



Investor in Single-Tenant Federal Government Leased Facilities

HC Government Realty Trust, Inc. (“HCGR”), acquires, owns, and operates single-tenant, built/improved-to-suit properties leased by the United States of America, primarily through the U.S. General Services Administration (“GSA”). HCGR intends to qualify to be taxed as a real estate investment trust (“REIT”). We are offering up to \$30 million in common stock to fund the acquisition of federally-leased properties providing mission-critical and/or citizen service functions, as well as general working capital needs. HCGR intends to target an initial annual dividend of 5.5%, which may be funded in part from offering proceeds. The offering is being conducted pursuant to Tier 2 of Regulation A.

INVESTMENT HIGHLIGHTS

Strong Built-in Cash Flow with the United States as Tenant Leases associated with target assets are *full faith and credit obligations of the United States* and are not subject to the risk of annual appropriations. Federal government, single tenant lease renewal rates are high at 95% for first generation, single-tenant, built-to-suit properties. Average duration of occupancy is 25 years.

Highly Fragmented Market Leads to Attractive Risk-Adjusted Returns Target assets are owned predominately by small, regional owners and developers, making that sector of this market highly fragmented. GSA-leased properties currently trade at an average cap rate of 7.25% compared to 4.5% to 5.5% for investment grade, single-tenant, triple net leased properties, and a 10-year U.S. Treasury bond yield of less than 2%.

Large Inventory of Targeted Assets Over 1,300 GSA-leased properties in our targeted size throughout U.S. HCGR looks to mitigate lease renewal risk by owning specialized, mission-critical and customer service functioned properties, as well as portfolio diversification by agency, location and staggered lease expirations.

Experienced and Aligned Senior Management Team HCGR’s management experience in sourcing, developing, financing, owning, managing, and leasing government properties, including federal government-leased properties, aggregates over 110 years and \$3 billion, with relationships to owners, developers, brokers and lenders, allowing for off-market or limited-competitive acquisition opportunities at attractive cap rates. Management also has a significant equity stake and much of compensation is paid in equity, rather than cash.

Public Company Discipline HCGR will be governed by a majority independent Board of Directors, including the former CEO’s of Miller/Coors and Walmart Stores, and the CFO of First Industrial Realty Trust, Inc. HCGR intends to apply for quotation of its common stock on OTCQX Marketplace once the offering is closed.

Existing, High Quality Portfolio of Government Leased Assets HCGR owns, or will own as of the initial closing of the offering, a portfolio of ten single-tenant, 100% federal government-leased properties, totaling approximately 155,000 rentable square feet and an annual combined base rent of \$4.7 million.

HC Government Realty Trust, Inc.
1819 Main Street, Suite 212
Sarasota, FL 34236
941.955.7900

Edwin M. Stanton
Chief Executive Officer
estanton@holmwoodcapital.com

Robert R. Kaplan, Jr.
President
rkaplan@holmwoodcapital.com

Investor in Single-Tenant Federal Government Leased Facilities

CURRENT PORTFOLIO

GSA Property Location	Occupying Agency (Abbreviation)	Rentable Square Feet	% of Initial Portfolio	Lease Early Termination Date ⁽¹⁾	Lease Expiration Date ⁽²⁾	Annual Base Rent	Annual Base Rent % of Total
Cape Canaveral, Florida	U.S. Customs and Border Protection (CBP)	14,704	9.4%	7/15/2022	7/15/2027	\$645,805	13.7%
Fort Smith, Arkansas	U.S. Citizenship and Immigration Services (CIS)	13,816	8.9%	None	10/30/2029	419,627	8.9%
Johnson City, Tennessee	Federal Bureau of Investigation (FBI)	10,115	6.5%	8/20/2022	8/20/2027	392,077	8.3%
Jonesboro, Arkansas	Social Security Administration (SSA)	16,439	10.5%	1/11/2022	1/11/2027	616,155	13.0%
Lakewood, Colorado	Department of Transportation (DOT)	19,241	12.3%	None	6/20/2024	459,902	9.7%
Lawton, Oklahoma	Social Security Administration (SSA)	9,298	6.0%	8/17/2020	8/17/2025	281,143	6.0%
Lorain, Ohio	Social Security Administration (SSA)	11,607	7.4%	3/31/2021	3/11/2024	437,423	9.3%
Moore, Oklahoma	Social Security Administration (SSA)	17,058	10.9%	4/9/2022	4/9/2027	524,018	11.1%
Port Saint Lucie, Florida	U.S. Drug Enforcement Administration (DEA)	24,858	15.9%	5/31/2022	5/31/2027	562,257	11.9%
Silt, Colorado	Bureau of Land Management (BLM)	18,813	12.1%	9/30/2024	9/30/2029	385,029	8.2%
Portfolio Total		155,949	100.0%	4/6/2023	3/6/2027	\$4,723,436	100.0%

(1) Lease early termination date is the effective date, if any, upon which our GSA on behalf of the occupant may exercise a one-time right to terminate the applicable lease

(2) Lease expiration date is the date the applicable lease will terminate if the early termination is not exercised or if no early termination right exists

* Weighted average remaining portfolio lease terms of 6.77 years and 10.69 years, respectively, as of 6/30/16



DEA Office - Port Saint Lucie, FL



BLM Office – Silt, CO



CBP Office – Port Canaveral, FL

Please Note:

These materials have been prepared by HC Government Realty Trust, Inc. (the “Company”) solely for informational purposes and do not constitute an offer to sell or the solicitation of an offer to purchase securities. Any such offer will be made solely by means of the offering circular contained in a qualified offering statement. The information contained herein may not be used in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not qualified or to any person to whom it is unlawful to make such offer or solicitation. Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved or passed upon the accuracy or adequacy of the foregoing.

This presentation contains forward-looking statements, typically identified by the use of such terms as “may,” “should,” “could,” “intend,” “plan,” “anticipate,” “estimate,” “believe” or the negative of such terms and other comparable terminology. Forward-looking statements are based upon the Company’s current plans, expectations, estimates, assumptions and beliefs that involve numerous risks and uncertainties, including, but not limited to, those set forth in “Risk Factors” section of the offering circular, related to future economic and/or market conditions, as well as future business decisions, which are difficult or impossible to predict or which may be out of the Company’s control. Actual results could vary materially from those set forth in such forward-looking statements.

Before investing, one should carefully read the offering circular contained in the Company’s offering statement, which may be found at:

<https://www.sec.gov/cgi-bin/browse-edgar?company=HC+Government+Realty+Trust&owner=exclude&action=getcompany>.