company's Chief Legal Officer before serving as a trustee/director of any not-for-profit, for-profit or other entity or before running for election or seeking appointment to any government-related position.

- Family Members Working In The Industry. Company Personnel may find themselves in a situation where their spouse or significant other, one or more of their children, parents or in-laws, or someone else with whom they have a familial relationship is employed by a competitor of the Company or a company with which we do business. Such situations are not prohibited, but they call for extra sensitivity to security, confidentiality and conflicts of interest. There are several factors to consider in assessing such a situation. Among them: the relationship between the Company and the other company; the nature of the responsibilities of the applicable Company Personnel with respect to the Company and those of the other person; and the access each of them has to their respective employer's confidential information. Such a situation, however harmless it may appear, could arouse suspicions among associates that might affect working relationships. The very appearance of a conflict of interest can create problems, regardless of the propriety of the individual's behavior.

To remove any such doubts or suspicions, Company Personnel must disclose their specific situation to the Company's Chief Legal Officer to assess the nature and extent of any concern and how it can be resolved. In some instances, any risk to the Company's interests may be sufficiently remote such that the Company's Chief Legal Officer may only remind you to guard against inadvertently disclosing Company confidential information and not to be involved in decisions on behalf of the Company that involve the other company.

- Potential Company Conflicts of Interest. There are a variety of situations in which the Company itself may be viewed as having a conflict of interest. Ultimately, each of us is responsible for helping to identify Company-related conflicts of interest and promptly raising them with the Company's Chief Legal Officer.

Company Opportunities

Company Personnel owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Company Personnel may not take for themselves personally opportunities that are discovered through the use of Company property, information or position or use Company property, information or position for personal gain. Nor may they compete with the Company.

Entertainment, Gifts and Gratuities

When Company Personnel are involved in making business decisions on behalf of the Company, their decisions must be based on uncompromised objectivity of judgment. Individuals interacting with any person who has business dealings with the Company (including companies with which the Company does business, competitors, contractors and consultants) must conduct such activities in the best interest of the Company. Company Personnel must not accept any gifts, entertainment or gratuities that could influence or be perceived to influence decisions about the Company's best interests.

- Receipt of Gifts and Entertainment. Company Personnel must not accept any gifts, entertainment or gratuities that could influence or be perceived to influence their business decisions on behalf of the Company. They must never request or ask for gifts, entertainment or any other business courtesies from people doing business with the Company. Unsolicited gifts and business courtesies, including meals and entertainment, are permissible if they are customary and commonly accepted business courtesies; are not excessive in value; and are given and accepted without an express or implied understanding that the individual is in any way obligated by his or her acceptance of the gift. Gifts that are outside these guidelines may not be accepted without the prior written approval of the Company's Chief Legal Officer. Gifts of cash or cash equivalents (including gift certificates, securities, below-market loans, etc.) in any amount are prohibited and must be returned promptly to the donor. Loans (not including loans at market rates from financial institutions made in the ordinary course of business) from any counter-party, or entity in which the Company has an interest, are prohibited.

- Offering Gifts and Entertainment. When the Company is providing a gift, entertainment or other accommodation in connection with Company business, it must do so in a manner that is in good taste and without excessive expense. Company Personnel may not furnish or offer to furnish any gift that goes beyond the common courtesies associated with accepted business practices or that is excessive in value. The above guidelines for receiving gifts should be followed in determining when it is appropriate to give gifts and when prior written approval is necessary. Companies with which we do business likely have gift and entertainment policies of their own. We must be careful never to provide a gift or entertainment that violates the other company's gift and entertainment policy.

What is acceptable in the commercial business environment may be entirely unacceptable in dealings with the government. There are strict laws that govern providing gifts, including meals, entertainment, transportation and lodging, to government officials and employees. Company Personnel are prohibited from providing gifts or anything of value to government officials or employees or members of their families in connection with Company business without the prior written approval of the Company's Chief Legal Officer. For more information, see the section of this Code entitled "Interacting with Government."

Giving or receiving any payment or gift in the nature of a bribe or kickback is absolutely prohibited.

Company Personnel who encounter an actual or potential conflict of interest, face a situation where declining the acceptance of a gift may jeopardize a Company relationship, are requested to pay a bribe or provide a kickback or encounter a suspected violation of this Code must immediately report the situation to the Company's Chief Legal Officer.

Protection and Proper Use of Company Assets

We each have a duty to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company Personnel should take measures to prevent damage to and theft or misuse of Company property. All Company assets should be used only for legitimate business purposes. When an individual leaves the Company, all Company property must be returned to the Company. Incidental and occasional personal use of the Company's electronic mail and telephone systems is permitted. However, the Company's computer and telephone systems are Company property and therefore, Company Personnel utilizing them for personal purposes or messages should have no expectation of personal privacy in connection with their use of these resources, except as specifically authorized in this Code or elsewhere.

Company Books and Records

All Company documents must be completed accurately, truthfully and in a timely manner, including all travel and expense reports. When applicable, documents must be properly authorized. The Company's financial activities must be recorded in compliance with all applicable laws and accounting practices. The making of false or misleading entries, records or documentation is strictly prohibited. Company Personnel and Vendors must never create a false or misleading report or make a payment or establish an account on behalf of the Company with the understanding that any part of the payment or account is to be used for a purpose other than as described by the supporting documents.

Record Retention

In the course of its business, the Company produces and receives large numbers of documents. Numerous laws require the retention of certain Company documents for various periods of time. The Company is committed to compliance with all applicable laws and regulations relating to the preservation of records. The Company's policy is to identify, maintain, safeguard and destroy or retain, as determined to be required, all records in the Company's possession on a systematic and regular basis.

An individual who learns of a subpoena or a pending or contemplated litigation or government investigation should immediately contact the Company's Chief Legal Officer. The individual must retain and preserve all records that may be responsive to the subpoena or relevant to the litigation or that may pertain to the investigation until he or she is advised by the Company's Chief Legal Officer as to how to proceed. The individual must also affirmatively preserve from destruction all relevant records that, without intervention, would automatically be destroyed or erased (such as e-mails and voicemail messages). Destruction of such records, even if inadvertent, could seriously prejudice the Company. Any questions regarding whether a particular record pertains to a pending or contemplated investigation or litigation or may be responsive to a subpoena or regarding how to preserve particular types of records should be directed to the Company's Chief Legal Officer.

Confidential Information

Company Personnel and Vendors may learn, to a greater or lesser degree, facts about the Company's business, plans, operations or "secrets of success" that are not known to the general public or to competitors. Sensitive information such as data of companies with which we do business, the terms and prices offered or paid for properties or their disposition, and marketing or strategic plans, are examples of the Company's confidential information or trade secrets. Confidential information includes all nonpublic information that might be of use to competitors, or harmful to the Company or companies with which we do business, if disclosed. During the course of performing their responsibilities, Company Personnel and Vendors may obtain information concerning possible transactions with other companies or receive confidential information concerning other companies that the Company may be under an obligation to maintain as confidential.

Company Personnel and Vendors must maintain the confidentiality of information entrusted to them by the Company or companies with which the Company does business, except when disclosure is authorized or legally mandated. Company Personnel and Vendors who possess or have access to confidential information or trade secrets must:

- not use the information for their benefit or the benefit of persons inside or outside the Company, the Operating Partnership or REIT Operator.
- carefully guard against disclosure of that information to people outside the Company. For example, such matters should not be discussed with family members or business or social acquaintances or in places where the information may be overheard, such as taxis, public transportation, elevators or restaurants.

- not disclose confidential information to other Company Personnel or Vendors unless such Company Personnel or Vendors need the information to carry out business responsibilities.

Confidentiality agreements are commonly used when the Company needs to disclose confidential information to others. A confidentiality agreement puts the person receiving confidential information on notice that he or she must maintain the secrecy of such information. If, in doing business with persons not employed by or otherwise providing services to the Company, an individual foresees that he or she may need to disclose confidential information, he or she should call the Company's Chief Legal Officer and discuss the utility of entering into a confidentiality agreement.

The obligation to treat information as confidential does not end when an individual leaves, or a Vendor ceases to provide products or services to, the Company, the Operating Partnership, or REIT Operator, as the case may be. Upon separation from (or, for Vendors, upon cessation of provision of products or services to) the Company, the Operating Partnership, or REIT Operator, as the case may be, everything that belongs to the Company, including all documents and other materials containing confidential information of the Company, or that of companies with which we do business, must be returned. Confidential information must not be disclosed to a new employer or to others after separation from the Company.

Likewise a previous employer's confidential information must not be disclosed to the Company. Of course, individuals may use general skills and knowledge acquired during their previous employment.

Trademarks, Copyrights and Other Intellectual Property

- Trademarks. Company Personnel and Vendors must always properly use our trademarks and advise the Company's Chief Legal Officer of infringements by others. Similarly, the trademarks of third parties must be used properly.

- Copyright Compliance. All software or programs created by Company Personnel or Vendors in connection with their association with the Company or provision of services to the Company are "works for hire" and are the sole property of the Company. Company Personnel and Vendors understand that they have no right, title or interest in any intellectual property created by them in connection with their employment or provision of services to the Company unless otherwise expressly agreed to in writing by the Company's Chief Legal Officer.

  Works of authorship such as books, articles, drawings, computer software and other such materials may be covered by copyright laws. It is a violation of those laws and of the Company's policies to make unauthorized copies of or derivative works based upon copyrighted materials. The absence of a copyright notice does not necessarily mean that the materials are not copyrighted.

The Company licenses the use of some of its computer software from outside companies. In most instances, this computer software is protected by copyright. Company Personnel may not make, acquire or use unauthorized copies of computer software. Any questions concerning copyright laws should be directed to the Company's Chief Legal Officer.

- Intellectual Property Rights of Others. It is Company policy not to infringe upon the intellectual property rights of others. When using the name, trademarks, logos or printed materials of another company, including any such uses on the Company's website, if any, Company Personnel and Vendors must do so properly and in accordance with applicable law.

Computer and Communication Resources

The Company's communication resources, including computers, voicemail and e-mail, provide substantial benefits, but they also present significant security and liability risks to individuals and the Company. It is extremely important that Company Personnel take all necessary measures to secure their computer and any computer or voicemail passwords. All sensitive, confidential or restricted electronic information must be password protected, and, if sent across the Internet, must be protected by Company-approved encryption software. If an individual has any reason to believe that his or her password or the security of a Company computer or communication resource has in any manner been compromised, he or she must change the password immediately and report the incident to the Company's Chief Legal Officer.

When using Company resources to send e-mail, voicemail or to access Internet services, Company Personnel are acting as representatives of the Company. Any improper use of these resources may reflect poorly on the Company, damage its reputation and expose the individual and the Company to legal liability.

All of the computing resources used to provide computing and network connections throughout the Company are the property of the Company and are intended for use by Company Personnel (and Vendors, when applicable) to conduct the Company's business. All e-mail, voicemail and personal files stored on Company computers are Company property. Company Personnel and Vendors should therefore have no expectation of personal privacy in connection with these resources. The Company may, from time to time and at its sole discretion, review any files stored or transmitted on its computer and communication resources, including e-mail messages, for compliance with Company policy. Incidental and occasional personal use of electronic mail and telephones is permitted, but such use should be minimized and the length of the messages should be kept as short as possible, as these messages cost the Company in both productive time and money. Even personal messages on the Company's e-mail and voicemail systems are Company property.

Company resources must not be used in a way that may be disruptive or offensive to others or unlawful. At all times when sending e-mail or transmitting any other message or file, Company Personnel and Vendors should not transmit comments, language, images or other files that the Company would be embarrassed to have read by any person. Remember that "private" e-mail messages are easily forwarded to a wide audience. In addition, do not use these resources in a wasteful manner. Unnecessarily transmitting messages and other files wastes not only computer resources but also the time and effort of Company Personnel who then have to sort and read through unnecessary email.

Use of computer and communication resources must be consistent with all other Company policies, including those relating to harassment, privacy, copyright, trademark, trade secret and other intellectual property considerations.

Insider Trading

You are prohibited by Company policy and by law from buying or selling publicly traded securities for any purpose at a time when you are in possession of "material nonpublic information." This conduct is known as "insider trading." Insider trading is both unethical and illegal. Passing such information on to someone who may buy or sell securities – known as "tipping" – is also illegal. Information is considered "material" if a reasonable investor would consider it important in arriving at a decision to buy, sell or hold securities. If you have any question about whether a particular transaction may constitute insider trading, you should consult the Company's Insider Trading Policy which has been provided to you and, prior to trading, consult with the Company's Chief Legal Officer.

Related Person Transactions

All Company Personnel must promptly disclose to the Company's Audit Committee any "related person transaction" (defined as any existing or proposed transaction, arrangement, relationship or series of similar transactions, arrangements or relationships in which the Company is or was a participant and the amount involved exceeds $120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts about the transaction. If you have any question about whether a particular transaction may qualify as a related person transaction, you should consult the Company's Related Person Transaction Policy, which is available at https://ir.bluerockresidential.com/Cache/1500060276.PDF?O=PDF&T=&Y=&D=&FID=1500060276&iid=4214866, and consult with the Company's Chief Legal Officer.

Responding to Inquiries from Press and Others

Company Personnel and Vendors who are not official spokespersons for the Company may not speak with the press, securities analysts, other members of the financial community, stockholders or groups or organizations as a representative of the Company or about the Company's business unless specifically authorized to do so by the Company's Chief Executive Officer. Requests for financial or other information about the Company from the media, the press, the financial community, stockholders or the public should be referred to the Company's Chief Operating Officer. Requests for information from regulators or the government should be referred to the Company's Chief Legal Officer.

III. FAIR DEALING

The Company depends on its reputation for quality and integrity. The way we deal with competitors and companies with which we do business molds our reputation, builds long term trust and ultimately determines our success. Company Personnel and Vendors should endeavor to deal fairly with the Company's suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

IV. INTERACTING WITH GOVERNMENT

Prohibition on Gifts to Government Officials and Employees

The various branches and levels of government have different laws restricting gifts, including meals, entertainment, transportation and lodging that may be provided to government officials and government employees. Company Personnel are prohibited from providing gifts, meals or anything of value to government officials or employees or members of their families without the prior written approval of the Company's Chief Legal Officer.

Political Contributions and Activities

Laws of certain jurisdictions prohibit the use of Company funds, assets, services or facilities on behalf of a political party or candidate. Payments of corporate funds to any political party, candidate or campaign may be made only if permitted under applicable law and approved in writing and in advance by the Company's Chief Legal Officer.

Work time may be considered the equivalent of a contribution by the Company. Therefore, Company Personnel will not be paid by the Company for any time spent running for public office, serving as an elected official or campaigning for a political candidate. Nor will the Company compensate or reimburse them, in any form, for a political contribution that they intend to make or have made.

Lobbying Activities

Laws of some jurisdictions require registration and reporting by anyone who engages in a lobbying activity. Generally, lobbying includes: (1) communicating with any member or employee of a legislative branch of government for the purpose of influencing legislation; (2) communicating with certain government officials for the purpose of influencing government action; or (3) engaging in research or other activities to support or prepare for such communication.

So that the Company may comply with lobbying laws, Company Personnel must notify the Company's Chief Legal Officer before engaging in any activity on behalf of the Company that might be considered "lobbying" as described above.

Bribery of Foreign Officials

Company policy, the U.S. Foreign Corrupt Practices Act (the "FCPA") and the laws of many other countries prohibit the Company, Company Personnel, Vendors and agents from giving or offering to give money or anything of value to a foreign official, political party, party official or candidate for political office in order to influence official acts or decisions of that person or entity, to obtain or retain business or to secure any improper advantage. A foreign official is an officer or employee of a government or any department, agency or instrumentality thereof, or of certain international agencies, such as the World Bank or the United Nations, or any person acting in an official capacity on behalf of one of those entities. Officials of government-owned corporations are considered to be foreign officials.

Payments need not be in cash to be illegal. The FCPA prohibits giving or offering to give "anything of value." Over the years, many non-cash items have been the basis of bribery prosecutions, including travel expenses, golf outings, automobiles, and loans with favorable interest rates or repayment terms. Indirect payments made through agents, contractors or other third parties are also prohibited. Company Personnel and Vendors may not avoid liability by "turning a blind eye" when circumstances indicate a potential violation of the FCPA.

The FCPA does allow for certain permissible payments to foreign officials. Specifically, the law permits "facilitating" payments, which are payments of small value to effect routine government actions such as obtaining permits, licenses, visas, mail, utilities hook-ups and the like. However, determining what is a permissible "facilitating" payment involves difficult legal judgments. Therefore, Company Personnel must obtain permission from the Company's Chief Legal Officer before making any payment or gift thought to be exempt from the FCPA.

V. IMPLEMENTATION OF THIS CODE

Responsibilities

While each of us is individually responsible for putting this Code to work, we need not go it alone. The Company has a number of resources, people and processes in place to answer our questions and guide us through difficult decisions.

Copies of this Code are available from the Company's Chief Legal Officer, or at https://ir.bluerockresidential.com/governance-documents. A statement acknowledging compliance with this Code must be signed by all Company Personnel.

Seeking Guidance

This Code cannot provide definitive answers to all questions. If you have questions regarding any of the policies discussed in this Code, or if you are in doubt about the best course of action in a particular situation, you should seek guidance from your supervisor or the Company's Chief Legal Officer.

Reporting Violations

If you know of or suspect a violation of applicable laws or regulations, this Code or the Company's related policies, you must immediately report that information to the Company's Chief Legal Officer. No one will be subject to retaliation because of a good faith report of suspected misconduct.

Investigations of Suspected Violations

All reported violations will be promptly investigated and treated confidentially to the greatest extent possible. It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and the Company.

Discipline for Violations

The Company intends to use every reasonable effort to prevent the occurrence of conduct not in compliance with this Code and to halt any such conduct that may occur as soon as reasonably possible after its discovery. Subject to applicable laws, rules, regulations and agreements, Company Personnel and Vendors who violate this Code and/or other Company policies and procedures may be subject to disciplinary action, up to and including termination of their employment and/or association with the Company (as applicable), and if the complaint involves any employee, member, officer or director of the Operating Partnership, REIT Operator, or Vendor that provides services to the Company, the Company may also notify the Operating Partnership, REIT Operator, or Vendor of the matter, as appropriate.

Waivers of this Code

The Company will waive application of the policies set forth in this Code only where circumstances warrant granting a waiver. Waivers of this Code for executive officers or directors may be made only by the Board as a whole and must be promptly disclosed to stockholders as required by (i) the rules of the New York Stock Exchange, NYSE American LLC or any other nationally recognized securities exchange on which the Company’s securities are traded or (ii) any other law, rule or regulation. Waivers of this Code for other Company Personnel or Vendors may be made by the Company’s Chief Executive Officer and only upon such person making full disclosure in advance of the initiation or continuation of the conduct in question. This Code may be amended in whole or in part at any time with the approval of a majority of the Board.

No Rights Created

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of the Company’s business. It is not intended to and does not create any rights in any officer, employee, director, partner, Vendor, competitor or stockholder of the Company or any other person or entity.

Remember

The ultimate responsibility to assure that the Company complies with the many laws, rules, regulations and ethical standards affecting our business rests with each of all Company Personnel. You must become familiar with and conduct yourself strictly in compliance with those laws, rules, regulations and ethical standards and the Company’s policies and guidelines pertaining to them.

ACKNOWLEDGMENT FORM
(COMPANY PERSONNEL)

I have received and read the Bluerock Residential Growth REIT, Inc. Amended and Restated Code of Business Conduct and Ethics (the "Code"), and I understand its contents. I agree to comply fully with the standards, policies and procedures contained in the Code and the Company's related policies and procedures. I understand that I have an obligation to report to the Company's Chief Legal Officer any suspected violations of this Code of which I am aware. I acknowledge that this Code is a statement of policies for business conduct and does not, in any way, constitute an employment contract or an assurance of continued employment.

____
Signature

____
Printed Name

____
Date

(Back To Top)

Section 4: EX-31.1 (EXHIBIT 31.1)

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, R. Ramin Kamfar, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bluerock Residential Growth REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosures controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2019

/s/ R. Ramin Kamfar
R. Ramin Kamfar
Chief Executive Officer
(Principal Executive Officer)

(Back To Top)

Section 5: EX-31.2 (EXHIBIT 31.2)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Christopher J. Vohs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bluerock Residential Growth REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosures controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 6, 2019	/s/ Christopher J. Vohs
	Christopher J. Vohs Chief Financial Officer and Treasurer (Principal Financial Officer)

(Back To Top)

Section 6: EX-32.1 (EXHIBIT 32.1)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, as created by Section § 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Bluerock Residential Growth REIT, Inc. (the “Company”) hereby certify, to such officers’ knowledge, that:

(i) The accompanying Quarterly Report on Form 10-Q for the period ended June 30, 2019 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 6, 2019	/s/ R. Ramin Kamfar

R. Ramin Kamfar
Chief Executive Officer
(Principal Executive Officer)

August 6, 2019

/s/ Christopher J. Vohs
Christopher J. Vohs
Chief Financial Officer and Treasurer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

(Back To Top)