

federal income tax law), the Fund cannot operate effectively in the manner contemplated herein or will or does constitute “plan assets” under ERISA (including with respect to the Special Limited Partner’s ability to receive the amounts distributable to it with respect to any Limited Partner pursuant to Sections 6.2 and 11.2), after the General Partner has used its commercially reasonable efforts to remedy the circumstances resulting in the General Partner’s determination pursuant to this Section 11.1(d); or

(e) at such time as there are no Limited Partners, unless the investment or other activities of the Fund are continued in accordance with the Partnership Law.

## 11.2 Winding Up.

(a) Liquidation of Assets. Upon the winding up of the Fund or the expiration of the Term, the General Partner (or, if dissolution of the Fund should occur by reason of Section 11.1(c) or the General Partner is unable to act as liquidator, a liquidating trustee of the Fund or other representative designated by a Majority in Interest) shall use its commercially reasonable efforts to liquidate all of the assets of the Fund in an orderly manner, *provided* that if in the good faith judgment of the General Partner (or such liquidating trustee or other representative) an asset of the Fund should not be liquidated, then such asset shall be distributed in accordance with Section 11.2(b), and *provided* further that the General Partner (or such liquidating trustee or other representative) shall attempt to liquidate sufficient assets of the Fund to satisfy in cash (or make reasonable provision in cash for) the debts and liabilities referred to in clauses (i) and (ii) of Section 11.2(b).

(b) Application and Distribution of Proceeds of Liquidation and Remaining Assets. The General Partner (or the liquidating trustee or other representative referred to in Section 11.2(a)) shall apply the proceeds of the liquidation referred to in Section 11.2(a) and any remaining Fund assets and shall distribute any such proceeds and assets as soon as practicable after an event causing dissolution referred to in Section 11.1 as follows and in the following order of priority:

(i) First, to (A) creditors in satisfaction of the debts and liabilities of the Fund, to the extent permitted by law, whether by payment thereof or the making of reasonable provision for payment thereof (other than any loans or advances that may have been made by any of the Partners to the Fund), and (B) the expenses of liquidation, whether by payment thereof or the making of reasonable provision for payment thereof and (C) the establishment of any reasonable reserves (which may be funded by a liquidating trust) to be established by the General Partner (or liquidating trustee or other representative) in amounts determined by it to be necessary for the payment of the Fund’s expenses, liabilities and other obligations (whether fixed or contingent);