

preferred stock and/or its common stock or purchase or acquire any of its second preferred stock and/or its common stock, when

(a) The excess of current assets over current liabilities as determined by accepted accounting practices is less than the total amount of the outstanding first preferred stock; and

(b) The book value of all shares ranking junior to the first preferred stock is less than the total amount of the outstanding first preferred stock.

B. Rights on Liquidation - In the event of any dissolution, liquidation or winding-up of the Corporation, voluntary or involuntary, the holders of the first preferred stock shall be entitled to receive out of the assets of the Corporation available for distribution to its stockholders (whether capital or surplus) before any distribution of such assets shall be made to the holders of the second preferred stock or common stock, an amount equal to the par value of their shares plus any dividends accumulated and unpaid thereon but shall not participate further in the distribution of the assets of the corporation. In the event that such assets of the Corporation available for distribution to its stockholders shall be insufficient to permit the payment in full of the amounts to which the holders of the first preferred stock are entitled as aforesaid, then the entire assets of the Corporation available for distribution to its stockholders shall be distributed ratably among the holders of the first preferred stock according to the amounts which they respectively would be entitled to receive if such assets were sufficient to permit the payment in full of said amounts. After