

**OPERATING AGREEMENT
OF
NES, LLC**
A New York Limited Liability Company

THIS OPERATING AGREEMENT (this "Agreement") of NES, LLC, a New York limited liability company (the "Company"), organized under the Limited Liability Company Law of the State of New York (this "LLC Law") is adopted as of January 1, 2014 by the Company's sole member, Jeffrey E. Epstein (hereinafter referred to as "Sole Member"), with an address at 6100 Red Hook Quarter, B3, St. Thomas, U.S. Virgin Islands 00802, who has determined that the Company's activities and the rights and responsibilities of its members shall be governed by the following terms and conditions:

SECTION I
ORGANIZATION & FORMATION

A. Formation. The Company has been organized as a New York limited liability company under and pursuant to the LLC Law by the filing of Articles of Organization ("Articles") with the Secretary of State of the State of New York on August 13, 1998, as required by the LLC Law.

B. Name. The name of the Company shall be "NES, LLC". The Company upon proper notice and filing with the Secretary of State of the State of New York may conduct its operations under one or more assumed names.

C. Purposes. The purpose of the Company is to engage in any lawful activity, operate any lawful enterprise or to have any other lawful purpose permitted by the LLC Law and the other applicable laws of the State of New York. The Company shall have all the powers necessary or convenient to affect any purpose for which it is formed, including all powers granted by the LLC Law.

D. Duration. The Company shall continue in existence perpetually, beginning on the date of filing of the Articles, unless terminated by law or dissolved and terminated.

E. Service Address and Place of Business. The Secretary of State of the State of New York is designated as the agent of the Company upon whom process against the Company may be served. The post office address within or without the State of New York to which process so served may be sent is 9 East 71st Street, New York, New York 10021. The Company's principal place of business shall be located in the City, State and County of New York, or such other place or places as the Sole Member may hereafter determine.

SECTION II
CAPITAL STRUCTURE: MEMBERSHIP UNITS AND
CONTRIBUTIONS/TRANSFER OF MEMBERSHIP UNITS

A. Capital Contribution by the Sole Member; Initial Issuance. The Sole Member's ownership rights in the Company shall be reflected as a 100% membership interest as recorded in the Company's records. The Sole Member may make additional capital contributions from time to time and at any time and in any amounts that he may desire.

B. Transfer of Membership Interest. Subject to the provisions of this Section, a Member may transfer and assign all or a portion of his interest as a member in the Company ("Membership Interest") to any one or more persons or entities, at any time and from time to time. The transfer and assignment of all or a portion of a Membership Interest does not, in and of itself, entitle the assignee to participate in the management and affairs of the Company or to become a member. Such assignee is only entitled to receive, to the extent assigned, the distributions the assigning Member would otherwise be entitled to, and such assignee shall only become an assignee of all or a portion of a Membership Interest and not a substitute Member. An assignee of all or a portion of a Membership Interest shall be admitted as a substitute Member and shall be entitled to all the rights and powers of the assignor only if all the Members consent. If admitted, the substitute Member, has to the extent assigned, all of the rights and powers, and is subject to all of the restrictions and liabilities, of a Member of the Company. Notwithstanding the foregoing, without the consent of any other Member, the Sole Member may, by a duly executed agreement with the assignee, assign any or all of the Membership Interest then held by the Sole Member, together with the Sole Member's management and voting rights in the Company with respect to the portion of the Membership Interest so assigned, and, upon the consummation of such assignment, the assignee thereof shall be automatically admitted as a substitute member, with all of the rights and powers held by, and subject to all of the restrictions and liabilities imposed upon, the Sole Member immediately prior to such assignment, to the full extent of the portion of the Membership Interest so assigned.

C. No Interest; No Return of Capital. Capital contributions to the Company shall not earn interest, except as otherwise expressly provided for in this Agreement. Except as otherwise provided in this Agreement, a Member shall not be entitled to withdraw, or to receive a return of, a capital contribution or any portion thereof; provided, however, that, subject to the provisions of Section IV hereof, the Sole Member shall from time to time and at any time, in the Sole Member's discretion, be entitled to withdraw, and receive a return of, all or any part of the Sole Member's capital contribution.

SECTION III
CAPITAL ACCOUNT

A. Capital Account. A capital account ("Capital Account") shall be maintained for the Sole Member, and each additional Member, if any, in accordance with the provision of this Article.

1. Increases in Capital Account. The Capital Account of each Member shall be increased by:

- (a) The fair market value of the Member's initial capital contribution and any additional capital contributions by the Member to the Company. If any property, other than cash, is contributed to or distributed by the Company, the adjustments to Capital Accounts required by Treasury Regulation Section 1.704-1(b)(2)(iv)(d), (e), (f) and (g) and Section 1.704-1(b)(4)(I) shall be made.
- (b) The Member's share of the increase in the tax basis of Company property, if any, arising out of the recapture of any tax credit.
- (c) Allocations to the Member of Profit.
- (d) Company income or gain (including income and gain exempt from income taxation) as provided under this Agreement, or otherwise by Regulation Section 1.704-1(b)(2)(iv).
- (e) The amount of Company liabilities that are assumed by the Member.

2. Decreases in Capital Account. The Capital Account of each Member shall be decreased by:

- (a) The amount of money distributed to the Member by the Company pursuant to any provision of this Agreement.
- (b) The fair market value of property distributed to the Member by the Company (net of liabilities secured by such distributed property that Member is considered to assume or take subject to under Code Section 752).
- (c) Allocations to the Member of Losses.
- (d) Allocations to the Member of deductions, expenses, Nonrecourse Deductions and net losses allocated to him pursuant to this Agreement, and the Member's share of Company expenditures which are neither deductible nor properly chargeable to Capital Accounts under Code Section 705(a)(2)(B) or are treated as such expenditures under Treasury Regulation Section 1.704-1(b)(2)(iv)(i). "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulation Section 1.704-2.
- (e) The amount of any liabilities of the Member that are assumed by the Company.

SECTION IV
ALLOCATIONS AND DISTRIBUTIONS

A. Allocations. For purposes of maintaining each Member's Capital Account, all of the Company's net profits, net losses, expenses and other items of income, gain, loss, and credit shall be allocated to the Member in proportion to the percentage Membership Interest of such Member. All items of Company taxable income, gain, loss, deduction, and credit recognized or allowable for Federal income tax purposes shall be similarly allocated and credited or charged to each Member in proportion to the percentage Membership Interest held by such Member.

B. Distributions. Net cash flow shall be distributed at such times and in such amounts as may be determined from time to time and at any time by the Sole Member of the Company in the following priority:

1. First, to the Members in repayment of any advance of funds to the Company as a lender, to the extent of and in proportion to such advances, including interest thereon, if any;
2. Additional distributions, if any will be made to the Members in proportion to the percentage Membership Interests held by them, respectively, in such amounts and at such times as may be determined by the Sole Member of the Company.

C. Distribution upon Liquidation of the Company.

1. At the termination of the Company and after the Company has satisfied or provided for the satisfaction of all the Company's debts and other obligations, the Company's assets will be distributed in cash to the Members first, in discharge of their respective capital interests; and then, in proportion to the percentage Membership Interests held by them, respectively.
2. If the Company lacks sufficient assets to make the distributions described in the foregoing paragraph, the Company will make distributions in proportion to the respective Membership Interests of the Members.

SECTION V
MANAGEMENT OF BUSINESS

A. In General. The Company shall be member-managed. The Members of the Company shall manage the business and affairs of the Company and shall have full and complete authority, power and discretion to do all things necessary or convenient to manage, control and carry out the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. All decisions and actions of the Company in connection therewith shall be determined by the affirmative vote or the written consent of Members holding a majority percentage of the Membership Interests of the Company.

B. Limitation of Manager's Authority. Notwithstanding anything to the contrary provided in the foregoing, the written consent of the Sole Member shall be required to:

1. Sell, transfer, assign, convey, or otherwise dispose of any part of the Company's assets;
2. Cause the Company to incur any debt in excess of \$5,000, whether or not in the ordinary course of business;
3. Cause the Company to incur any debt less than \$5,000 other than in the ordinary course of business;
4. Cause the Company to encumber any assets in connection with any debt referred to in clause 2 or 3 above;
5. Issue or sell, or approve the transfer, assignment, conveyance or other disposition of all or any portion of any Membership Interest in the Company;
6. Adopt, amend or repeal the Operating Agreement of the Company;
7. Approve a plan of merger of the Company with any other entity;
8. Incur any single expense or combination of related expenses in excess of \$5,000;
9. Cause the Company to make any distributions to its Members.

C. Voting of Membership Interests. A Membership Interest is entitled to be voted only if it is owned by a Member, and the relative weight of the vote of each such Membership Interest shall be proportionate to such Member's percentage Membership Interest. Neither an assignee nor a transferee may vote a Membership Interest unless such assignee or transferee is admitted as a Member.

SECTION VI

EXCULPATION OF LIABILITY: INDEMNIFICATION

A. Exculpation of Liability. Unless otherwise provided by law or expressly assumed pursuant to a written instrument signed by such person, neither the Sole Member nor any other subsequent Member of the Company shall be personally liable for the acts, debts or liabilities of the Company.

B. Indemnification.

1. Except as otherwise provided in this Section, the Company, its receiver or its trustee shall indemnify, defend and hold harmless the Sole Member, each other subsequent Member and their respective heirs, personal representatives, and successors, and may indemnify, defend and hold harmless any employee or agent, who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, from and against any expense, loss, damage or liability incurred or connected with, or any claim, suit, demand, loss, judgment, liability, cost or expense, including, without limitation, reasonable attorney's fees, arising from or related to, the Company or any act or omission of the Sole Member, such subsequent Member or such employee or agent on behalf of the Company, and amounts paid in settlement of any of the above, provided that such amounts were not the result of fraud, gross negligence, or reckless or intentional misconduct on the part of the Sole Member, such subsequent Member or such employee or agent against whom a claim is asserted. The Company may advance to the Sole

Member, such subsequent Member or any such employee or agent and their respective heirs, personal representatives, and successors the costs of defending any claim, suit or action against such person if such person undertakes to repay the funds advanced, with interest, if the person is not entitled to indemnification under this Section.

2. To the extent that the Sole Member, such subsequent Member, or any such employee or agent of the Company has been successful on the merits or otherwise in defense of an action, suit or proceeding or in defense of any claim, issue or other matter in the action, suit or proceeding, such person shall be indemnified against actual and reasonable expenses, including, without limitation, attorneys' fees, incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided herein.

3. Any indemnification permitted under this Section, unless ordered by a court, shall be made by the Company only as authorized in the specific case upon a determination that the indemnification is proper under the circumstances because the person to be indemnified has met the applicable standard of conduct and upon an evaluation of the reasonableness of expenses and amounts paid in settlement. This determination and evaluation shall be made by the vote of the majority of the percentage Membership Interests. Notwithstanding the foregoing to the contrary, no indemnification shall be provided to any Member, employee or agent of the Company for or in connection with the receipt of a financial benefit to which such person is not entitled, voting for or assenting to a distribution to the Members in violation of this Agreement or the LLC Law, or a knowing violation of other law.

SECTION VII **LIQUIDATION**

The Company shall be dissolved, and shall terminate and wind up its affairs, upon the determination of the Sole Member to do so.

SECTION VIII **MISCELLANEOUS PROVISIONS**

A. Section Headings. The Section headings and numbers contained in this Agreement have been inserted only as a matter of convenience and for reference, and in no way shall be construed to define, limit or describe the scope or intent of any provision of this Agreement.

B. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

C. Amendment. This Agreement may be amended or revoked at any time, in writing, with the consent of the Sole Member. No change or modification to this Agreement shall be valid unless in writing and signed by the Sole Member.

D. Binding Effect. Subject to the provisions of this Agreement relating to transferability, this Agreement will be binding upon and shall inure to the benefit of the parties, and their respective distributees, heirs, successors and assigns.

E. Governing Law. The rights and obligations of the Sole Member, and any claims and disputes relating thereto, shall be subject to and governed by, and construed and enforced in accordance with the laws of the State of New York, including without limitation, the LLC Law, as well as all New York Laws applicable to contracts executed and to be fully performed within the State of New York, without application of New York's laws relating to conflicts of law.

IN WITNESS WHEREOF, the Sole Member makes and executes this Operating Agreement on the day and year first written above.

SOLE MEMBER:

Jeffrey E. Epstein