

November 12, 2018

\$51,225,000\*  
Oconee County Industrial Development Authority  
Revenue Bonds  
(Presbyterian Village Athens Project)  
Series 2018A

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PRELIMINARY BLUE SKY MEMORANDUM

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BB&T Capital Markets  
Richmond, Virginia

This Memorandum sets forth, in summary form, our comments as to the requirements of the securities or “Blue Sky” laws of the states of the United States, the District of Columbia and the Commonwealth of Puerto Rico, with respect to the proposed offer and sale of the captioned issue of bonds (the “Bonds”).

This Memorandum is based upon an examination of the latest compilations available to us of the applicable statutes and related rules and regulations, if any, of such jurisdictions which relate to the sale of securities therein as reported in the latest version available to us of the standard unofficial compilation of the securities or “Blue Sky” laws customarily relied upon in this connection and upon statements contained in the draft Preliminary Official Statement in the form initially distributed to the public. We have prepared this Memorandum as attorneys admitted to practice in the State of South Carolina and have not obtained opinions of local counsel in any other jurisdiction. Except as indicated in this Memorandum, we are not taking action to qualify the Bonds for offer or sale in jurisdictions where such action is required, and we have not obtained formal rulings from regulatory commissions or other administrative bodies or officials charged with the administration of the respective securities or “Blue Sky” laws. This Memorandum does not cover the requirements of any jurisdiction with respect to the use of advertising material.

In all instances in which we have indicated that persons registered or licensed as dealers or brokers may sell the Bonds, we have assumed that such persons have complied with all dealer or broker requirements in connection with the sale thereof, and with all Federal and state statutes, rules and regulations with respect to registration or licensing.

The statements made herein are of necessity subject to change upon the exercise of broad discretionary powers given by statute to securities commissions and other qualified authorities authorizing

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\*Preliminary, subject to change

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such commissions or authorities to withdraw exemptions or deny the exempt status offered by statute or by administrative interpretations thereof, to refuse registration, to impose additional requirements or restrictions, to issue stop orders or to revoke or suspend permits where they have been granted in respect to any offering of securities.

Any statements in this Memorandum with respect to sales to banks, savings institutions, trust companies, insurance companies, or any other institutional investor refer only to Blue Sky requirements relating to such sales and do not purport to cover the question of whether the purchase of the Bonds would be a legal investment for such institutions.

A supplemental memorandum will be prepared advising you as to the completion or noncompletion of the action, if any, requested by you.

Very truly yours,

HAYNSWORTH SINKLER BOYD, P.A.

PART I  
SALE TO PUBLIC BY PERSONS  
REGISTERED OR LICENSED AS DEALERS OR BROKERS

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PART A. Jurisdictions Where Filings Not Required.

Offers and sales of the Bonds may be made to the public in any amount in the following jurisdictions without registration of the Bonds or any filings being made, subject to the specific requirement that the sellers must be dealers or brokers registered or licensed in the respective jurisdictions.

Alabama	Illinois	Mississippi	Rhode Island
Alaska	Indiana	Missouri	South Carolina
California	Iowa	New Jersey	South Dakota
Colorado	Kansas	New Mexico	Tennessee
Connecticut	Kentucky	North Carolina	Texas
Delaware	Louisiana	North Dakota	Utah
District of Columbia	Maine	Ohio (2)	Vermont
Florida (1)	Maryland	Oklahoma	Virginia
Georgia	Massachusetts	Oregon	West Virginia
Hawaii	Michigan	Pennsylvania	Wisconsin
Idaho	Minnesota	Puerto Rico	Wyoming

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- (1) Provided the issuer or guarantor is not in default and has not been in default any time after December 31, 1975, as to principal or interest:
- (a) with respect to an obligation issued by the issuer or successor of the issuer; or
  - (b) with respect to an obligation guaranteed by the guarantor or successor of the guarantor
- except by an offering circular containing a full and fair disclosure as prescribed by rule of the Florida Department of Banking and Finance.
- (2) Provided there is no default in the payment of any of the interest or principal of the Bonds, and there are no adjudications or pending suits adversely affecting their validity.

PART B. Jurisdiction Where Filing Required and Action Being Taken.

Offers and sales of the Bonds may be made to the public in the following jurisdiction only if certain requirements as to registration of the Bonds or filing to obtain an exempt status have been completed. We are taking such action as we deem necessary to permit the Bonds to be offered and sold to the public therein by dealers or brokers registered therein, and we will advise you by supplemental memorandum when such action has been completed:

New York

PART C. Jurisdictions Where Filings Are Required.

Offers and sales of the Bonds may be made to the public in the following jurisdictions only if certain requirements as to registration of the Bonds or filing to obtain an exempt status have been completed. No

action is being taken to qualify any of the Bonds for sale in the following jurisdictions. Any offer or sale of the Bonds to the public in these jurisdictions without qualification is prohibited.

Arizona  
Arkansas  
Montana  
Nebraska

Nevada  
New Hampshire  
Washington

## PART II

### EXEMPT TRANSACTIONS

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#### PART A. Sales to Dealers or Brokers

Our survey indicates that offers and sales of the Bonds to dealers or brokers may be made in the following jurisdictions without registration of the Bonds or any filings being made, and that persons making such offers or sales need not be registered or licensed as dealers or brokers in the respective jurisdictions, except as indicated by footnote.

Alabama (1)	Illinois	Montana	Puerto Rico (6)
Alaska (2)	Indiana (3)	Nebraska	Rhode Island (9)
Arizona (1)	Iowa (3)	Nevada (7)	South Carolina (3)
Arkansas (3)	Kansas (3)	New Hampshire (1)	South Dakota (3)
California (4)	Kentucky (6)	New Jersey (1)	Tennessee (10)
Colorado (5)	Louisiana	New Mexico (1)	Texas (11)
Connecticut (1)	Maine (1)	New York	Utah (6)
Delaware (1)	Maryland (6)	North Carolina (8)	Vermont (3)
District of Columbia (1)	Massachusetts (6)	North Dakota (1)	Virginia
Florida	Michigan (3)	Ohio	Washington (12)
Georgia (3)	Minnesota (3)	Oklahoma (3)	West Virginia (6)
Hawaii (3)	Mississippi (3)	Oregon	Wisconsin (1)
Idaho (3)	Missouri (3)	Pennsylvania (1)	Wyoming (1)

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- (1) Provided offeror or seller is a registered or licensed broker or dealer in this jurisdiction, or has no place of business in this jurisdiction and effects transactions in this jurisdiction exclusively with or through registered or licensed brokers or dealers or the institutions specified in the next section of this memorandum.
- (2) Provided offeror or seller is (i) a registered or licensed as broker or dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction and (a) effects transactions in this jurisdiction exclusively with or through registered or licensed brokers or dealers or the institutions specified in the next section of this memorandum, or (b) during any period of 12 consecutive months does not effect more than 15 transactions at the initiation and direction of the customer and on behalf of residents of this jurisdiction regardless of whether the residents are then present in this jurisdiction and does not direct any offers initiated by the offeror or seller to sell or buy into this jurisdiction in any manner to persons other than other broker dealers or the institutions specified in the next section of this memorandum whether or not the offeror or any of the offerees are then present in this jurisdiction.
- (3) Provided offeror or seller is (i) a registered or licensed broker or dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction and (a) effects transactions in this jurisdiction exclusively with or through registered or licensed brokers or dealers or the institutions specified in the next section of this memorandum, or (b) is registered under the securities laws of the jurisdiction in which it has a principal place of business, is registered or not required to be registered as a broker-dealer under the Securities Exchange Act of 1934, and does not effect transactions with more than three persons in this jurisdiction during any period of 12 consecutive months other than transactions with registered broker-dealers or the institutions listed with respect to this part.

- (4) Provided offeror or seller is (i) a licensed broker-dealer in California, or (ii) has no place of business in California and is registered as a broker-dealer under the Securities Exchange Act of 1934 and has not had any certificate denied or revoked under the California Corporate Securities Law of 1968 or any predecessor statute, and (a) effects transactions in California exclusively with licensed broker-dealers or the institutions specified in the next section of this memorandum, or (b) during any period of 12 consecutive months does not direct offers to sell or buy into this state in any manner to more than 15 customers (other than broker-dealers or the institutions specified in the next section of this memorandum) having an existing account with such broker-dealer prior to any offer made to them in California, whether or not the offeror or any of the offerees is then present in California.
- (5) Provided offeror or seller is (i) a registered or licensed broker or dealer in Colorado, or (ii) is registered as a broker-dealer under the Securities Exchange Act of 1934 and has no place of business in Colorado and its business transacted in Colorado as a broker-dealer is exclusively with (a) issuers in transactions involving their own securities, (b) other broker-dealers licensed or exempt from licensing in Colorado (except when acting as a clearing broker-dealer for such other broker-dealers), (c) the institutional investors specified in the next section of this memorandum, (d) individuals who are existing customers and whose principal places of residence are not in Colorado, or (e) during any twelve consecutive months, not more than five persons in Colorado, excluding the persons described in (a) through (d) above.
- (6) Provided offeror or seller is (i) a registered or licensed broker or dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction and (a) effects transactions in this jurisdiction exclusively with or through registered or licensed brokers or dealers or the institutions specified in the next section of this memorandum, or (b) during any period of 12 consecutive months does not direct more than 15 offers to sell or buy into this jurisdiction in any manner to persons other than other broker dealers or the institutions specified in the next section of this memorandum whether or not the offeror or any of the offerees are then present in this jurisdiction.
- (7) Provided the offeror or seller is a registered or licensed broker or dealer in this jurisdiction or is registered, or not required to be registered, under the Securities Exchange Act of 1934 and has no place of business in this state if: (i) the transactions effected by the broker-dealer in this state are exclusively with the issuer of the securities involved in the transactions, other broker-dealers licensed or exempt from licensing in this state, and financial or institutional investors; (ii) the broker-dealer is licensed under the securities laws of a state in which he maintains a place of business and he offers and sells in this state to a person who is an existing customer of the broker-dealer and whose principal place of residence is not in this state; or (iii) the broker-dealer is licensed under the securities laws of a state in which he maintains a place of business and during any 12 consecutive months he does not effect transactions with more than five persons in this state in addition to the transaction with the issuers of the securities involved in the transactions, financial or institutional investors, or broker-dealers, whether or not the offeror or an offeree is then present in this state.
- (8) Provided the offeror or seller (i) is registered as a dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction, and (a) effects transactions in this jurisdiction exclusively with or through registered dealers or with banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, or (b) is registered as a dealer with the Securities and Exchange Commission under the Securities Exchange Act of 1934 and in one or more states, and during any 12 consecutive months he does not effect more than 15

purchases or sales in this jurisdiction in any manner with persons other than those specified in (a), whether or not the dealer or any of the purchasers or sellers is then present in this jurisdiction.

- (9) Provided the offeror or seller is a registered or licensed broker or dealer in this state or is registered, or (except by reason of dealing exclusively in government securities) not required to be registered, under the Securities Exchange Act of 1934 and has no place of business in this state if: (i) the transactions effected by the broker-dealer in this state are exclusively with the issuer of the securities involved in the transactions, other broker-dealers licensed or exempt from licensing in this state, and financial or institutional investors; or (ii) the broker-dealer is licensed under the securities laws of a state in which he maintains a place of business and he offers and sells in this state to a person who is an existing customer of the broker-dealer and whose principal place of residence is not in this state.
- (10) Provided offeror or seller (i) is a registered broker-dealer in Tennessee, or (ii) has no place of business in Tennessee, is registered as a broker-dealer with the Securities and Exchange Commission or the Financial Industry Regulatory Authority or successor regulatory entity and (a) effects transactions in Tennessee exclusively with or through issuers of securities involved in the transactions, other broker-dealers or the institutions specified in the next section of this memorandum, or (b) during any period of 12 consecutive months does not effect more than 15 transactions in securities from, in or into Tennessee (other than to persons specified in (a) above).
- (11) Provided offeree or purchaser is a registered dealer in Texas actually engaged in buying and selling securities.
- (12) Provided the offeror or seller is (i) a registered or licensed broker or dealer in this state, or (ii) has no place of business in this state, and (a) effects transactions in this state exclusively with the issuer of the securities involved in the transactions, other broker-dealers, or the institutions specified in the next section of this memorandum, or (b) during the preceding 12-month period has fewer than six clients who are residents of this state other than those specified in (a) above.

#### PART B. Sales to Specified Institutions

Our survey indicates that offers and sales of the Bonds to the institutions specified may be made in the following jurisdictions without registration of the Bonds or any filings being made, and that persons making such offers or sales need not be registered or licensed as dealers or brokers in the respective jurisdictions, except as indicated by footnote. Attention is called to the fact that this memorandum does not cover the eligibility of the Bonds for investment by such institutions.

Alabama (1) Any bank, savings institution, credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.

Alaska (2) Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.

Arizona (1) Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.

- Arkansas (3) Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
- California (4) Any bank, savings and loan association, trust company, insurance company, investment company registered under the Investment Company Act of 1940, or pension or profit-sharing trust (other than a pension or profit-sharing trust of the issuer, self-employed individual retirement plan or individual retirement account) or other institutional investor or governmental agency or instrumentality.
- Colorado (5) Any financial or institutional investor, including a depository institution, insurance company, separate account of an insurance company, investment company registered under the Investment Company Act of 1940, business development company as defined in the Investment Company Act of 1940, private business development company as defined in the Investment Advisers Act of 1940, employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of five million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution or an insurance company, entity (but not an individual) a substantial part of whose business activities consist of investing, purchasing, selling, or trading in securities of more than one issuer and not of its own issue and that has total assets in excess of five million dollars as of the end of its latest fiscal year, small business investment company licensed by the federal small business administration under the federal Small Business Investment Act of 1958, or any other institutional buyer.
- Connecticut (1) Any bank and trust company, national banking association, savings bank, savings and loan association, federal savings bank, federal savings and loan association, credit union, federal credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
- Delaware (1) Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
- District of Columbia (1) Any financial institution or institutional investor, including a depository institution, insurance company, separate account of an insurance company, investment company registered under the Investment Company Act of 1940, business development company as defined in the Investment Company Act of 1940, employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of five million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution, or an insurance company, qualified institutional buyer as defined



in SEC Rule 144A, accredited investor as defined in SEC Rule 501(a), limited liability company with net assets of at least \$500,000; or other financial institution or institutional buyer.

- Florida Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, or pension or profit-sharing trust, or qualified institutional buyer as defined as defined in Securities and Exchange Commission Rule 144A; provided that such offer or sale of securities is not for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading Florida securities laws.
- Georgia (3) Any institutional investor, as specified in this jurisdiction.
- Hawaii (3) Any institutional investor, as specified in this jurisdiction.
- Idaho (3) Any institutional investor, as specified in this jurisdiction.
- Illinois Any corporation, bank, savings bank, savings institution, savings and loan association, trust company, insurance company, building and loan association, or dealer; to a pension fund, pension trust, or employees' profit sharing trust, other financial institution or institutional investor, any government or political subdivision or instrumentality thereof, whether the purchaser is acting for itself or in some fiduciary capacity; any partnership or other association engaged as a substantial part of its business or operations in purchasing or holding securities; any trust in respect of which a bank or trust company is trustee or co-trustee; any entity in which at least ninety percent of the equity is owned by certain described institutional or sophisticated persons, any employee benefit plan within the meaning of Title I of the Federal ERISA Act if (i) the investment decision is made by a plan fiduciary as defined in Section 3(21) of the Federal ERISA Act and such plan fiduciary is either a bank, savings and loan association, insurance company, registered investment adviser or an investment adviser registered under the Federal 1940 Investment Advisers Act, or (ii) the plan has total assets in excess of \$5,000,000, or (iii) in the case of a self-directed plan, investment decisions are made solely by certain described institutional or sophisticated persons; any plan established and maintained by, and for the benefit of the employees of, any state or political subdivision or agency or instrumentality thereof if such plan has total assets in excess of \$5,000,000; or to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, any Massachusetts or similar business trust, or any partnership, if such organization, trust, or partnership has total assets in excess of \$5,000,000.
- Indiana (3) Any institutional investor, as specified in this jurisdiction.
- Iowa (3) Any institutional investor, as specified in this jurisdiction.
- Kansas (3) Any institutional investor, as specified in this jurisdiction.
- Kentucky (6) Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.

Louisiana	Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, real estate investment trust, small business investment corporation, pension or profit-sharing plan or trust or other financial institution.
Maine (1)	Any institutional investor, as specified in this jurisdiction.
Maryland (6)	Any investment company as defined in the Investment Company Act of 1940, an investment adviser with assets under management of not less than \$1,000,000, bank, trust company, savings and loan association, insurance company, employee benefit plan with assets of not less than \$1,000,000, or governmental agency or instrumentality.
Massachusetts (6)	Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
Michigan (3)	Any institutional investor, as specified in this jurisdiction.
Minnesota (3)	Any institutional investor, as specified in this jurisdiction.
Mississippi (3)	Any institutional investor, as specified in this jurisdiction.
Missouri (3)	Any institutional investor, as specified in this jurisdiction.
Montana	Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
Nebraska	Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer.
Nevada (7)	Any financial or institutional investor, including a depository institution; an insurance company; a separate account of an insurance company; an investment company as defined in the Investment Company Act of 1940; an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$5,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution, or an insurance company; or any other institutional buyer.
New Hampshire (1)	Any institutional investor, as specified in this jurisdiction.
New Jersey (1)	Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
New Mexico (1)	Any institutional investor, as specified in this jurisdiction.

New York	Any state or national bank, trust company or savings institution incorporated under the laws and subject to the examination, supervision and control of any state or of the United States or of any insular possession thereof, or any syndicate, corporation or group formed for the specific purpose of acquiring the Bonds for resale to the public directly or through other syndicates or other groups.
North Carolina (8)	Any entity which has a net worth in excess of \$1,000,000 as determined by generally accepted accounting principles, bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
North Dakota (1)	Any institutional investor, as specified in this jurisdiction.
Ohio	Any institutional investor, as specified in this jurisdiction.
Oklahoma (3)	Any institutional investor, as specified in this jurisdiction.
Oregon	Any bank, savings institution, trust company, insurance company, investment company, pension or profit-sharing trust, or other financial institution or institutional buyer (including but not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the United States Department of Veterans Affairs and the Government National Mortgage Association), or mortgage broker or mortgage banker.
Pennsylvania (1)	Any institutional investor, including a bank, insurance company, pension or profit-sharing plan or trust (except a municipal pension plan or system), investment company as defined in the Investment Company Act of 1940, other financial institution or any person, other than an individual, which controls any of the foregoing, the federal government, any state or any agency or political subdivision thereof (except public school districts of this jurisdiction) or other person designated by this jurisdiction.
Puerto Rico (6)	Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Companies Act of Puerto Rico, pension or profit-sharing trust, or other financial institution or institutional buyer.
Rhode Island (9)	Any institutional investor, including a depository institution; an insurance company; a separate account of an insurance company; an investment company as defined in the Investment Company Act of 1940; an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$5,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution, or an insurance company; or any other institutional buyer.
South Carolina (3)	Any institutional investor, as specified in this jurisdiction.

South Dakota (3)	Any institutional investor, as specified in this jurisdiction.
Tennessee (10)	Any institutional investor, including a bank (unless the bank is acting as a broker-dealer), trust company, insurance company, investment company registered under the Investment Company Act of 1940, a holding company which controls any of the foregoing, a trust or fund over which any of the foregoing has investment discretion, a pension or profit sharing plan, an institutional buyer or any other person engaged as a substantial part of its business in investing in securities (unless such other person is a broker-dealer), provided that such institutional purchaser has a net worth in excess of \$1,000,000.
Texas	Any bank, trust company, building and loan association, insurance company, surety or guaranty company, savings institution (including any federal savings bank, or any federally, or state, chartered credit union or savings and loan association), investment company as defined in the Investment Company Act of 1940, small business investment company as defined in the Small Investment Company Act of 1958, provided any such institution purchases for its own account or as a bona fide trustee of a trust organized and existing other than for the purpose of acquiring the Bonds.
Utah (6)	Any depository institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
Vermont (3)	Any institutional investor, as specified in this jurisdiction.
Virginia	Any corporation, investment company, or pension or profit-sharing trust.
Washington (11)	Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
West Virginia (6)	Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer.
Wisconsin (1)	Any institutional investor, as specified in this jurisdiction.
Wyoming (1)	Any institutional investor, as specified in this jurisdiction.

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- (1) Provided offeror or seller is a registered or licensed broker or dealer in this jurisdiction, or has no place of business in this jurisdiction and effects transactions in this jurisdiction exclusively with or through registered or licensed brokers or dealers or these specified institutions.
  - (2) Provided offeror or seller is (i) a registered or licensed broker or dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction and (a) effects transactions in this jurisdiction exclusively with or through registered or licensed brokers or dealers or these specified institutions, or (b) during any period of 12 consecutive months does not effect more than 15 transactions at the initiation and direction of the customer and on behalf of residents of this

jurisdictions regardless of whether the residents are then present in this jurisdictions and does not direct any offers initiated by the offeror or seller to sell or buy into this jurisdictions in any manner to persons other than other broker dealers or these specified institutions whether or not the offeror or any of the offerees are then present in this jurisdiction.

- (3) Provided offeror or seller is (i) a registered or licensed broker or dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction and (a) effects transactions in this jurisdiction exclusively with or through registered or licensed brokers or dealers or these specified institutions, or (b) is registered under the securities laws of the jurisdiction in which it has a principal place of business, is registered or not required to be registered as a broker-dealer under the Securities Exchange Act of 1934, and does not effect transactions with more than three persons in this jurisdiction during any period of 12 consecutive months other than transactions with registered broker-dealers or these specified institutions.
- (4) Provided offeror or seller is (i) a licensed broker-dealer in California, or (ii) has no place of business in California and is registered as a broker-dealer under the Securities Exchange Act of 1934 and has not had any certificate denied or revoked under the California Corporate Securities Law of 1968 or any predecessor statute, and (a) effects transactions in California exclusively with licensed broker-dealers or these specified institutions, or (b) during any period of 12 consecutive months does not direct offers to sell or buy into this state in any manner to more than 15 customers (other than broker-dealers or the institutions specified in this section) having an existing account with such broker-dealer prior to any offer made to them in California, whether or not the offeror or any of the offerees is then present in California.
- (5) Provided offeror or seller is (i) a registered or licensed broker or dealer in Colorado, or (ii) is registered as a broker-dealer under the Securities Exchange Act of 1934 and has no place of business in Colorado and its business transacted in Colorado as a broker-dealer is exclusively with (a) issuers in transactions involving their own securities, (b) other broker-dealers licensed or exempt from licensing in Colorado (except when acting as a clearing broker-dealer for such other broker-dealers), (c) these specified institutions, (d) individuals who are existing customers and whose principal places of residence are not in Colorado, or (e) during any twelve consecutive months, not more than five persons in Colorado, excluding the persons described in (a) through (d) above.
- (6) Provided offeror or seller is (i) a registered or licensed broker or dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction and (a) effects transactions in this jurisdiction exclusively with or through registered or licensed brokers or dealers or these specified institutions, or (b) during any period of 12 consecutive months does not direct more than 15 offers to sell or buy into this jurisdiction in any manner to persons other than other broker dealers or these specified institutions whether or not the offeror or any of the offerees are then present in this jurisdiction.
- (7) Provided the offeror or seller is a registered or licensed broker or dealer in this jurisdiction or is registered, or not required to be registered, under the Securities Exchange Act of 1934 and has no place of business in this state if: (i) the transactions effected by the broker-dealer in this state are exclusively with the issuer of the securities involved in the transactions, other broker-dealers licensed or exempt from licensing in this state, and financial or institutional investors; (ii) the broker-dealer is licensed under the securities laws of a state in which he maintains a place of business and he offers and sells in this state to a person who is an existing customer of the broker-dealer and whose principal place of residence is not in this state; or (iii) the broker-dealer is licensed under the securities laws of a state in which he maintains a place of business and during any 12 consecutive months he does not effect transactions with more than five persons in this

state in addition to the transaction with the issuers of the securities involved in the transactions, financial or institutional investors, or broker-dealers, whether or not the offeror or an offeree is then present in this state.

- (8) Provided the offeror or seller (i) is registered as a dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction, and (a) effects transactions in this jurisdiction exclusively with or through registered dealers or with banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, or (b) is registered as a dealer with the Securities and Exchange Commission under the Securities Exchange Act of 1934 and in one or more states, and during any 12 consecutive months he does not effect more than 15 purchases or sales in this jurisdiction in any manner with persons other than those specified in (a), whether or not the dealer or any of the purchasers or sellers is then present in this jurisdiction.
- (9) Provided the offeror or seller is a registered or licensed broker or dealer in this state or is registered, or (except by reason of dealing exclusively in government securities) not required to be registered, under the Securities Exchange Act of 1934 and has no place of business in this state if: (i) the transactions effected by the broker-dealer in this state are exclusively with the issuer of the securities involved in the transactions, other broker-dealers licensed or exempt from licensing in this state, and financial or institutional investors; or (ii) the broker-dealer is licensed under the securities laws of a state in which he maintains a place of business and he offers and sells in this state to a person who is an existing customer of the broker-dealer and whose principal place of residence is not in this state.
- (10) Provided offeror or seller (i) is a registered broker-dealer in Tennessee, or (ii) has no place of business in Tennessee, is registered as a broker-dealer with the Securities and Exchange Commission or the National Association of Securities Dealers, Inc. and (a) effects transactions in Tennessee exclusively with or through issuers of securities involved in the transactions, other broker-dealers or these specified institutions, or (b) during any period of 12 consecutive months does not effect more than 15 transactions in securities from, in or into Tennessee (other than to persons specified in (a) above).
- (11) Provided the offeror or seller is (i) a registered or licensed broker or dealer in this state, or (ii) has no place of business in this state, and (a) effects transactions in this state exclusively with the issuer of the securities involved in the transactions, other broker-dealers, or these specified institutions, or (b) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or buy into this state or make more than 5 sales in this state in any manner to persons other than those specified in (a) above.