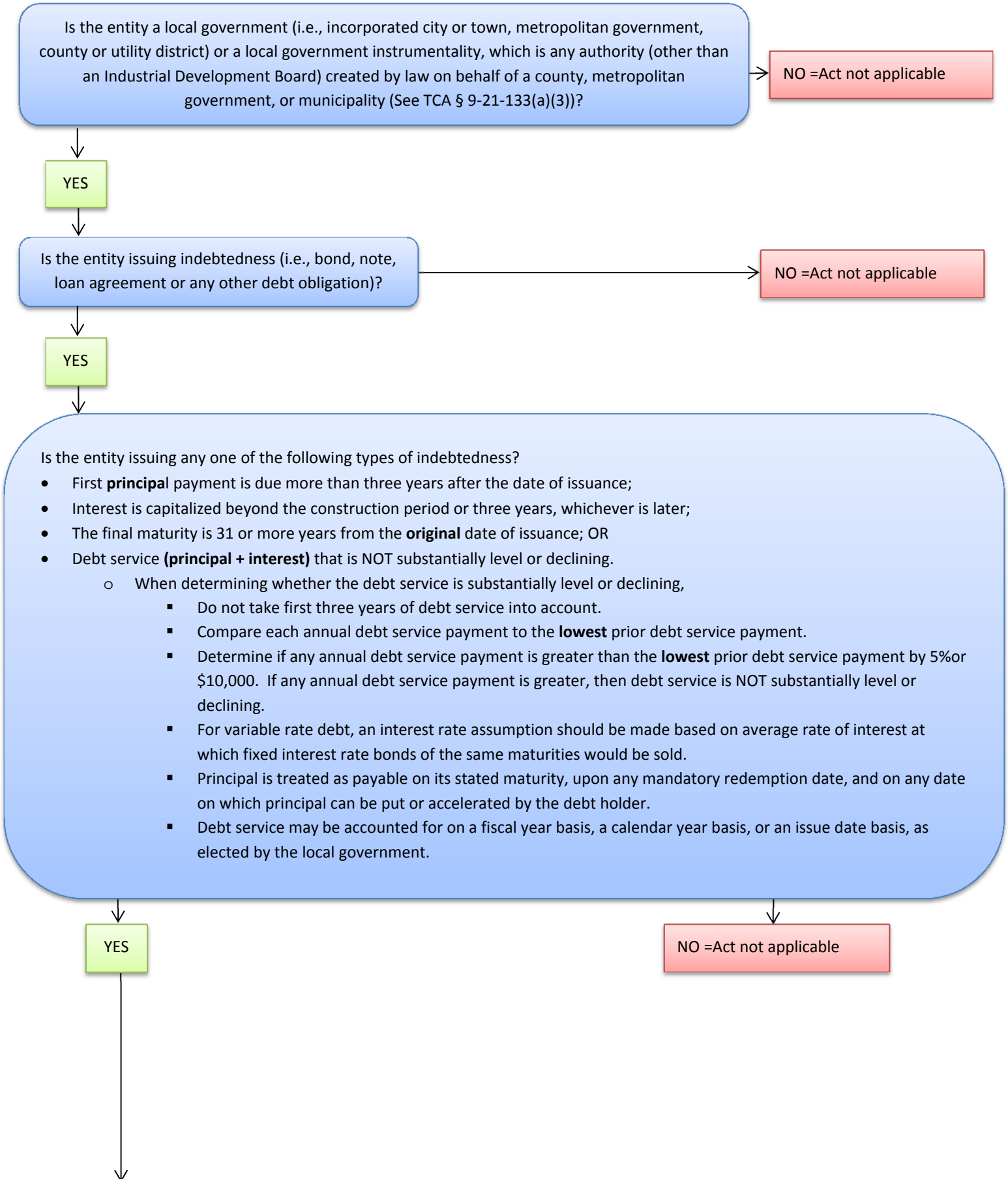


Tennessee Code Annotated § 9-21-133



Does the debt fall under one of the following exceptions:

- 75% of total **PRINCIPAL** is payable within 10 years from the date of issuance AND no more than 25% of **PRINCIPAL** is payable in any one year (principal is treated as payable on its stated maturity, upon any mandatory redemption date, and on any date on which principal can be put or accelerated by the debt holder);
- Every annual **PRINCIPAL** installment is not more than 50% in excess of smallest prior **PRINCIPAL** installment (principal is treated as payable on its stated maturity, upon any mandatory redemption date, and on any date on which principal can be put or accelerated by the debt holder);
- The proposed debt has a general obligation pledge and the entity issuing it has some amount of long-term general obligation indebtedness outstanding or proposed to be issued that is rated AA+/Aa1 or better;
- The proposed debt is **SECURED SOLELY** by a revenue pledge and the entity issuing it has some amount of long-term revenue indebtedness outstanding or proposed to be issued that is rated AA+/Aa1 or better;
- State or federal law requires the entity to participate in the financing program;
- The proposed debt is a conduit transaction with a private entity/borrower;
- Is evidenced by a loan with the USDA or HUD; OR
- The proposed debt is a note the issuance of which is otherwise subject to Comptroller approval.



NO = Since it does not fall under an exception, it is balloon indebtedness under the Act and must receive Comptroller approval pursuant to the State Funding Board Guidelines



YES = Act not applicable  
(In other words, it is not balloon debt)