

June 12, 2017



HC Government Realty Trust, Inc. Announces the Appointment of Four Independent Directors to its Board of Directors

New Board Members Bring Decades of Business, Accounting, Legal and Senior Management Experience

SARASOTA, Fla., June 12, 2017 (GLOBE NEWSWIRE) -- HC Government Realty Trust Inc. ("HCGRT" or "the Company"), today announced that it has officially appointed four new independent directors to its Board of Directors. The new directors will comprise a majority of the Board and will provide valuable guidance and oversight as the Company continues to advance its business, grow its real-estate portfolio, and raise additional capital in conjunction with its Regulation A Offering Statement under Title IV of the JOBS Act, which was qualified by the Securities and Exchange Commission ("SEC") on November 7, 2016.

The newly appointed Directors include:

- **Scott A. Musil**, whose extensive accounting and finance experience includes serving as Chief Financial Officer of First Industrial Realty Trust, Inc., a New York Stock Exchange-traded Real Estate Investment Trust (REIT). He also served in various capacities with Arthur Andersen & Company. Mr. Musil is a certified public accountant and is a member of the American Institute of Certified Public Accountants and the National Association of Real Estate Investment Trusts (NAREIT). He will serve as Chair of the Company's Audit Committee.
- **William Robert Fields**, who brings over 30 years of retail and consumer goods industry experience to the Company, including serving as the former CEO of Wal-Mart Stores and Chairman and Chief Executive Officer of Factory 2-U Stores Inc. Mr. Fields will serve as Chair of the Company's Compensation Committee.
- **Leo Kiely**, whose management experience includes holding senior-level positions at both public and privately-held companies, including formerly serving as Chief Executive Officer of MillerCoors LLC and occupying executive positions at Frito-Lay, Inc., a subsidiary of PepsiCo Inc. Mr. Kiely is currently a Director of Altria Group and Coors Brewing Company.
- **John F. O'Reilly**, who is Chairman and Chief Executive Officer of full-service law firm, O'Reilly Law Group. His experience also includes working with the public accounting firm of Ernst & Young and serving as former Chairman of the Nevada Gaming Commission. Mr. O'Reilly will serve as Chair of the Company's Nominating and

Governance Committee.

The new independent directors have joined several members of management as Board members, including Edwin M. Stanton, Chief Executive Officer; Philip Kurlander, Treasurer; and Robert Kaplan, Secretary.

“The appointment of a world-class Board of Directors for HC Government Realty Trust adds tremendous business leadership, insight and relationships to our growing organization. As we continue to execute on our asset acquisition program of GSA properties, we seek to have the right mix of Board representatives who can help us advance our business, represent the interests of all stakeholders and institute best-practices in our corporate governance,” said Edwin M. Stanton, Director and Chief Executive Officer of HC Government Realty Trust Inc.

The Company’s strategy is to acquire and operate GSA properties that fulfill mission-critical or direct citizen service functions primarily located across secondary or smaller markets. HCGRT has identified more than 1,300 potential acquisition targets which fall within size ranges of 5,000-50,000 rentable square feet, and within their first term after construction or retrofitted to post-9/11 standards. As of Fiscal Year 2014, the six largest customers of GSA-leased inventory were the Department of Justice, Department of Homeland Security, Social Security Administration, Department of the Treasury, Department of Health & Human Services, and the Department of Defense.

During first half of 2017, the Company has raised approximately \$3.8 million dollars through the sale of common stock under its SEC-qualified Regulation A+ Offering Statement in addition to approximately \$11 million of contributed equity and \$3.7 million of preferred equity previously raised in the second quarter of 2016, bringing total equity raised to approximately \$18.5 million. The offering is being managed by [SANDLAPPER Securities, LLC](#) (“Sandlapper”), a member of the Financial Industry Regulatory Authority (“FINRA”), as its Dealer-Manager, and is further supported by [Cambria Capital, LLC](#), a principal selling group member. [BB&T Capital Markets](#) has been engaged to provide banking advisory services, including REIT financial and market analysis such as structure analysis and formation transaction analysis. The Company intends to apply for quotation of its common stock on the OTCQX Marketplace by the OTC Markets Group, Inc., or OTCQX.

Robert R. Kaplan, Jr., President of HC Government Realty Trust Inc., added, “As a management team, we believe that transparency and strong corporate governance practices are vital to building sustained shareholder confidence and value. With today’s new independent director appointments, we are taking a critical step in achieving best-practices. All of us at HCGRT, look forward to working with Scott, William, Leo and John, and leveraging their knowledge and experience for the betterment of our Company and stakeholders.”

About HC Government Realty Trust, Inc.

HC Government Realty Trust, Inc. was formed in 2016 with the purpose of acquiring and operating GSA properties, which are full-faith credit obligations of the U.S. Government. GSA-leased real estate asset classes typically possess a highly stable tenant base, long-term lease structures and low risk of tenant turnover. The Company’s initial portfolio consists of U.S. Government tenant agencies, including a number of the U.S. Government’s largest and most essential agencies, such as the Drug Enforcement Administration, the Federal Bureau of Investigation, the Social Security Administration and the Department of

Transportation. For more information, please visit our corporate website at www.hcgovtrust.com.

About this Press Release

This press release is neither an offer to sell nor a solicitation of an offer to buy any securities of the Company, including without limitation the common stock. Any such offer is made exclusively through the Company's final offering circular dated November 7, 2016, as the same may be amended or supplemented (the "Final Offering Circular"). The Final Offering Circular is available at: <https://www.sec.gov/cgi-bin/browse-edgar?company=hc+gove&match=contains&action=getcompany>.

Forward-Looking Statements

We make statements in this press release that are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions. We intend for these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement in this press release for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control. For further discussion of the factors that could affect outcomes, please refer to the risk factors set forth in the "Risk Factors" section of the Final Offering Circular. We assume no obligation to update publicly any forward looking statements, whether as a result of new information, future events or otherwise.

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