

SECURITIES AND EXCHANGE COMMISSION

FORM 1-U

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FILER

HC Government Realty Trust, Inc.

CIK: **1670010** | IRS No.: **811867397** | State of Incorporation: **MD** | Fiscal Year End: **1231**
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SIC: **6798** Real estate investment trusts

Mailing Address

390 S. LIBERTY STREET,
SUITE 100
WINSTON-SALEM NC 27101

Business Address

390 S. LIBERTY STREET,
SUITE 100
WINSTON-SALEM NC 27101
336-477-2535

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 1-U

Current Report Pursuant to Regulation A

Date of Report (Date of earliest event reported): August 12, 2020

HC GOVERNMENT REALTY TRUST, INC.
(Exact name of issuer as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

81-1867397

(I.R.S. Employer Identification No.)

390 S. Liberty Street, Suite 100
Winston-Salem, NC 27101

(Full mailing address of principal executive offices)

(336) 477-2535

(Issuer's telephone number, including area code)

Title of each class of securities issued pursuant to Regulation A: Common Stock

ITEM 3. MATERIAL MODIFICATION TO RIGHTS OF SECURITY HOLDERS

On August 14, 2020 (the "Closing Date"), HC Government Realty Trust, Inc., a Maryland corporation (the "Company"), completed the sale and issuance of 3,600,000 shares of the Company's 7.00% Series C Cumulative Redeemable Preferred Stock (the "Series C Preferred Stock") to qualified investors (each, an "Investor" and collectively, the "Investors") in a private offering (the "Offering") pursuant to exemptions from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Regulation D promulgated thereunder.

In connection with the Offering, on August 12, 2020, the Company filed Articles Supplementary classifying and designating the Series C Preferred Stock (the "Series C Articles Supplementary") with the Maryland State Department of Assessments and Taxation to classify 6,000,000 shares of the Company's authorized but unissued shares of preferred stock, \$0.001 par value per share ("Preferred Stock"), as Series C Preferred Stock. The Series C Articles Supplementary became effective upon filing on August 12, 2020.

Holders of shares of the Series C Preferred Stock are entitled to receive, when and as authorized by the Company's board of directors (the "Board") and declared by the Company, preferential cumulative cash dividends on the Series C Preferred Stock, payable quarterly in arrears on January 5, April 5, July 5 and October 5 of each year. From the date of original issue of the Series C Preferred Stock (or the date of issue of any Series C Preferred Stock issued after such original issue date) (the "Original Issuance Date"), the Company will pay cumulative cash dividends on the Series C Preferred Stock at the rate of 7.00% per annum of the \$25.00 liquidation preference per share. Dividends on the Series C Preferred Stock will accrue and be cumulative from (and including) the Original Issuance Date or, with respect to any accrued dividends that have been paid in cash, the end of the most recent dividend period for which dividends have been paid. The Series C Preferred Stock, with respect to priority of payment of dividends and other distributions and rights upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, will rank senior to all classes or series of the Company's common stock, \$0.001 par value per share (the "Common Stock"), and the Company's 7.00% Series A Cumulative Convertible Preferred Stock (the "Series A Preferred Stock") and 10.00% Series B Cumulative Convertible Preferred Stock (the "Series B Preferred Stock").

Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, the holders of shares of Series C Preferred Stock are entitled to be paid out of the assets of the Company legally available for distribution to its stockholders, after payment of or provision for the Company's debt and other liabilities, a liquidation preference of \$25.00 per share of Series C Preferred Stock, plus an amount equal to any accrued and unpaid dividends (whether or not earned, authorized or declared) thereon. With respect to priority of payment of distributions upon the voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, the Series C Preferred Stock will rank senior to the Common Stock, the Series A Preferred Stock and the Series B Preferred Stock.

Holders of shares of the Series C Preferred Stock will not have any voting rights, except with respect to (i) any amendment, alteration or repeal of the Company's Articles of Incorporation (the "Charter"), including the terms of the Series C Preferred Stock, that would alter only the contract rights, as expressly set forth in the Charter, of the Series C Preferred Stock, which amendment, alteration or repeal will require the affirmative vote or consent of the holders of two-thirds of the shares of Series C Preferred Stock issued and outstanding at the time; (ii) any amendment, alteration or repeal of the Charter, including the terms of the Series C Preferred Stock, that equally affects the terms of the Series C Preferred Stock and any class or series of capital stock of the Company that ranks on parity with the Series C Preferred Stock with respect to priority of payment of dividends and other distributions or rights upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company ("Parity Preferred Stock") upon which like voting rights have been conferred, that would alter only the contract rights, as expressly set forth in the Charter, of the Series C Preferred Stock and such Parity Preferred Stock, which amendment, alteration or repeal will require the affirmative vote or consent of the holders entitled to cast two-thirds of the votes entitled to be cast by the holders of Series C Preferred Stock and such Parity Preferred Stock issued and outstanding at the time, voting together as a single class; (iii) the extension of the Mandatory Redemption Date (as defined in the Series C Articles Supplementary) and the election of directors to the Board in the event of a Failed Redemption (as defined in the Series C Articles Supplementary); and (iv) the issuance of a new class or series of Preferred Stock or the incurrence of any additional indebtedness or the issuance of additional shares of any class or series of Parity Preferred Stock or class or series of capital stock of the Company ranking senior to the Series C Preferred Stock with respect to priority of payment of dividends and other distributions or rights upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company ("Senior Stock") if after such incurrence or issuance, the aggregate principal amount of long-term indebtedness and dividends on each existing class or series of Parity Preferred Stock or Senior Stock would be greater than 80% of the gross value of the assets of the Company and its subsidiaries.

The foregoing description of the Series C Articles Supplementary is not complete and is qualified in its entirety by reference to the complete text of the Series C Articles Supplementary, a copy of which is filed as Exhibit 2.1 to this Current Report on Form 1-U and is incorporated by reference into this Item 3.

ITEM 8. CERTAIN UNREGISTERED SALES OF EQUITY SECURITIES

Series C Preferred Stock Issuance

On August 14, 2020, the Company entered into subscription agreements with the Investors for the sale and issuance of a total of 3,600,000 shares of the Company's Series C Preferred Stock for an aggregate purchase price of \$90,000,000 (the "Subscription Agreements") in a private offering pursuant to exemptions from registration provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder. The Subscription Agreements provide for customary representations, warranties and agreements by the Company and the Investors.

As of the Closing Date, the Investors owned all of the Company's issued and outstanding shares of Series C Preferred Stock.

The foregoing is a summary and is qualified in its entirety by the complete text of the Subscription Agreements, the form of which is filed as Exhibit 4.1 to this Current Report on Form 1-U and is incorporated by reference into this Item 8.

ITEM 9. OTHER EVENTS

On August 12, 2020, the Company amended the Agreement of Limited Partnership of HC Government Realty Holdings, L.P., a Delaware limited partnership for which the Company serves as the general partner (the "Operating Partnership"), to establish and designate the rights, preferences and privileges of the 7.00% Series C Cumulative Redeemable Preferred Units of the Operating Partnership issued to the Company upon the contribution to the Operating Partnership of the net proceeds from the sale of the Series C Preferred Stock in the Offering (the "Partnership Agreement Amendment").

The foregoing is a summary and is qualified in its entirety by the complete text of the Partnership Agreement Amendment, a copy of which is filed as Exhibit 6.1 to this Current Report on Form 1-U and is incorporated by reference into this Item 9.

Exhibits

Exhibit No.	Description of Exhibit
2.1	Articles Supplementary of HC Government Realty Trust, Inc., filed August 12, 2020
4.1	Form of Series C Preferred Stock Subscription Agreement
6.1	Third Amendment to the Agreement of Limited Partnership of HC Government Realty Holdings, L.P., dated August 12, 2020

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HC Government Realty Trust, Inc.,
a Maryland corporation

By: /s/ Steven A. Hale II
Name: Steven A. Hale II
Its: Chairman, Chief Executive Officer and
President
Date: August 18, 2020

HC GOVERNMENT REALTY TRUST, INC.

ARTICLES SUPPLEMENTARY ESTABLISHING AND FIXING THE RIGHTS AND PREFERENCES OF A SERIES OF PREFERRED STOCK

HC Government Realty Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Article V of the charter of the Corporation (the "Charter") and Section 2-208 of the Maryland General Corporation Law, the Board of Directors of the Corporation (the "Board"), by duly adopted resolutions, classified 6,000,000 shares of authorized but unissued preferred stock, \$0.001 par value per share, of the Corporation as shares of 7.0% Series C Cumulative Redeemable Preferred Stock, with the following preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption (which, upon any restatement of the Charter, may be made a part thereof, with any necessary or appropriate changes to the numeration or lettering of the sections or subsections hereof). Capitalized terms used but not defined herein shall have the meanings given to them in the Charter.

1. **Designation and Number.** A series of Preferred Shares, designated the 7.0% Series C Cumulative Redeemable Preferred Stock (the "Series C Preferred Stock"), is hereby established. The par value of the Series C Preferred Stock is \$0.001 per share. The number of authorized shares of Series C Preferred Stock shall be 6,000,000.

2. **Rank.** The Series C Preferred Stock, with respect to priority of payment of dividends and other distributions and rights upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, shall rank (a) senior to all classes or series of Common Shares, the Series A Preferred Stock, the Series B Preferred Stock, and any other class or series of capital stock of the Corporation issued in the future, unless the terms of such stock expressly provide that it ranks senior to, or on parity with, the Series C Preferred Stock with respect to priority of payment of dividends and other distributions or rights upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation (together with the Common Shares, the Series A Preferred Stock and the Series B Preferred Stock, the "Junior Stock"); (b) on a parity with any class or series of capital stock of the Corporation, the terms of which expressly provide that it ranks on a parity with the Series C Preferred Stock with respect to priority of payment of dividends and other distributions or rights upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation (the "Parity Preferred Stock"); and (c) junior to any class or series of capital stock of the Corporation, the terms of which expressly provide that it ranks senior to the Series C Preferred Stock with respect to priority of payment of dividends and other distributions or rights upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation (the "Senior Stock"), and to all existing and future debt obligations of the Corporation. The term "capital stock" does not include convertible or exchangeable debt securities.

3. **Dividends.**

(a) Subject to the preferential rights of the holders of Senior Stock with respect to priority of dividend payments, holders of shares of the Series C Preferred Stock are entitled to receive, when and as authorized by the Board and declared by the Corporation, out of funds legally available for the payment of dividends, preferential cumulative cash dividends. From the date of original issue of the Series C Preferred Stock (or the date of issue of any Series C Preferred Stock issued after such original issue date) (the "Original Issuance Date") the Corporation shall pay cumulative cash dividends on the Series C Preferred Stock at the rate of 7.0% per annum of the \$25.00 liquidation preference per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock) plus the amount of previously accrued and unpaid dividends on the Series C Preferred Stock. Dividends on the Series C Preferred Stock shall accrue and be cumulative from (and including) the Original Issuance Date or, with respect to any accrued dividends that have been paid in cash, the end of the most recent Dividend Period (as defined below) for which dividends on the Series C Preferred Stock have been paid in cash and shall be payable quarterly in arrears on January 5, April 5, July 5 and October 5 of each year or, if such date is not a Business Day, on the next succeeding Business Day, with the same force and effect as if paid on such date (each, a "Dividend Payment Date"). A "Dividend Period" is the respective period commencing on and including January 1, April 1, July 1 and October 1 of each year and ending on and including the day preceding the first day of the next succeeding Dividend Period (other than the initial Dividend Period and the Dividend Period during which any shares of Series C Preferred Stock shall be redeemed or otherwise acquired by the Corporation). Any dividend payable on the Series C Preferred Stock for any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends shall be payable to holders of record of the Series C Preferred Stock as they appear in the stock records of the Corporation at the close of business on

the 25th day of the month preceding the applicable Dividend Payment Date, *i.e.*, March 25, June 25, September 25 and December 25 (each, a “Dividend Record Date”).

(b) No dividends on shares of Series C Preferred Stock shall be authorized by the Board or declared by the Corporation or paid or set apart for payment by the Corporation at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness, prohibits such authorization, declaration, payment or setting apart for payment or provides that such authorization, declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such authorization, declaration, payment or setting apart for payment shall be restricted or prohibited by law.

(c) Notwithstanding the foregoing Section 3(b), dividends on the Series C Preferred Stock shall accrue and, to the extent not paid in cash, compound quarterly on the last day of each Dividend Period, whether or not the Corporation has earnings, whether there are funds legally available for the payment of such dividends and whether or not such dividends are authorized by the Board or declared by the Corporation. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series C Preferred Stock which may be in arrears. When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series C Preferred Stock and the shares of any class or series of Parity Preferred Stock, all dividends declared upon the Series C Preferred Stock and any class or series of Parity Preferred Stock shall be declared pro rata so that the amount of dividends declared per share of Series C Preferred Stock and such class or series of Parity Preferred Stock shall in all cases bear to each other the same ratio that accumulated dividends per share on the Series C Preferred Stock and such class or series of Parity Preferred Stock (which shall not include any accrual in respect of unpaid dividends for prior dividend periods if such Parity Preferred Stock does not have a cumulative dividend) bear to each other.

(d) Except as provided in the immediately preceding paragraph, unless full cumulative and compounded dividends on the Series C Preferred Stock have been or contemporaneously are declared and paid in cash or declared and a sum sufficient for the payment thereof is set apart for payment for all past Dividend Periods that have ended, no dividends (other than a dividend in shares of Junior Stock or in options, warrants or rights to subscribe for or purchase any such shares of Junior Stock) shall be declared and paid or declared and set apart for payment nor shall any other distribution be declared and made upon the Junior Stock or the Parity Preferred Stock, nor shall any shares of Junior Stock or Parity Preferred Stock be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of Junior Stock or Parity Preferred Stock) by the Corporation (except (i) by conversion into or exchange for Junior Stock, (ii) the purchase of shares of Series C Preferred Stock, Junior Stock or Parity Preferred Stock pursuant to the Charter to the extent necessary to preserve the Corporation's qualification as a REIT or (iii) the purchase of shares of Parity Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Series C Preferred Stock). Holders of shares of the Series C Preferred Stock shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative and compounding dividends on the Series C Preferred Stock as provided above. Any dividend payment made on shares of the Series C Preferred Stock shall first be credited against the earliest accrued but unpaid dividend due with respect to such shares which remains payable.

4. Liquidation Preference. Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, the holders of shares of Series C Preferred Stock are entitled to be paid out of the assets of the Corporation legally available for distribution to its stockholders, after payment of or provision for the Corporation's debts and other liabilities, a liquidation preference of \$25.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock), plus an amount equal to any accrued and unpaid dividends (whether or not earned, authorized or declared) thereon to and including the date of payment, but without interest, before any distribution of assets is made to holders of Junior Stock. If the assets of the Corporation legally available for distribution to stockholders are insufficient to pay in full the liquidation preference on the Series C Preferred Stock and the liquidation preference on the shares of any class or series of Parity Preferred Stock, all assets distributed to the holders of the Series C Preferred Stock and any class or series of Parity Preferred Stock shall be distributed pro rata so that the amount of assets distributed per share of Series C Preferred Stock and such class or series of Parity Preferred Stock shall in all cases bear to each other the same ratio that the liquidation preference per share on the Series C Preferred Stock and such class or series of Parity Preferred Stock bear to each other. Written notice of any distribution in connection with any such liquidation, dissolution or winding up of the affairs of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than 30 nor more than 60 days prior to the payment date stated therein, to each record holder of the Series C Preferred Stock at the respective addresses of such holders as the same shall appear on the stock transfer records of the Corporation. After payment of the full amount of the liquidation distributions to which they are entitled, the holders of Series C Preferred Stock shall have no right or claim to any of the remaining assets of the Corporation. The consolidation or merger of the Corporation with or into another entity, a merger of another entity with or into the Corporation, a statutory share exchange by the Corporation or a sale, lease, transfer or conveyance of all or substantially all of the Corporation's property or business shall not be deemed to constitute a liquidation, dissolution or winding up of the affairs of the Corporation. In determining whether a distribution (other than upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation) by dividend, redemption or other acquisition of shares of stock of the Corporation or otherwise is permitted under the Maryland General Corporation Law, no effect shall be given to amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of the Series C Preferred Stock.

5. Redemption.

(a) Except as set forth in this Section 5(a) and Section 5(b) hereof, the Series C Preferred Stock shall not be redeemable by the Corporation prior to the third anniversary of the date of original issuance of the shares of Series C Preferred Stock (the “Third Anniversary”). However, in order to ensure that the Corporation remains qualified as a REIT under Section 856 of the Code, the Series C Preferred Stock shall be subject to the provisions of Section 6.2 of the Charter. Pursuant to Section 6.2 of the Charter, and without limitation of any provisions of such Section 6.2, the Series C Preferred Stock, together with all other Shares (as defined in the Charter), owned by a stockholder in excess of the Aggregate Share Ownership Limit (as defined in the Charter) shall automatically be transferred to a Trust (as defined in the Charter) for the benefit of one or more Charitable Beneficiaries (as defined in the Charter) and the Corporation shall have the right to purchase such transferred shares from the Trust. For this purpose, the Market Price (as defined in the Charter) of Series C Preferred Stock shall equal the \$25.00 liquidation preference per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock), plus the amount of previously accrued and unpaid dividends on the Series C Preferred Stock. Notwithstanding the first sentence of this Section 5(a), the Corporation may, at its option, redeem the outstanding shares of the Series C Preferred Stock, in whole or from time to time, in part, once the aggregate distributions paid to the holders of Series C Preferred Stock equal the \$25.00 liquidation preference per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock) plus an amount equal to three times the preferential cumulative cash dividend set forth in Section 3 hereof (e.g., \$25.00 + (\$25.00 x 21.0%)). If the Corporation calls for redemption any shares of Series C Preferred Stock pursuant to and in accordance with the prior sentence of this Section 5(a), then the redemption price for such shares shall be an amount in cash equal to \$25.00 per share, plus the amount of all accrued and unpaid dividends on the Series C Preferred Stock (whether or not declared) to and including the date fixed for redemption, without interest.

(b) Upon the occurrence of a Change of Control (as defined below), the Corporation may at its option redeem for cash the outstanding shares of the Series C Preferred Stock, in whole or from time to time, in part, at a redemption price equal to the \$25.00 liquidation preference per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock), plus the amount of all accrued and unpaid dividends on the Series C Preferred Stock (whether or not declared) to but excluding the date fixed for redemption (the “Redemption Date”). Any notice sent with respect to a redemption upon a Change of Control shall include the following: (i) a description of the transaction or transactions that constitute the Change of Control; and (ii) that the Series C Preferred Stock shall be redeemed on the date specified in the notice. For purposes of this Section, “Change of Control” shall mean (x) a merger or consolidation of the Corporation with or into any other business entity (except one in which the holders of capital stock or other equity interests of the Corporation immediately prior to such merger or consolidation continue to hold at least a majority of the outstanding voting securities of the surviving entity), (y) the acquisition by any person or any group of persons (other than the Corporation or any of its direct or indirect subsidiaries) acting together in any transaction or related series of transactions, of such number of shares of the Corporation’s capital stock or other equity interests as causes such person, or group of persons, to own beneficially, directly or indirectly, as of the time immediately after such transaction or series of transactions, 50% or more of the combined voting securities of the Corporation, or (z) an underwritten equity offering by the Corporation for its own account that includes a listing of the Common Shares for trading on the New York Stock Exchange, NYSE American, NASDAQ Stock Exchange, or any other national securities exchange.

(c) On and after the Third Anniversary, the Corporation may, at its option, redeem the outstanding shares of the Series C Preferred Stock, in whole or from time to time, in part, at a redemption price equal to the \$25.00 liquidation preference per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock), plus the amount of all accrued and unpaid dividends on the Series C Preferred Stock (whether or not declared) to but excluding the Redemption Date.

(d) The Redemption Date shall be selected by the Corporation and shall be no less than 30 days and no more than 60 days after the date on which the Corporation sends the notice of redemption.

(e) On the seventh anniversary of original issuance of the shares of Series C Preferred Stock (the “Mandatory Redemption Date”), the Corporation shall redeem all the outstanding shares of Series C Preferred Stock in cash on the Mandatory Redemption Date at a redemption price equal to the \$25.00 liquidation preference per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock), plus the amount of all accrued and unpaid dividends on the Series C Preferred Stock (whether or not declared) to but excluding the Mandatory Redemption Date. The Mandatory Redemption Date may be extended with the consent of the holders of 60% of the outstanding shares of Series C Preferred Stock, subject to approval by the Board in its sole discretion. The Corporation shall not be required to set aside funds to redeem the Series C Preferred Stock. If the Corporation fails to redeem the Series C Preferred Stock on or before the Mandatory Redemption Date (as may be extended), and such failure remains uncured by the

Corporation for a period of nine months following the Mandatory Redemption Date (a “Failed Redemption”), (i) the number of directors shall be automatically increased to such number as is necessary to enable the holders of the Series C Preferred Stock to fill such vacancies and elect a majority of the members of the Board, and (ii) the Corporation shall schedule a special meeting of the holders of the then outstanding shares of Series C Preferred Stock for the sole purpose of electing a majority of the Board (the “Series C Special Meeting”) to be held no later than 90 days after the Failed Redemption. The holders of the Series C Preferred Stock shall follow the procedures set forth in Section 2.11(b) of the Amended and Restated Bylaws of the Corporation with respect to nominations of individuals for election to the Board, except notice required for such nomination shall not be earlier than 60 days prior to the Series C Special Meeting or later than 30 days prior to such Series C Special Meeting. A plurality of all the votes cast at the Series C Special Meeting duly called and at which a quorum is present shall be sufficient to elect the directors to fill the vacancies on the Board created pursuant to this Section 5(e). If at any time following a Failed Redemption, the Corporation completes the Mandatory Redemption, the terms of any and all directors elected by the holders of Series C Preferred Stock pursuant to this Section 5(e) shall automatically expire immediately following such redemption and the number of directors shall be automatically decreased by a corresponding number.

(f) If fewer than all the outstanding shares of Series C Preferred Stock are to be redeemed pursuant to this Section 5, the Corporation shall select those shares to be redeemed pro rata.

(g) Notice as to the redemption of any shares of Series C Preferred Stock pursuant to this Section 5 shall be given through the facilities of the Depository Trust Company (“DTC”), to each such record holder of such shares of Series C Preferred Stock in accordance with customary procedures of DTC. No failure to give such notice or any defect therein shall affect the validity of the proceedings for the redemption of any such shares of Series C Preferred Stock except as to the holder to whom notice was defective or not given.

(h) Any notice of redemption shall state: (i) the Redemption Date; (ii) a calculation of the redemption price payable on the Redemption Date, including without limitation a statement as to whether or not accumulated, accrued and unpaid dividends shall be payable as part of the redemption price, or payable on the next Dividend Payment Date to the record holder at the close of business on the relevant Dividend Record Date as described in Section 3 hereof; and (iii) that dividends on the shares of Series C Preferred Stock to be redeemed shall cease to accrue on such Redemption Date. If less than all the shares of Series C Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder also shall specify the number of shares of Series C Preferred Stock held by such holder to be redeemed.

(i) Unless the Corporation defaults in the payment of the redemption price, if notice of redemption of any shares of Series C Preferred Stock has been given and if the funds necessary for such redemption have been set apart by the Corporation for the benefit of the holders of any shares of Series C Preferred Stock called for redemption, then, from and after the Redemption Date, dividends shall cease to accrue on such shares of Series C Preferred Stock, such shares of Series C Preferred Stock shall be redeemed in accordance with the notice and shall no longer be deemed outstanding and all rights of the holders of such shares shall terminate. The redemption price for the Series C Preferred Stock called for redemption shall become due on the date fixed for redemption. No further action on the part of the holders of such shares shall be required.

(j) Subject to applicable law and the Charter, the Corporation may, at any time and from time to time, purchase or otherwise acquire any shares of Series C Preferred Stock in the open market, by tender or by private agreement.

6. Voting Rights. (a) Holders of the Series C Preferred Stock shall not have any voting rights, except as set forth in this Section 6 and as set forth in Section 5(e) and Section 7. So long as any shares of Series C Preferred Stock remain outstanding, the holders of shares of Series C Preferred Stock shall have the exclusive right to vote on any amendment, alteration or repeal of the Charter, including the terms of the Series C Preferred Stock, that would alter only the contract rights, as expressly set forth in the Charter, of the Series C Preferred Stock, and the holders of any other classes or series of capital stock of the Corporation shall not be entitled to vote on any such amendment, alteration or repeal. Any such amendment, alteration or repeal shall require the affirmative vote or consent of the holders of two-thirds of the shares of Series C Preferred Stock issued and outstanding at the time. With respect to any amendment, alteration or repeal of the Charter, including the terms of the Series C Preferred Stock, that equally affects the terms of the Series C Preferred Stock and any Parity Preferred Stock upon which like voting rights have been conferred, the holders of shares of Series C Preferred Stock and such Parity Preferred Stock (voting together as a single class) also shall have the exclusive right to vote on any amendment, alteration or repeal of the Charter, including the terms of the Series C Preferred Stock, that would alter only the contract rights, as expressly set forth in the Charter, of the Series C Preferred Stock and such Parity Preferred Stock, and the holders of any other classes or series of capital stock of the Corporation shall not be entitled to vote on any such amendment, alteration or repeal. Any such amendment, alteration or repeal shall require the affirmative vote or consent of the holders entitled to cast two-thirds of the votes entitled to be cast by the holders of Series C Preferred Stock and such Parity Preferred Stock issued and outstanding at the time, voting together as a single class, with each share of Series C Preferred Stock and such Parity Preferred Stock entitled to one vote for each \$25.00 of liquidation preference.

(b) The holders of the Series C Preferred Stock may take action or consent to any action by delivering a consent in writing or by electronic transmission of the holders of the Series C Preferred Stock entitled to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting of holders of the Series C Preferred Stock if the Corporation gives notice of the action to each holder of the Series C Preferred Stock not later than 10 days after the effective time of the action.

7. Restrictions on New Issuances. Unless the (i) holders of a majority of the then outstanding shares of Series C Preferred Stock consent, or (ii) indebtedness is being incurred (or an additional class or series of Preferred Shares is being issued) in connection with a full redemption of the Series C Preferred Stock in accordance with Section 5, the Corporation may not (a) issue a new class or series of Preferred Shares or (b) incur any additional indebtedness or issue additional shares of any class or series of Parity Preferred Stock or Senior Stock if, solely with respect to clause (b) of this Section, after such incurrence or issuance, the aggregate principal amount of long-term indebtedness and dividends on each existing class or series of Parity Preferred Stock or Senior Stock would be greater than 80% of the gross value of the assets of the Corporation and its subsidiaries. Subject to compliance with the immediately preceding sentence, the Corporation may, without consent of the holders of the Series C Preferred Stock then outstanding, issue additional shares of Series C Preferred Stock so long as the issue price is \$25.00 per share. The Corporation shall determine the values of all of its and its subsidiaries' assets (including all real estate assets) in the good faith reasonable judgment of the Board, which may include (but is not required to include) input from third party valuation experts.

8. Restriction on Use of Proceeds from Sale of Assets. So long as any shares of Series C Preferred Stock are issued and outstanding, the Corporation shall not use proceeds from the sale of any asset to pay distributions on any Junior Stock except to the extent necessary to preserve the Corporation's qualification as a REIT and minimize any income and excise taxes that it otherwise would be required to pay in connection with such sale.

9. Restrictions on Transfer and Ownership of Series C Preferred Stock. The Series C Preferred Stock shall be subject to all of the provisions of Article VI of the Charter.

10. Conversion. The Series C Preferred Stock shall not be convertible into or exchangeable for any other property or securities of the Corporation.

11. Status of Redeemed or Repurchased Series C Preferred Stock. All shares of Series C Preferred Stock redeemed, repurchased or otherwise acquired in any manner by the Corporation shall be retired and shall be restored to the status of authorized but unissued Preferred Shares, without designation as to series or class.

SECOND: The shares of Series C Preferred Stock have been classified and designated by the Board under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board in the manner and by the vote required by law.

FOURTH: The undersigned acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be signed in its name and on its behalf by its President and attested to by its Secretary on this 11th day of August, 2020.

ATTEST:

HC Government Realty Trust, Inc.,

/s/ Jacqlyn Piscetelli

/s/ Steven A. Hale II (SEAL)

Name: Jacqlyn Piscetelli

Name: Steven A. Hale II

Title: Secretary

Title: President

SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (the “Subscription Agreement”) is dated as of [____], by and between HC Government Realty Trust, Inc., a Maryland corporation (the “Company”), and the undersigned (the “Investor”), and provides as follows:

RECITALS

- A. The Company is offering up to 4,000,000 shares of its 7.00% Series C Cumulative Redeemable Preferred Stock (the “Preferred Stock”) for an offering price of \$25.00 per share with a maximum aggregate offering amount of \$100,000,000.00. The offering of the Preferred Stock is referred to herein as the (“Offering”).
- B. The Investor wishes to purchase, and the Company wishes to issue and sell to the Investor, [____] shares of the Preferred Stock (the “Acquired Shares”) for aggregate purchase price of \$[____] (the “Purchase Price”).
- C. The rights, privileges and obligations pertaining to ownership of shares of the Preferred Stock are governed by the Company’s Articles of Incorporation, as amended or supplemented (“Charter”), and Amended and Restated Bylaws (“Bylaws” and together with the Charter, the “Organic Documents”). Copies of the Charter and Bylaws are attached hereto as Exhibits A-1 and A-2.

NOW, THEREFORE, in consideration of the foregoing and the promises and covenants contained in this Subscription Agreement, the Company and Investor hereby agree as follows:

1. Sale and Issuance of Preferred Stock. The Company hereby agrees to issue to Investor, and Investor hereby agrees to acquire the Acquired Shares in exchange and consideration for Investor’s payment of the Purchase Price to the Company. As of the date hereof, upon payment of the Investor’s subscription price, the Company shall promptly issue the Acquired Shares to the Investor in book-entry only format and the Investor’s subscription funds shall be immediately available to the Company for its business purposes. The Investor acknowledges that this subscription (a) is irrevocable and (b) is conditioned upon acceptance by, or on behalf of, the Company. In the event the Company rejects this subscription, this Subscription Agreement shall have no force or effect with respect to the Company.
2. Payment of Purchase Price. Investor shall deliver its Purchase Price to the Company in immediately available funds in the manner directed by Raymond James & Associates, Inc., the Company’s sole and exclusive placement agent (the “Placement Agent”).
3. Representations and Warranties of Investor. Investor represents and warrants to the Company that:
 - (a) This Subscription Agreement has been duly authorized, executed, and delivered by the Investor and constitutes the Investor’s legal, valid, and binding obligation enforceable in accordance with its respective terms, except as enforceability thereof may be limited by any applicable bankruptcy, reorganization, insolvency or other laws affecting creditors’ rights generally or by general principles of equity. If the Investor is a corporation, limited liability company, limited partnership or other legal entity, that it has all requisite power and authority (corporate or otherwise) to execute and deliver this Subscription Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby.
 - (b) The Investor is acquiring the Acquired Shares for the Investor’s own account for investment and not with a view to resale or distribution. The Investor understands that the Acquired Shares have not been, and will not be, registered under the Securities Act of 1933, as amended (the “1933 Act”), by reason of a specific exemption from the registration provisions of the 1933 Act that depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Investor’s representations and warranties as expressed herein. The Investor has not been formed solely for the purpose of acquiring the Acquired Shares.

(c) The Investor: (i) has been furnished all agreements, documents, records and books that the Investor has requested relating to an investment in the Acquired Shares; and (ii) has been given the opportunity to ask questions of, and receive answers from, the Company concerning the terms and conditions of the Offering, the Preferred Stock, the Company and its business and to obtain such additional information that was otherwise provided, and it has not been furnished any other literature relating to the Offering, the Preferred Stock, the Company or its business.

(d) The Investor recognizes (i) that purchase of the Acquired Shares involves a high degree of risk and has taken full cognizance of and understands such risks, (ii) that all information provided by the Company relating to its use of proceeds, and other information which is not of an historical nature represents only the Company's good faith assessment of its future expenses, revenues, and operations, as applicable, and is based upon assumptions which the Company believes are reasonable, although no assurance exists that such projections and assumptions will be fulfilled, and (iii) that the Company has relied on the representations of the Investor as set forth in this Section 3 in determining materiality for purposes of satisfying the disclosure obligations of the Company and in determining the availability of exemptions from registration requirements under federal and state securities laws.

(e) The Investor fully understands and agrees that the Investor must bear the economic risk of the purchase of the Acquired Shares for an indefinite period of time because, among other reasons, the Acquired Shares have not been registered under the 1933 Act, or the securities laws of any state or foreign jurisdiction, and therefore cannot be sold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the 1933 Act and applicable state or foreign securities laws or an exemption from such registration is available.

(f) The Investor (i) can bear the risk of losing the entire investment; (ii) has overall commitments to other investments which are not readily marketable that are not disproportionate to his, her or its net worth and the investment in the Acquired Shares will not cause such overall commitment to become excessive; (iii) has adequate means of providing for current needs and personal contingencies and has no need for liquidity in the investment in the Acquired Shares; and (iv) has sufficient knowledge and experience in financial and business matters such that it is capable, either alone, or together with one or more advisors, of evaluating the risks and merits of investing in the Acquired Shares.

(g) The Investor has not incurred, and will not incur, directly or indirectly, as a result of any action taken by the Investor, any liability for brokerage or finder's fees or agent's commissions or any similar charges in connection with this Subscription Agreement.

(h) The Investor acknowledges that the Investor must depend entirely upon his, her or its own personal advisors for tax advice concerning an investment in the Company, that neither the Company nor the Placement Agent has provided any information on tax matters, and that any information provided to the Investor by, or on behalf of, the Company is not to be construed as tax advice to it from counsel to the Company or the Placement Agent. The Investor will rely solely on his, her or its own personal advisors and not on any statements or representations of the Company, the Placement Agent or any of their respective agents and understands that the Investor (and not the Company) shall be responsible for the Investor's own tax liability that may arise as a result of this investment or the transactions contemplated by this Subscription Agreement.

(i) The Investor accepts the terms of the Company's Organic Documents.

(j) The representations and warranties made in this Section 3, and all other information that the Investor has provided to the Company, either directly or indirectly, concerning the Investor's financial position and knowledge of financial and business matters, is correct and complete as of the date hereof.

(k) The Investor has completed the Investor Questionnaire attached as Exhibit B hereto and (i) is in the United States and qualifies as an "Accredited Investor" as such term is defined under Rule 501 of Regulation D promulgated under the 1933 Act or (ii) is not a "U.S. Person" as defined in Regulation S under the 1933 Act and acknowledges that the Offering was made to such person outside the United States.

(l) Neither the Investor nor, to the extent it has them, any of its equity owners who own 20% or more of the outstanding equity of Investor, (collectively with the Investor, the "Investor Covered Persons"), are subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3); provided, however that if an Investor Covered Person is subject to a Disqualification Event covered by Rule 506(d)(2)(i) then Investor shall have provided the Company with such information as necessary to make the required disclosure regarding the applicable Disqualification Event under Rule 506(e). The Investor has exercised reasonable care to determine whether any Investor Covered Person is subject to a Disqualification Event. The purchase of the Acquired Shares by the Investor will not subject the Company to any Disqualification Event.

(m) The Investor acknowledges that the Placement Agent has acted as agent for the Company in connection with the sale of the Preferred Stock and consents to the Placement Agent's actions in this regard and hereby waives any and all claims, actions,

liabilities, damages or demands the Investor may have against the Placement Agent in connection with any alleged conflict of interest arising from the Placement Agent's engagement as an agent of the Company with respect to the sale by the Company of the Preferred Stock to the Investor.

(n) The Investor understands and agrees that the Investor is purchasing Preferred Stock directly from the Company and not from the Placement Agent and that the Placement Agent did not make any representations, declarations or warranties to the Investor regarding the Preferred Stock or the Offering.

(o) The Investor represents that it has made its own investment decision based upon its own judgment, due diligence and advice from such advisors as it has deemed necessary and not upon any view expressed by any other person or entity, including the Placement Agent.

(p) The Placement Agent and the Company are entitled to rely upon this Subscription Agreement and are irrevocably authorized to produce this Subscription Agreement or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

(q) To comply with applicable anti-money laundering laws and regulations, the Investor agrees that all payments by the Investor to the Company and all payments and distributions to the Investor from the Company will be made only in the Investor's name and only to and from a bank account of a bank based or incorporated in or formed under the laws of the United States, or a bank that: (A) is not a "foreign shell bank" within the meaning of section 313 of the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") or the U.S. Bank Secrecy Act (31 U.S.C. § 5311 *et seq.*), as amended (the "Bank Secrecy Act"), and the regulations promulgated thereunder by the U.S. Department of the Treasury, as such regulations may be amended from time to time; (B) is not in a "non-cooperative jurisdiction," as defined by the Financial Action Task Force; and (C) is not a primary money laundering concern or in a jurisdiction of primary money laundering concern, as defined in section 311 of the Patriot Act. The Investor further represents and warrants that the amounts paid to the Company by the Investor will not be derived from activities that may contravene U.S. federal, state, or international laws, statutes, and regulations, including anti-money laundering laws and regulations.

The Investor acknowledges that, pursuant to anti-money laundering laws and regulations within their respective jurisdictions, the Company, the Placement Agent, and/or any person acting on behalf of the Company or the Placement Agent may be required to collect further documentation verifying the Investor's identity and the source of funds used to purchase the Acquired Shares before acceptance by the Company of this Subscription Agreement. The Investor agrees to provide the Company and/or the Placement Agent with such information as the Company and/or the Placement Agent determines to be necessary or appropriate to comply with the anti-money laundering laws and regulations of any applicable jurisdiction, or to respond to requests for information concerning the identity of the Investor from any governmental authority, self-regulatory organization, or financial institution in connection with its anti-money laundering compliance procedures, or to update such information.

The Investor understands and acknowledges that Executive Orders and Federal regulations administered by the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities, and individuals. These entities and individuals are listed on the List of Specially Designated Nationals and Blocked Persons (the "SDN List") maintained by OFAC, as such list may be amended from time to time, or in an Executive Order. The SDN List can be found on the OFAC website at <<http://www.treas.gov/ofac>>. In addition, certain programs administered by OFAC (the "OFAC Programs") prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These programs also can be found on OFAC's website. The Investor represents and warrants that, to the best of the Investor's knowledge, none of: (A) the Investor; (B) any Person controlling or controlled by the Investor; (C) if the Investor is a privately held entity, any Person having a beneficial interest in the Investor; or (D) any Person for whom the Investor is acting as agent or nominee in connection with the purchase of the Interests is (1) an individual or entity named on the SDN List, (2) a Person who is the subject of one of the OFAC Programs, (3) a senior foreign political figure,¹ or any immediate family member² or close associate³ of a senior foreign political figure, (4) a foreign shell bank, or (5) a financial institution of primary money laundering concern as defined in section 311 of the Patriot Act. Such Persons described in clauses (1) through (5) of this paragraph are collectively referred to as "Prohibited Persons."

In addition, if the Investor is a "financial institution" as such term is defined in the Bank Secrecy Act, the Patriot Act, or the regulations promulgated thereunder, the Investor represents and warrants that the Investor has anti-money laundering and customer identification policies and procedures in place that meet the requirements of sections 352 and 326 of the Patriot Act.

4. The Company hereby represents and warrants to Investor that, as of the date hereof:

- (a) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland;
- (b) it has full power and authority to execute and deliver, and to perform its obligations under, this Subscription Agreement and the consummation by it of the transactions contemplated hereby has been duly authorized by all necessary action on its part;
- (c) this Subscription Agreement has been duly and validly executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws;
- (d) the execution, delivery and performance of this Subscription Agreement and the consummation of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time or both, (i) violate any provision of law, statute, rule or regulation to which the Company is subject, (ii) violate any order, judgment or decree applicable to it, or (iii) conflict with or result in a breach or default under any term or condition of the Organic Documents or any agreement or other instrument to which it is a party or by which it is bound;
- (e) no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on part of the Company is required in connection with the consummation of the

transactions contemplated by this Subscription Agreement, except for such filings required pursuant to applicable federal and state securities laws;

(f) as of the closing of this Subscription Agreement and immediately after the transactions contemplated to occur concurrently herewith, the authorized capital stock of the Company shall consist of (i) 750,000,000 shares of common stock, par value of \$0.001 per share, of which 1,545,806 shares are issued and outstanding, (ii) 400,000 shares of 7.00% Series A Cumulative Convertible Preferred Stock, par value of \$0.001 per share, of which 144,500 shares are issued and outstanding, (iii) 2,050,000 shares of 10.00% Series B Cumulative Convertible Preferred Stock, par value of \$0.001 per share, of which 2,005,000 shares are issued and outstanding, and (iv) 6,000,000 shares of Preferred Stock, par value of \$0.001 per share, of which 3,600,000 shares shall be issued and outstanding. All such issued and outstanding shares have been duly authorized and validly issued and have been offered, issued, sold, and (assuming the truth and accuracy of the representations and warranties of Investor herein) delivered by the Company in compliance with applicable federal and state securities laws. Other than the Organic Documents, the Company is not party to, or otherwise bound by, any agreement affecting the voting of any of its capital stock; and

¹ A “senior foreign political figure” is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a non-U.S. government (whether elected or not), a senior official of a major non-U.S. political party, or a senior executive of a non-U.S. government-owned corporation. In addition, a “senior foreign political figure” includes any corporation, business, or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

² “Immediate family” of a senior foreign political figure typically includes the figure’s parents, siblings, spouse, children and in-laws.

³ A “close associate” of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

(g) the Acquired Shares issued hereunder will, upon issuance, be validly issued, fully paid and nonassessable, free and clear of any liens or other encumbrances (other than restrictions under securities laws), free of preemptive rights and rights of first refusal and (assuming the truth and accuracy of the representations and warranties of Investor herein) the issuance of the Acquired Shares hereunder shall be exempt from registration under the 1933 Act and any applicable state securities laws.

5. Survival; Indemnification.

(a) The representations and warranties of Investor contained in Section 3 of this Subscription Agreement shall survive the closing of the purchase and sale of the Acquired Shares.

(b) Investor hereby agrees to indemnify, defend and hold harmless the Company, the Placement Agent and each of their respective shareholders, officers, directors, affiliates, external managers and advisors from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) that they may incur by reason of Investor's failure to fulfill all of the terms and conditions of this Subscription Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents Investor has furnished to any of the foregoing in connection with the transactions described herein. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by the Company and the Placement Agent, and all of their respective shareholders, officers, directors, affiliates, external managers or advisors defending against any alleged violation of federal or state securities laws that is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents Investor has furnished in connection with this transaction.

6. Applicable Law; Venue. This Subscription Agreement shall be construed in accordance with, and governed by, the laws of the State of MARYLAND without reference to the choice of law principles of any jurisdiction. THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY CONSENT TO THE EXCLUSIVE JURISDICTION OF A COURT OF COMPETENT JURISDICTION LOCATED IN FORSYTH COUNTY, NORTH CAROLINA IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS SUBSCRIPTION AGREEMENT AND AGREE NOT TO COMMENCE ANY SUIT, ACTION OR PROCEEDING RELATING THERETO EXCEPT IN SUCH COURTS. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT.

7. Binding Effect. Except as otherwise provided herein, this Subscription Agreement shall be binding upon, and inure to the benefit of, the parties and their heirs, executors, administrators, successors, legal representatives, and assigns.

8. Notice. All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given three days after the date mailed when mailed by registered or certified mail, postage prepaid, or the next business day if sent by special courier such as Federal Express (except that notice of change of address shall be deemed given only when received), to the address shown on the signature pages hereto, in the case of Investor, and HC Government Realty Trust, Inc., 390 S. Liberty Street, Suite 100, Winston-Salem, NC 27101, attn.: Chief Executive Officer, in the case of the Company, or to such other names or addresses as the Company or the Investor, as the case may be, shall designate by notice to the other party in the manner specified in this Section 8.

9. Severability. If any provision of this Subscription Agreement or its application to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provisions or applications of this Subscription Agreement that can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable the invalid or unenforceable provision in any other jurisdiction or under any other circumstance.

10. Entire Agreement. This Subscription Agreement (including all exhibits, appendices and schedules) and the Organic Documents, constitute the entire agreement by and between the parties pertaining to the subject matter hereof and supersede all prior and contemporaneous understandings of the parties. In addition, each of the parties hereto acknowledges and agrees that the Placement Agent is a third-party beneficiary of the representations and warranties of Investor contained in Section 3 and the indemnification obligations contained in Section 5.

11. Variation in Pronouns. All pronouns shall be deemed to refer to masculine, feminine, neuter, singular, or plural, as the identity of the person or persons may require.

12. Counterparts. This Subscription Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Subscription Agreement has been duly executed by the Company and the undersigned Investor or its duly authorized officer, as the case may be, as of the date first written above.

INVESTOR:

[INVESTOR NAME]

By: _____

Name:

Title:

Taxpayer Identification Number

Address:

ACCEPTED BY THE COMPANY:

HC GOVERNMENT REALTY TRUST, INC.

By:

Name: Steven A. Hale II

Title: Chief Executive Officer

EXHIBIT A-1

CHARTER
(see attached)

EXHIBIT A-2

BYLAWS
(see attached)

EXHIBIT B
INVESTOR QUESTIONNAIRE

Purpose of this Questionnaire: Series C Cumulative Redeemable Preferred Stock (the “Preferred Stock”) of HC Government Realty Trust, Inc., a Maryland corporation (the “Company”) will be offered without registration under the Securities Act of 1933, as amended (the “Act”), or the securities laws of any state, in reliance on the exemptions contained in Section 4(a)(2) of the Act and Regulation D promulgated thereunder and on such or similar exemptions under applicable state laws, and Regulation S under the Securities Act. Under Section 4(a)(2) of the Act and/or certain state securities laws, the Company may be required to determine that an individual, or an individual together with a “purchaser representative,” or each individual equity owner of an investing entity meets certain suitability requirements before offering to sell the Preferred Stock to such individual or entity. THE COMPANY MAY, IN ITS DISCRETION, EXCLUDE ANY INDIVIDUAL FROM THE OFFERING TO THE EXTENT NECESSARY TO COMPLY WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS. This Investor Questionnaire does not constitute an offer to sell or a solicitation of an offer to buy the Preferred Stock or any other security.

Instructions: Please complete this questionnaire by filling in the information called for and signing below. Please fax, e-mail (via PDF) or mail the completed questionnaire to: Raymond James & Associates, Inc.; Attention: Andrea J. Lanham, Vice President - Syndicate Operations; 880 Carillon Parkway, Tower 3, 5th Floor; St. Petersburg, FL 33716; Telephone: (727) 567-2400; Fax: (866) 597-4039; E-Mail: privateplacements@raymondjames.com Representations: Please indicate by checkmark to which of the below the undersigned represents:

- _____ 1. **Accredited Investor Status.** The undersigned has read the definition of “accredited investor” as defined in Rule 501 of Regulation D attached hereto as Attachment 1, and certifies that the undersigned is an “accredited investor”;
- _____ 2. **Domicile/State of Organization.** The undersigned’s state of domicile/organization is: _____;
or
- _____ 3. **Qualified Institutional Buyer.** The undersigned’s has read the definition of “qualified institutional buyer” as defined in Rule 144A of the Act attached hereto as Attachment 2, and certifies that the undersigned is a “qualified institutional buyer”; or
- _____ 4. **Non-U.S. Person Status.** The undersigned’s has read the definition of “U.S. Person” as defined in Rule 902 of Regulation S attached hereto as Attachment 3, and certifies that the undersigned is not a “U.S. Person”.

The foregoing representations are true and accurate as of the date hereof. The undersigned undertakes to notify the Company regarding any material change in the information set forth above prior to the purchase by the undersigned of any Preferred Stock of the Company.

Dated: _____

Signature of Investor(s)

Print Name of Investor(s)

Print Title (if applicable)

Address: _____

Telephone: _____

Facsimile: _____

E-Mail: _____

ATTACHMENT 1 TO INVESTOR QUESTIONNAIRE

Rule 501. Definitions and Terms Used in Regulation D under the Act.

As used in Regulation D, the term “accredited investor” shall mean any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

- (1) Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (2) Any private business development company as defined in Section 202(a) (22) of the Investment Advisers Act of 1940;
- (3) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- (4) Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
- (5) Any natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase exceeds \$1,000,000 (excluding the value of the primary residence);
- (6) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- (7) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Act; and
- (8) Any entity in which all of the equity owners are accredited investors.

ATTACHMENT 2 TO INVESTOR QUESTIONNAIRE

Rule 144A(a) “qualified institutional buyer” shall mean:

(i) Any of the following entities, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity:

(A) Any insurance company as defined in section 2(a)(13) of the Act;

(B) Any investment company registered under the Investment Company Act or any business development company as defined in section 2(a)(48) of that Act;

(C) Any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

(D) Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

(E) Any employee benefit plan within the meaning of title I of the Employee Retirement Income Security Act of 1974;

(F) Any trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraph (a)(1)(i) (D) or (E) of this section, except trust funds that include as participants individual retirement accounts or H.R. 10 plans.

(G) Any business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

(H) Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation (other than a bank as defined in section 3(a)(2) of the Act or a savings and loan association or other institution referenced in section 3(a)(5)(A) of the Act or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust; and

(I) Any investment adviser registered under the Investment Advisers Act.

(ii) Any dealer registered pursuant to section 15 of the Exchange Act, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, Provided, That securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer;

(iii) Any dealer registered pursuant to section 15 of the Exchange Act acting in a riskless principal transaction on behalf of a qualified institutional buyer;

(iv) Any investment company registered under the Investment Company Act, acting for its own account or for the accounts of other qualified institutional buyers, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. Family of investment companies means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), Provided That, for purposes of this section:

(A) Each series of a series company (as defined in Rule 18f-2 under the Investment Company Act [17 CFR 270.18f-2]) shall be deemed to be a separate investment company; and

(B) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor);

(v) Any entity, all of the equity owners of which are qualified institutional buyers, acting for its own account or the accounts of other qualified institutional buyers; and

(vi) Any bank as defined in section 3(a)(2) of the Act, any savings and loan association or other institution as referenced in section 3(a)(5)(A) of the Act, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under the Rule in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

ATTACHMENT 3 TO INVESTOR QUESTIONNAIRE

Rule 901(k) U.S. person. Definitions and Terms Used in Regulation S under the Act

(1) “U.S. person” means:

(i) Any natural person resident in the United States;

(ii) Any partnership or corporation organized or incorporated under the laws of the United States;

(iii) Any estate of which any executor or administrator is a U.S. person;

(iv) Any trust of which any trustee is a U.S. person;

(v) Any agency or branch of a foreign entity located in the United States;

(vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

(vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and

(viii) Any partnership or corporation if:

(A) Organized or incorporated under the laws of any foreign jurisdiction; and

(B) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in § 230.501(a)) who are not natural persons, estates or trusts.

(2) The following are not “U.S. persons”:

(i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;

(ii) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:

(A) An executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and

(B) The estate is governed by foreign law;

(iii) Any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;

(iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;

(v) Any agency or branch of a U.S. person located outside the United States if:

(A) The agency or branch operates for valid business reasons; and

(B) The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and

(vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

**THIRD AMENDMENT TO THE
AGREEMENT OF LIMITED PARTNERSHIP OF
HC GOVERNMENT REALTY HOLDINGS, L.P.**

**DESIGNATION OF 7.00% SERIES C
CUMULATIVE REDEEMABLE PREFERRED UNITS**

August 12, 2020

Pursuant to Section 4.02 and Article XI of the Agreement of Limited Partnership of HC Government Realty Holdings, L.P., as amended by the First Amendment dated March 31, 2016 (the "First Amendment") and the Second Amendment dated March 14, 2019 (the "Second Amendment," and such agreement, as amended by the First Amendment and the Second Amendment, the "Partnership Agreement"), the General Partner hereby further amends the Partnership Agreement as follows in connection with the classification of 6,000,000 shares of 7.00% Series C Cumulative Redeemable Preferred Stock, \$0.001 par value per share (the "Series C Preferred Stock") of HC Government Realty Trust, Inc. and the issuance to the General Partner of Series C Preferred Units (as defined below) in exchange for the contribution by the General Partner of the net proceeds from the issuance and sale of the Series C Preferred Stock:

1. Designation and Number. A series of Preferred Units (as defined below), designated the "7.00% Series C Cumulative Redeemable Preferred Units" (the "Series C Preferred Units"), is hereby established. The number of authorized Series C Preferred Units shall be 6,000,000.

2. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Partnership Agreement. The following defined terms used in this Amendment to the Partnership Agreement shall have the meanings specified below:

"Articles Supplementary" means the Articles Supplementary of the General Partner filed with the State Department of Assessments and Taxation of the State of Maryland on August 12, 2020, designating the terms, rights and preferences of the Series C Preferred Stock.

"Base Liquidation Preference" shall have the meaning provided in Section 6.

"Business Day" shall have the meaning provided in Section 5(a).

"Distribution Period" shall have the meaning provided in Section 5(a).

"Distribution Record Date" shall have the meaning provided in Section 5(a).

"Junior Units" shall have the meaning provided in Section 4.

"Original Issuance Date" shall have the meaning provided in Section 5(a).

"Parity Preferred Units" shall have the meaning provided in Section 4.

"Partnership Agreement" shall have the meaning provided in the recital above.

“Preferred Units” means all Partnership Interests designated as preferred units by the General Partner from time to time in accordance with Section 4.02 of the Partnership Agreement. As of the date hereof, the Preferred Units of the Partnership are the “7.00% Series A Cumulative Convertible Preferred Units” (the “Series A Preferred Units”), the 10.00% Series B Cumulative Convertible Preferred Units” (the “Series B Preferred Units”) and the Series C Preferred Units.

“Series A Preferred Return” shall have the meaning provided in Section 5(a) of the First Amendment.

“Series B Preferred Return” shall have the meaning provided in Section 5(a) of the Second Amendment.

“Series C Preferred Return” shall have the meaning provided in Section 5(a).

“Series A Preferred Distribution Payment Date” shall have the meaning provided in Section 5(a) of the First Amendment.

“Series B Preferred Distribution Payment Date” shall have the meaning provided in Section 5(a) of the Second Amendment.

“Series C Preferred Distribution Payment Date” shall have the meaning provided in Section 5(a).

“Series C Preferred Stock” shall have the meaning provided in the recital above.

“Series A Preferred Units” shall have the meaning provided in the definition of “Preferred Units”.

“Series B Preferred Units” shall have the meaning provided in the definition of “Preferred Units”.

“Series C Preferred Units” shall have the meaning provided in Section 1.

3. Maturity. The Series C Preferred Units have no stated maturity and will not be subject to any sinking fund or mandatory redemption.

4. Rank. The Series C Preferred Units will, with respect to distribution rights and rights upon liquidation, dissolution or winding up of the Partnership, rank (a) senior to all classes or series of Common Units of the Partnership, the Series A Preferred Units, the Series B Preferred Units, and any class or series of Preferred Units expressly designated as ranking junior to the Series C Preferred Units as to distribution rights and rights upon liquidation, dissolution or winding up of the Partnership (the “Junior Units”); (b) on a parity with any other class or series of Preferred Units issued by the Partnership expressly designated as ranking on a parity with the Series C Preferred Units as to distribution rights and rights upon liquidation, dissolution or winding up of the Partnership (the “Parity Preferred Units”); and (c) junior to any class or series of Preferred Units issued by the Partnership expressly designated as ranking senior to the Series C Preferred Units with respect to distribution rights and rights upon liquidation, dissolution or winding up of the Partnership. The term “Preferred Units” does not include convertible or exchangeable debt securities of the Partnership, which will rank senior to the Series C Preferred Units prior to conversion or exchange. The Series C Preferred Units will also rank junior in right or payment to the Partnership’s existing and future indebtedness.

5. Distributions.

(a) Subject to the preferential rights of holders of any class or series of Preferred Units of the Partnership expressly designated as ranking senior to the Series C Preferred Units as to distributions, the holders of Series C Preferred Units shall be entitled to receive, when, as and if authorized by the General Partner and declared by the Partnership, out of funds of the Partnership legally available for payment of distributions, preferential cumulative cash distributions at the rate of 7.00% per annum of the Base Liquidation Preference (as defined below) per unit plus the amount of previously accrued and unpaid distributions on the Series C Preferred Units (the “Series C Preferred Return”) from the date of original issue of the Series C Preferred Units (or the date of issue of any Series C Preferred Units issued after such original issue date) (the “Original Issuance Date”). Distributions on the Series C Preferred Units shall accrue and be cumulative from (and including) the Original Issuance Date of any Series C Preferred Units or, with respect to any accrued distributions that have been paid in cash, the end of the most recent Distribution Period for which distributions have been paid, and shall be payable quarterly, in equal amounts, in arrears, on or about the 5th day of each January, April, July and October of each year (or, if not a business day, the next succeeding business day (each a “Series C Preferred Distribution Payment Date”) for the period ending on such Series C Preferred Distribution Payment Date, commencing on October 5, 2020. A “Distribution Period” is the respective period commencing on and including January 1, April 1, July 1 and October 1 of each year and ending on and including the day preceding the first day of the next succeeding Distribution Period (other than the initial Distribution Period and the Distribution Period during which any Series C Preferred Units shall be redeemed or otherwise acquired by the Partnership). The term “Business Day” shall mean each day, other than a Saturday or Sunday, which is not a day on which banks in the State of New York are required to close. The amount of any distribution payable on the Series C Preferred Units for any Distribution Period will be computed on the basis of twelve 30-day months and a 360-day year. Distributions will be payable to holders of record of the Series B Preferred Units as they appear on the records of the Partnership at the close of business on the 25th day of the month preceding the applicable Series B Preferred Distribution Payment Date, *i.e.*, December 25, March 25, June 25 and September 25 (each, a “Distribution Record Date”).

(b) No distributions on the Series C Preferred Units shall be authorized by the General Partner or declared, paid or set apart for payment by the Partnership at such time as the terms and provisions of any agreement of the General Partner or the Partnership, including any agreement relating to the indebtedness of either of them, prohibits such authorization, declaration, payment or setting apart for payment or provides that such declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such declaration or payment shall be restricted or prohibited by law.

(c) Notwithstanding anything to the contrary contained herein, distributions on the Series C Preferred Units will accrue and, to the extent not paid in cash, compound quarterly on each Series C Preferred Distribution Payment Date, whether or not the restrictions referred to in Section 5(b) exist, whether or not the Partnership has earnings, whether or not there are funds legally available for the payment of such distributions and whether or not such distributions are authorized or declared. No interest, or sum of money in lieu of interest, will be payable in respect of any distribution on the Series C Preferred Units which may be in arrears. When distributions are not paid in full upon the Series C Preferred Units and any Parity Preferred Units (or a sum sufficient for such full payment is not so set apart), all distributions declared upon the Series C Preferred Units and any Parity Preferred Units shall be declared pro rata so that the amount of distributions declared per Series C Preferred Unit and such Parity Preferred Units shall in all cases bear to each other the same ratio that accumulated distributions per Series C Preferred Unit and such Parity Preferred Units (which shall not include any accrual in respect of unpaid distributions for prior distributions periods if such Parity Preferred Units do not have a cumulative distribution) bear to each other.

(d) Except as provided in the immediately preceding paragraph, unless full cumulative distributions on the Series C Preferred Units have been or contemporaneously are declared and paid in cash or declared and a sum sufficient for the payment thereof is set apart for payment for all past Distribution Periods that have ended, no distributions (other than a distribution in Junior Units or in options, warrants or rights to subscribe for or purchase any such Junior Units) shall be declared and paid or declared and set apart for payment nor shall any other distribution be declared and made upon the Junior Units or any Parity Preferred Units, nor shall any Junior Units or Parity Preferred Units be redeemed, purchased or otherwise acquired for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any such Units) by the Partnership (except (i) by conversion into or exchange for Junior Units, (ii) the purchase of Series C Preferred Units, Junior Units or Parity Preferred Units in connection with a redemption of stock pursuant to the Charter to the extent necessary to preserve the Corporation’s qualification as a REIT or (iii) the purchase of Parity Preferred Units pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding Series C Preferred Units). Holders of the Series C Preferred Units shall not be entitled to any distribution, whether payable in cash, property or units, in excess of full cumulative and compounding distributions on the Series C Preferred Units as provided above. Any distribution made on the Series C Preferred Units shall first be credited against the earliest accrued but unpaid distribution due with respect to such units which remains payable. Accrued but unpaid distributions on the Series C Preferred Units will accrue as of the Series C Preferred Distribution Payment Date on which they first become payable.

6. Liquidation Preference. Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Partnership, the holders of Series C Preferred Units are entitled to be paid out of the assets of the Partnership legally available for distribution to its partners, after payment of or provision for the Partnership's debts and other liabilities, a liquidation preference of \$25.00 per unit (the "Base Liquidation Preference"), plus an amount equal to any accrued and unpaid distributions (whether or not authorized or declared) thereon to and including the date of payment, but without interest, before any distribution of assets is made to holders of Junior Units. If the assets of the Partnership legally available for distribution to partners are insufficient to pay in full the liquidation preference on the Series C Preferred Units and the liquidation preference on any Parity Preferred Units, all assets distributed to the holders of the Series C Preferred Units and any Parity Preferred Units shall be distributed pro rata so that the amount of assets distributed per Series C Preferred Unit and such Parity Preferred Units shall in all cases bear to each other the same ratio that the liquidation preference per Series C Preferred Unit and such Parity Preferred Units bear to each other. Written notice of any distribution in connection with any such liquidation, dissolution or winding up of the affairs of the Partnership, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than 30 nor more than 60 days prior to the payment date stated therein, to each record holder of the Series C Preferred Units at the respective addresses of such holders as the same shall appear on the records of the Partnership. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series C Preferred Units will have no right or claim to any of the remaining assets of the Partnership. The consolidation or merger of the Partnership with or into another entity, a merger of another entity with or into the Partnership, a statutory exchange by the Partnership or a sale, lease, transfer or conveyance of all or substantially all of the Partnership's property or business shall not be deemed to constitute a liquidation, dissolution or winding up of the affairs of the Partnership. Notwithstanding the above, for purposes of determining the amount each holder of Series C Preferred Units is entitled to receive with respect to a voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Partnership, no effect shall be given to amounts that would be needed, if the Partnership were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of the Series C Preferred Units.

7. Redemption. In connection with any redemption of any shares of Series C Preferred Stock of the General Partner pursuant to Section 5 of the Articles Supplementary, the Partnership shall redeem, on the date of such redemption, a number of outstanding Series C Preferred Units equal to the number of shares of Series C Preferred Stock so redeemed.

8. Voting Rights. Holders of the Series C Preferred Units will not have any voting rights.

9. Amendment. Article V, Section 5.01(f) of the Partnership Agreement is hereby deleted in its entirety and the following new Section 5.01(f) is inserted in its place:

(f) Priority Allocations With Respect To Preferred Units. After giving effect to the allocations set forth in Sections 5.01(c), (d), and (e) hereof, but before giving effect to the allocations set forth in Sections 5.01(a) and 5.01(b), Net Operating Income shall be allocated to the General Partner until the aggregate amount of Net Operating Income allocated to the General Partner under this Section 5.01(f) for the current and all prior years equals the aggregate amount of the Series C Preferred Return, and thereafter, Net Operating Income shall be allocated to the General Partner until the aggregate amount of Net Operating Income allocated to the General Partner under this Section 5.01(f) for the current and all prior years equals the aggregate amount of the Series A Preferred Return and the Series B Preferred Return paid to the General Partner for the current and all prior years; *provided, however*, that the General Partner may, in its discretion, allocate Net Operating Income based on accrued Series A Preferred Return, the Series B Preferred Return and the Series C Preferred Return with respect to the January Series A Preferred Distribution Payment Date, the January Series B Preferred Distribution Payment Date and the January Series C Distribution Payment Date if the General Partner sets the Distribution Record Date for such Series A Preferred Distribution Payment Date, Series B Preferred Distribution Payment Date or Series C Preferred Distribution Payment Date on or prior to December 31 of the previous year. For purposes of this Section 5.01(f), "Net Operating Income" means the excess, if any, of the Partnership's gross income over its expenses (but not taking into account depreciation, amortization, or any other noncash expenses of the Partnership), calculated in accordance with the principles of Section 5.01(h) hereof.

10. Except as modified herein, all terms and conditions of the Partnership Agreement shall remain in full force and effect, which terms and conditions the General Partner hereby ratifies and confirms.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of the date first set forth above.

GENERAL PARTNER:

HC GOVERNMENT REALTY TRUST, INC.
a Maryland corporation

By: /s/ Steven A. Hale II
Name: Steven A. Hale II
Title: President

*[Signature page for Third Amendment to Agreement of
Limited Partnership of HC Government Realty Holdings, L.P.]*