



P97000102569
THE AMERICAN SCHOOLS CORPORATION

TRANSMITTAL LETTER

March 10, 2000

Department of State
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

Subject: The American Schools Corporation

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-04/11/00--01026--022
*****35.00 *****35.00

Enclosed is an original and one copy of the Articles of Amendment to the Amended and Restated Articles of Incorporation and a check for \$35. for the filing fee.

Sincerely,

John T. Manhire
Chairman & CEO

Amend
LPT 5-16-2000

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
00 MAY 12 AM 11:54



FLORIDA DEPARTMENT OF STATE

Katherine Harris
Secretary of State

April 17, 2000

John T. Manhire
% THE AMERICAN SCHOOLS CORPORATION
1133 Louisiana Avenue, Suite 200
Winter Park, FL 32789

SUBJECT: THE AMERICAN SCHOOLS CORPORATION
Ref. Number: P97000102569

We have received your document for THE AMERICAN SCHOOLS CORPORATION and your check(s) totaling \$35.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

The amendment must be adopted in one of the following manners:

(1) If an amendment was approved by the shareholders, one of the following statements must be contained in the document.

(a) A statement that the number of votes cast for the amendment by the shareholders was sufficient for approval, -or-

(b) If more than one voting group was entitled to vote on the amendment, a statement designating each voting group entitled to vote separately on the amendment and a statement that the number of votes cast for the amendment by the shareholders in each voting group was sufficient for approval by that voting group.

(2) If an amendment was adopted by the incorporators or board of directors without shareholder action.

(a) A statement that the amendment was adopted by either the incorporators or board of directors and that shareholder action was not required.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6910.

Louise Flemming-Jackson
Corporate Specialist Supervisor

Letter Number: 500A00020989

TRANSMITTAL LETTER

May 9, 2000

Louise Flemming-Jackson
Corporate Specialist Supervisor
Department of State
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

SUBJECT: THE AMERICAN SCHOOLS CORPORATION
Ref. Number: P97000102569

Enclosed is an original and one copy of the Articles of Amendment to the Amended and Restated Articles of Incorporation. I originally sent a check for \$35, which was not sent back to me (copy of your letter enclosed). The amended statement you requested in your letter (copy enclosed) can be found on page 5 of the Articles of Amendment in the last paragraph.

FROM:
John T. Manhire
The American Schools Corporation
1133 Louisiana Avenue, Suite 200
Winter Park, FL 32789
(407) 539-1007

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS

00 MAY 12 AM 11:54

**ARTICLES OF AMENDMENT
TO
AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
THE AMERICAN SCHOOLS CORPORATION**

Pursuant to the provisions of Sections 607.1006 and 607.0602 of the Florida Business Corporation Act, The American Schools Corporation, a Florida corporation (the "Corporation"), adopts the following Articles of Amendment to its Amended and Restated Articles of Incorporation:

FIRST:

Article VI of the Amended and Restated Articles of Incorporation of the Corporation is hereby amended by inserting the following words at the end of such article, immediately after the language designating the preferred stock pursuant to the Corporation's Amended and Restated Articles of Incorporation filed on March 15, 2000:

Series A Convertible Preferred Stock

1. Number; Designation. One Million Five Hundred Eighty-Four Thousand (1,584,000) shares of the authorized and unissued shares of \$.01 par value preferred stock of the Corporation are hereby designated as "Series A Convertible Preferred Stock" ("Series A Preferred Stock"). The authorized number of Series A Preferred Stock may be increased by the Board of Directors of the Corporation (the "Board") and the number of unissued shares of Series A Preferred Stock may be decreased by the Board. The Series A Preferred Stock shall have the following powers, preferences and rights, and the qualifications, limitations and restrictions thereon:

2. Voting Rights. Except as otherwise provided by law, each holder of shares of Series A Preferred Stock (a "Holder") shall have full voting rights and powers to vote on all matters submitted to shareholders of the Corporation for vote, consent or approval, and each Holder of Series A Preferred Stock shall be entitled to one vote for each share of Series A Preferred Stock held of record by such Holder.

3. Dividend Rights.

(a) Each Holder, in preference to the holders of Common Stock shall be entitled to receive a \$0.48 per share dividend, payable in cash or Class B Common Stock at the sole discretion of the Board, on December 1st of each year (each such date being referred to herein as a "Preferred Dividend Payment Date"), commencing on the first Preferred Dividend Payment Date after the closing of the private placement of the Series A Preferred Stock by the Corporation (the "Closing Date") and ending on the third Preferred Dividend Payment Date after the Closing Date.

(b) Any dividends on the Series A Preferred Stock due but unpaid shall accrue and shall be cumulative so that if, for any previous or then current dividend period, dividends shall not have been paid or set apart for payment, upon all outstanding shares of Series A Preferred Stock, the deficiency shall be paid and/or set apart for payment before any dividends are paid and/or declared on the Common Stock of the Corporation. Accrued but unpaid dividends shall not bear interest. Only a Holder who is a Holder of record of Series A Preferred Stock on November 1st of the same year as the Preferred Dividend Payment Date shall be entitled to receive the dividends. Notwithstanding the foregoing, no payment of dividends upon the Series A Preferred Stock shall be made if prohibited by any provision of the Florida Business Corporation Act.

4. Rights on Liquidation.

(a) In the event of any voluntary or involuntary dissolution, liquidation, sale of all or substantially all of the Corporation's assets or winding-up of the affairs of the Corporation and after payment or provision for payment of the debts and other liabilities of the Corporation, a Holder, subject to any senior rights or preferences of any other class or series of preferred stock, shall be entitled, before any distribution is made upon any Common Stock of the Corporation, to receive payment in an amount equal to \$6.00 per share of Series A Preferred Stock (the "Preferred Liquidation Payment"), together with all accrued but unpaid dividends, if any, computed to the date of payment. Such amounts shall be payable in cash only to the extent that the Corporation has available cash or cash is being paid for or made available with respect to some or all of the capital stock of the Corporation in such underlying transaction. A Holder will have the first right of refusal to such cash equal to the sum of the Preferred Liquidation Payment and the accrued dividends and shall be otherwise entitled to receive the balance thereof in such other consideration made available with respect to each share of capital stock of the Corporation pursuant to the underlying transaction. Notwithstanding anything herein to the contrary, upon an event described in this subsection 4(a), a Holder shall be paid in full prior to any payments being made to the holders of the Common Stock. All such payments shall be made to the extent, and only to the extent, allowed by applicable law. After such payments to a Holder in the full amount of the Preferred Liquidation Payment and accrued but unpaid dividends, all dividends on the Series A Preferred Stock shall cease to accrue, and from and after such date of payment, a Holder shall have no claim to any of the remaining assets of the Corporation, and all rights of such Holder as a shareholder of the Corporation shall cease and terminate.

(b) If upon any voluntary or involuntary dissolution, liquidation, sale of all or substantially all of the Corporation's assets or winding-up of the affairs of the Corporation, the assets of the Corporation distributable as set forth in the foregoing subsection 4(a) to a Holder shall be insufficient to permit the payment of the Preferred Liquidation Payment and accrued but unpaid dividends to which such Holder is entitled, then, to the extent allowed by applicable law, and subject to any senior rights or preferences of any other class or series of preferred stock, the entire assets of the

Corporation shall be distributed ratably among the outstanding shares of the Series A Preferred Stock. After distribution of the entire assets of the Corporation ratably among the outstanding shares of the Series A Preferred Stock, all dividends on the Series A Preferred Stock shall cease to accrue, and from and after such date of distribution, all rights of a Holder as a shareholder of the Corporation shall cease and terminate.

5. Conversion Rights

(a) Voluntary Conversion. During the period beginning on the Closing Date and ending on the date that is the third anniversary of the Closing Date, each share of Series A Preferred Stock shall be convertible, at the option of a Holder thereof, into two shares of Class B Common Stock (the "Conversion Rate").

(b) Automatic Conversion. Each share of Series A Preferred Stock shall automatically convert into two shares of Class B Common Stock on the date that is the third anniversary of the Closing Date.

(c) Conversion Method. To convert Series A Preferred Stock into shares of Class B Common Stock, a Holder shall give written notice to the Corporation that such Holder irrevocably elects to convert shares of Series A Preferred Stock and shall state therein the date of the conversion, the number of shares of Series A Preferred Stock being converted, the name or names in which such Holder wishes the certificate or certificates for shares of Class B Common Stock to be issued, and reasonable delivery instructions with respect thereto ("Notice of Conversion"). Promptly thereafter, such Holder shall surrender the certificate or certificates representing the shares to be converted, duly endorsed, at the office of the Corporation or of any transfer agent for such shares, or at such other place designated by the Corporation. The Corporation shall promptly as practicable issue and deliver to or upon the order of such Holder, against delivery of the certificates representing the shares of Series A Preferred Stock which have been converted, a certificate or certificates for the number of shares of Class B Common Stock to which such Holder shall be entitled. In addition, the Corporation shall deliver to the converting Holder a certificate representing any portion of the shares of Series A Preferred Stock which had been represented by the certificate or certificates delivered to the Corporation in connection with such conversion but which were not converted. The Notice of Conversion may be given by a Holder at any time during normal business hours and such conversion, to the extent permitted by law, shall be deemed to have been made immediately prior to the close of business on the date such Notice of Conversion is given. The person or persons entitled to receive the shares of Class B Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class B Common Stock at the close of business on such date. All shares of Class B Common Stock issued in respect of conversion under this Section 5 shall be fully paid and nonassessable shares of Class B Common Stock of the Corporation. The Conversion Rate and number of shares of Class B Common Stock issuable upon conversion are subject to adjustment as provided in Section 6 hereto.

(d) Taxes and Costs. The issuance of certificates for shares of Class B Common Stock upon conversion of shares of Series A Preferred Stock will be made without charge to any original holder of any shares of Series A Preferred Stock for any issuance tax in respect thereof, or other cost incurred by the Corporation in connection with such conversion and the related issuance of Class B Common Stock, provided that the Corporation will not be required to pay any such taxes or costs which may be payable in respect of any such conversion by any other person or in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the registered holder of the shares converted.

(e) Surrendered Shares of Series A Preferred Stock. All certificates representing Series A Preferred Stock converted shall be appropriately canceled on the books of the Corporation and the Series A Preferred Stock so converted represented by such certificates shall be restored to the status of authorized but unissued Series A Preferred Stock.

(f) Reservation of Class B Common Stock. The Corporation will at all times reserve and keep available out of its authorized but unissued shares of Class B Common Stock or its treasury shares of Class B Common Stock, solely for the purpose of issuance upon the conversion of the Series A Preferred Stock as provided in this Section 5, such number of shares of Class B Common Stock as are then issuable upon conversion of all then outstanding shares of Series A Preferred Stock into shares of Class B Common Stock.

(g) Notice. Except as otherwise expressly provided, all notices referred to in this Section 5 will be in writing and will be deemed properly delivered if either personally delivered or sent by overnight courier or mailed certified or registered mail, return receipt requested, postage prepaid, or delivered by telecopier or facsimile, to the recipient (a) in the case of any Holder, at such Holder's address as it appears in the stock records of the Corporation (unless otherwise indicated by any such Holder) and (b) in the case of the Corporation, at its principal office. Any such notice shall be effective (i) when received, if delivered personally, by telecopier or by facsimile; (ii) when receipted for, if sent by overnight courier; and (iii) if mailed, three days after being mailed as described above.

6. Adjustment of Conversion Rate.

(a) Stock Splits, Stock Dividends or Subdivisions. In the event the outstanding shares of Class B Common Stock shall be split or subdivided into a greater number of shares of Class B Common Stock, and in the event that the Corporation shall issue shares of Class B Common Stock by way of a stock dividend to the holders of Class B Common Stock, the Conversion Rate in effect immediately prior to such split, subdivision or stock dividend shall, concurrently with the effectiveness of such split, subdivision or stock dividend, be increased proportionately.

(b) Combinations or Consolidations. In the event the outstanding shares of Class B Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Class B Common Stock, the Conversion Rate in effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be decreased proportionately.

(c) Merger or Sale of Assets. If at any time or from time to time there shall be a merger or consolidation of the Corporation with or into another corporation, or the sale of all or substantially all of the Corporation's properties and assets to any other person, then, as a part of such merger, consolidation or sale, provision shall be made so that each Holder of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such merger, consolidation or sale, to which a holder of Class B Common Stock issuable upon conversion of Series A Preferred Stock would have been entitled on such merger, consolidation, or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 6 with respect to the rights of a Holder of shares of Series A Preferred Stock after the merger, consolidation or sale to the end that the provisions of this Section 6 (including adjustment of the Conversion Rate then in effect and the number of shares purchasable upon conversion of the Series A Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be practicable.

SECOND:

Except as hereby amended, the Amended and Restated Articles of Incorporation of the Corporation shall remain the same.

These Articles of Amendment to the Amended and Restated Articles of Incorporation of the Corporation shall be effective as of the date such Articles are accepted for filing by the Florida Secretary of State.

Pursuant to Section 607.0602 of the Florida Business Corporation Act, the Board of Directors duly adopted these Articles of Amendment to Article VI of the Amended and Restated Articles of Incorporation by consent of a majority of the directors at a meeting of the Board of Directors at which a quorum was present, held on October 29, 1999, and shareholder action was not required.

The above Articles of Amendment to Article VI of the Amended and Restated Articles of Incorporation is hereby approved by the undersigned this 25th day of April, 2000.

THE AMERICAN SCHOOLS CORPORATION

By: 
John T. Manhire
President

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