

RESOLUTION

WHEREAS, Hallmark Beverly Hills, LLC (the “Borrower”) has requested The Health, Educational and Housing Facilities Board of Sevier County, Tennessee (the “Issuer”) issue its Revenue Bonds for the benefit of the Borrower, in the aggregate principal amount of not to exceed \$32,232,200 (the “Bonds”); and

WHEREAS, a portion of the proceeds of the Bonds will be used for the purpose of (a) financing the cost of acquisition and renovation of the multifamily properties listed in *Exhibit A* attached hereto and incorporated by reference (collectively, the “Projects”), (b) funding reserves and (c) paying certain costs of issuance of the Bonds; and

WHEREAS, in order to achieve interest savings, the Borrower desires that the Bonds be issued in compliance with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”) so that interest on the Bonds will be excludable from the gross income of the owners thereof; and

WHEREAS, Section 147(f) of the Code and Chapter 101, Part 3 of Title 48, Tennessee Code Annotated (T.C.A. §48-101-301 *et seq.*) as amended (“Title 48 of the TN Code”) each require, as a condition to issuing the Bonds to acquire the Projects, that the City Council (the “Board”) of Crossville, Tennessee (the “City”) approve of the Issuer’s issuance of the Bonds; and

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD AS FOLLOWS:

SECTION 1. Beverly Hills Apartments, located at 50 Beverly Hills Circle, Crossville, Tennessee 38555 (the “Project”) is located within the corporate limits of Crossville, Tennessee (the “Jurisdiction”). The Project will be owned by the Borrower. The issuance of the Bonds by the Issuer in an aggregate amount not to exceed \$32,232,200 is hereby approved for purposes of Section 147(f) of the Code and Title 48 of the TN Code.

SECTION 2. A hearing open to the public was held on April 14, 2015, for which due and reasonable public notice was given to the Jurisdiction in accordance with the provisions of law and the procedures established therefor.

SECTION 3. Such approval shall be solely for the purposes of Section 147(f) of the Code and Title 48 of the TN Code. The City shall have no liabilities for the payment of the Bonds nor shall any of its assets be pledged to the payment of the Bonds.

SECTION 4. This Resolution shall take effect and be in full force immediately after its adoption by the Board.

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**THIS RESOLUTION HAVING BEEN DULY CONSIDERED AND VOTED UPON
WAS PASSED AND APPROVED THIS _____ DAY OF _____, 2015.**

CROSSVILLE, TENNESSEE

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

EXHIBIT A

Hallmark TN

PROPERTY	STREET	CITY	COUNTY	ST	ZIP	TOTAL UNITS	TARGET	NEW OWNERSHIP ENTITY	APPROXIMATE BOND AMOUNTS	GROSSED UP (119%) BOND AMOUNTS
BEVERLY HILLS	50 Beverly Hills Circle	Crossville	Cumberland	TN	38555	43	Eld	Hallmark Beverly Hills, LLC	\$1,449,000	\$1,666,350
BLUEGRASS VILLAGE	430 Jernigan Drive	Somerville	Fayette	TN	38068	40	Eld	Hallmark Bluegrass Village, LLC	\$1,544,000	\$1,775,600
BROOKWOOD	128 Brookwood Lane	Gainesboro	Jackson	TN	38562	44	Eld	Hallmark Brookwood, LLC	\$1,479,000	\$1,700,850
CAMBRIDGE	118 Cambridge Court	Dover	Stewart	TN	37058	49	Eld	Hallmark Cambridge, LLC	\$1,535,000	\$1,765,250
GEDARS	264 Main Street	Maynardville	Union	TN	37807	41	Eld	Hallmark Cedars, LLC	\$1,591,000	\$1,829,650
CHEROKEE SQUARE	2013 Brown Drive	Rogersville	Hawkins	TN	37857	31	Fam	Hallmark Cherokee Square, LLC	\$1,103,000	\$1,268,450
CLEARVIEW	3318 Highway 31 West	White House	Sumner	TN	37188	48	Eld	Hallmark Clearview, LLC	\$1,575,000	\$1,811,250
CREEKWOOD	115 Bradford Place	Carthage	Smith	TN	37030	32	Fam	Hallmark Creekwood, LLC	\$1,163,000	\$1,325,950
FENTRESS OAKS	428 Lawson Street	Jamestown	Fentress	TN	38556	32	Fam	Hallmark Fentress Oaks, LLC	\$1,069,000	\$1,229,350
FOREST OAKS	2150 Bell Street	Ashland City	Cheatham	TN	37015	41	Fam	Hallmark Forest Oaks, LLC	\$1,775,000	\$2,041,250
MOUNTAIN VILLAGE	30 Mtn. Village Lane	Crossville	Cumberland	TN	38555	48	Fam	Hallmark Mountain Village, LLC	\$1,683,000	\$1,935,450
OAKWOOD VILLAGE	2021 Oakwood Drive	Westmoreland	Sumner	TN	37186	25	Eld	Hallmark Oakwood Village, LLC	\$516,000	\$593,400
PARTRIDGE MEADOWS	460 Oriole Drive	McMinnville	Warren	TN	37110	48	Fam	Hallmark Partridge Meadows, LLC	\$1,763,000	\$2,050,450
RED OAK	100 Schools Drive	Camden	Benton	TN	38320	39	Eld	Hallmark Red Oak, LLC	\$1,374,000	\$1,580,100
SHAMROCK	11 Shamrock Drive	Erin	Houston	TN	37061	43	Eld	Hallmark Shamrock, LLC	\$1,365,000	\$1,569,750
SOUTHWOOD	150 Austin St.	Savannah	Hardin	TN	38372	44	Fam	Hallmark Southwood, LLC	\$1,604,000	\$1,844,600
STONE GATE	126 Prospect Road	Maynardville	Union	TN	37807	32	Fam	Hallmark Stone Gate, LLC	\$1,256,000	\$1,444,400
SUNCREST	261 Suncrest Way	Newport	Cocke	TN	37821	32	Fam	Hallmark Suncrest, LLC	\$1,211,000	\$1,392,650
SYCAMORE TRACE	126 North Shepard Drive	Bulls Gap	Hawkins	TN	37711	32	Fam	Hallmark Sycamore Trace, LLC	\$1,169,000	\$1,344,350
THE VILLAS	4040 Reasons Boulevard	Milan	Gibson	TN	38358	49	Fam	Hallmark Heritage Villas, LLC	\$1,794,000	\$2,063,100