

Division of Corporations

Page 1 of 2

Florida Department of State
Division of Corporations
Public Access System
 Katherine Harris, Secretary of State

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

((H01000010362 1)))

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations
 Fax Number : (850) 922-4000

From:

Account Name : HACKNEY MILLER, P.A.
 Account Number : I19990000202
 Phone : (561) 627-0677
 Fax Number : (561) 625-4685

FILED
 01 JAN 24 PM 4:02
 SECRETARY OF STATE
 TALLAHASSEE, FLORIDA

BASIC AMENDMENT

STANFIELD EDUCATIONAL ALTERNATIVES, INC.

Certificate of Status	0
Certified Copy	0
Page Count	03
Estimated Charge	\$35.00

AMEND
KRB
1-25

RECEIVED
 01 JAN 24 PM 3:06
 DIVISION OF CORPORATIONS

H01000010362 1

**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION
OF
STANFIELD EDUCATIONAL ALTERNATIVES, INC.**

FILED
01 JAN 24 PM 4:02
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

1. The following provision of the Articles of Incorporation of Stanfield Educational Alternatives, Inc., a Florida corporation (the "Company") filed in Tallahassee on November 13, 1992, as document number P92000004064, and pursuant to Sections 607.0704, 607.0725, 607.0726, 607.1001 and 607.1003 of the Florida Business Corporation Act, and as amended in April 2000, be and hereby is amended to read as follows:

Article IV shall be deleted and in its place the following Article shall be inserted:

ARTICLE IV

The total number of shares that the Company has the authority to issue is 65,000,000. The total number of shares of common stock that the Company has the authority to issue is 50,000,000, with no par value per share. The total number of shares of preferred stock that the Company has the authority to issue is 15,000,000, with no par value per share.

The Board of Directors is expressly authorized to adopt, from time to time, a resolution or resolutions providing for the issuance of preferred stock in one or more series, to fix the number of shares in such series and to fix the designations and powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations, and restrictions or such shares, of each such series. the Board shall thereafter be empowered to file Articles of Amendment to the Articles of Incorporation without shareholder approval.

Pursuant to the grant of authority in this Article, upon the filing and effectiveness of this Article, the Board of Directors of the Company, pursuant to the authority granted in these Articles of Incorporation and the Bylaws of the Company, hereby authorizes the issuance the shares of Preferred Stock in three different series, in such denominations, designations and preferences as set forth below.

Series 2001 Convertible Preferred Stock

The Board of Directors has designed 2,000,000 shares of Preferred Stock to be authorized and issued in a private placement offering as "Series 2001 Convertible Preferred Stock."

Preferences on Liquidation

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the corporation, the holders of shares of the Series 2001 Convertible Preferred Stock then outstanding shall be entitled to be paid, out of the assets of the corporation available for distribution to its stockholders, whether from capital, surplus or earnings, before any payment shall be made in respect of the corporation's common stock, an amount equal to Five Dollars (\$5.00) per share for each Preferred Share, plus all declared and unpaid dividends thereon to the date fixed for distribution. After setting apart or paying in full the preferential amounts due the holders of the Series 2001 Convertible Preferred Stock the remaining assets of the corporation available for distribution to stockholders, if any, shall be distributed exclusively to the holders of common stock, each such issued and outstanding share of common stock entitling the holder thereof to receive an equal proportion of said remaining assets. If upon liquidation, dissolution, or winding up of the corporation, the assets of the corporation available for distribution to its shareholders shall be insufficient to pay the holders of the Series 2001 Convertible Preferred

H01000010362 1

H01000010362 1

Stock the full amounts to which they respectively are entitled, then they shall share ratably in any distribution of assets according to the respective amounts which would be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full. The merger or consolidation of the corporation into or with another corporation in which this corporation shall not survive and the shareholders of this corporation shall own less than 50% of the voting securities of the surviving corporation or the sale, transfer or lease (but not including a transfer or lease by pledge or mortgage to a bona fide lender) of all or substantially all of the assets of the corporation shall be deemed to be a liquidation, dissolution or winding up of the corporation.

Voting Rights

The shares of Series 2001 Convertible Preferred Stock shall have no voting rights with regard to the election of directors or as to other matters except those affecting the class. The Company may not take any of the following actions without first obtaining the approval by vote or written consent, in the manner provided by law, of the holders of at least a majority of the total number of shares of Series 2001 Convertible Preferred Stock outstanding, voting separately as a class, (1) alter or change any of the powers, preferences, privileges, or rights of the Series 2001 Convertible Preferred Stock; or (2) amend the provisions of this paragraph; or (3) create any new class or series of shares having preferences prior to or being on a parity with the Series 2001 Convertible Preferred Stock as to dividends or assets.

Conversion Rights

Each share of Series 2001 Convertible Preferred Stock may, at the option of the holder, be converted into fully paid and nonassessable shares of common stock of the corporation at any time after twelve months after the issuance of such shares.

The Conversion Ratio per share at which shares of common stock shall be initially issuable upon conversion of any shares of Series 2001 Convertible Preferred Stock shall be the lesser of either (a) \$5.00 per share or (b) 30% below the trading price of the common stock based on the closing price of the common stock on the trading day prior to the date of conversion, subject to adjustment in the event that the corporation shall at any time subdivide the outstanding shares of common stock, or shall issue a stock dividend on its outstanding common stock, then the Conversion Ratio in effect immediately prior to such subdivision or the issuance of such dividend shall be proportionately increased, and in case the corporation shall at any time combine the outstanding shares of common stock, the Conversion Ratio in effect immediately prior to such combination shall be proportionately decreased.

Series 2001A Convertible Preferred Stock

The Board of Directors has designed 5,593,000 shares of Preferred Stock to be authorized and issued in exchange for a like number of common shares, to various shareholders in consideration for the waiver of certain contractual conditions between the Company and such shareholders, as well as other contractual agreements between various of the shareholders, as "Series 2001A Convertible Preferred Stock."

The 5,593,000 shares of Series 2001A Convertible Preferred Stock carry the following preferences:

Voting Rights. Each share of common stock entitles the holder thereof to one vote, either in person or by proxy, at meetings of shareholders, and such vote shall be equal to the voting rights of the common stock and shall be counted with the common stock toward the election of directors or such other action as the class of common stock shall be entitled. The holders are not permitted to vote their shares cumulatively. Accordingly, the holders of the Series 2001A Preferred Stock and the common stock, holding in the aggregate more than fifty percent (50%) of the total voting rights can elect all of the directors of Stanfield Educational Alternatives, Inc.

H01000010362.1

Antidilution. In the event that we shall at any time combine the outstanding common stock into a smaller number of shares, such action shall have no effect upon the conversion ratio of the Series 2001A Convertible Preferred Stock, which shall always be on a one share for one share basis.

Conversion Rights. Each share of Series 2001A Convertible Preferred Stock may, at the option of the holder, be converted into fully paid and nonassessable shares of common stock of the corporation, on a one for one basis, at any time after February 1, 2002.

Series 2001B Convertible Preferred Stock

The Board shall issue 5,643,175 shares of Series 2001B Convertible Preferred Stock, pursuant to agreements between the parties, to Coral Ridge, Inc., which carries the following preferences:

Voting Rights. The shares of Series 2001B Convertible Preferred Stock shall have no voting rights with regard to the election of directors or as to other matters except those affecting the class. The Company may not take any of the following actions without first obtaining the approval by vote or written consent, in the manner provided by law, of the holders of at least a majority of the total number of shares of Series 2001B Convertible Preferred Stock outstanding, voting separately as a class, (1) alter or change any of the powers, preferences, privileges, or rights of the Series 2001B Convertible Preferred Stock; or (2) amend the provisions of this paragraph; or (3) create any new class or series of shares having preferences prior to or being on a parity with the Series 2001B Convertible Preferred Stock as to dividends or assets.

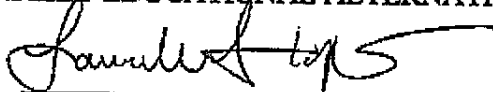
Antidilution. In the event that we shall at any time combine the outstanding common stock into a smaller number of shares, such action shall have no effect upon the conversion ratio of the Series 2001B Convertible Preferred Stock, which shall always be on a one share for one share basis.

Conversion Rights. Each share of Series 2001B Convertible Preferred Stock may, at the option of the holder, be converted into fully paid and nonassessable shares of common stock of the corporation, on a one for one basis, at any time after twelve months from the date of execution of the agreement between the Company and Coral Ridge, Inc.

The foregoing amendment was adopted by a majority vote of the Company's Shareholders and its Directors as authorized in the Articles of Incorporation and Bylaws of the Company, on the 19th day January, 2001, in accordance with the provisions of the Florida Business Corporation Act. The number of votes cast was sufficient for approval.

IN WITNESS WHEREOF, the undersigned Chief Executive Officer of the Company has executed these Articles of Amendment on the 19th day of January, 2001.

STANFIELD EDUCATIONAL ALTERNATIVES, INC.



Lawrence W. Stanfield, Chief Executive Officer

H01000010362 1