

April 20, 2018



HC Government Realty Trust Issues First Quarter Corporate Update

Dear Shareholders and Stakeholders:

HC Government Realty Trust, Inc. ("HCGRT") ended the first quarter of 2018 with a number of notable strategic accomplishments:

- Three new properties under contract with anticipated closing dates in Q2 and Q3
- One new property in contract negotiations
- Approximately \$1 million of new equity raised through Common Stock sales
- 5% declared dividend in Q1
- Added top talent to our executive team with Jason Post as Vice President of Finance and Corporate Controller

As we enter the second quarter of 2018, we continue to effectively execute against our three key objectives: support capital raising activities; expand our portfolio of built-to-suit or improved-to-suit properties leased to the United States of America; and further enhance the Company's organizational structure and leadership team through the acquisition of top talent.

We would like to take this opportunity to update you on our progress and how we plan to further realize our vision going forward.

We Continue to Grow our Asset Base and Make Strategic Acquisitions

Central to our business plan is the identification and acquisition of federally-leased properties that meet carefully selected criteria -- leases that are full faith credit obligations of the United States of America and properties occupied by Federal agencies that fulfill mission-critical or direct citizen service functions. Our strategy is to identify and acquire properties located in secondary or smaller markets with limited competition that contain between 5,000 and 50,000 rentable square feet ("RSF").

We ended calendar-year 2017 with a real estate portfolio that included 13 properties representing approximately 269,000 RSF, and housing agencies such as the Citizenship and Immigration Services, FBI, Social Security Administration, and Customs and Border Protection, among others.

We are currently under contract or in contract negotiations on four additional properties totaling approximately 80,000 SF and \$27 million in acquisition cost.

1. Under Contract: USDA Sarasota, FL (est. close date in Q2)
2. Under Contract: FBI Champaign, IL (est. close date in Q2)
3. Under Contract: VA Outpatient Clinic Knoxville, IA (est. close date in Q3)
4. Contract Negotiations: VA Outpatient Southeast, US (est. close date in Q3)

We Continue to Raise Capital

We presented at several investor, broker-dealer and industry conferences in the first quarter of 2018; expanded our selling group and have engaged the services of a new managing broker dealer Boustead Securities. In addition we have added new broker dealer selling agreements to expand our sales and marketing platform, and first-quarter sales of common stock exceeded \$1 million.

Management and Board of Director Updates

As part of our overall growth plan we remain focused on adding top talent that increases our ability to advance our business goals. Jason Post, CPA joined our team as our new Vice President of Finance and Corporate Controller. Mr. Post will be responsible for HCGRT's financial management, including corporate accounting, regulatory and financial reporting, budgeting, as well as internal control policies, particularly as they relate to financial risk management.

Quarterly Dividend Declarations

On April 5, 2018 we successfully honored our financial commitment to investors with the declaration of our fourth consecutive, quarterly common stock dividend. This quarterly dividend is in line with our communicated intent to provide investors with a \$0.55 per share annual dividend. Income and value creation are part of our strategy and we are well-positioned in 2018 to deliver on both.

Summary

Calendar year 2018 is off to a solid start. We have the near-term opportunity to grow our portfolio from 13 properties to 17 properties and pass the \$100 million mark in assets under management. We also see a steady pipeline of attractive potential acquisitions that can be available to us as we work to double the size of our current portfolio by the end of 2018. Additionally, we remain focused on the growth and support of our Reg. A common stock offering and sales efforts. We will continue to keep shareholders and stakeholders updated and welcome open dialogue directly with us, your Broker-Dealer, or Registered Representative. If you have any questions regarding HCGRT, please feel free to send us an email at ir@hcgovtrust.com.

Thank you for your support and we remain excited for our future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Edwin M. Stanton', with a long horizontal stroke extending to the right.

Edwin M. Stanton
Co-Founder, Director and CEO