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State of Idaho

Department of State

CERTIFICATE OF EXCHANGE

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Exchange of PCS SCHOOL, INC., an Idaho corporation with PCS EDUCATION SYSTEMS, INC., duly signed and verified pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this certificate of exchange, and attach hereto a duplicate original of the Articles of Exchange.

Dated: November 15, 1994



Pete T. Cenarrusa
SECRETARY OF STATE

By *July J. Clark*

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ARTICLES OF EXCHANGE

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Pursuant to the provisions of the Idaho Business Corporation Act, the undersigned corporations have adopted these Articles of Exchange for the purpose of exchanging the common stock of PCS School, Inc. for common stock of PCS Education Systems, Inc. according to the following Plan of Exchange. PCS School, Inc. has 9,900,000 outstanding shares of which 8,263,610 voted for such plan, 0 voted against, and 0 shares abstained. By virtue of Idaho Code § 30-1-73, a vote of the shareholders of PCS Education Systems, Inc. is not required.

PLAN OF EXCHANGE OF COMMON
STOCK OF PCS SCHOOL, INC. FOR
COMMON STOCK OF PCS EDUCATION SYSTEMS, INC.

By unanimous resolution of the Boards of Directors of PCS School, Inc. and PCS Education Systems, Inc., the following Plan of Exchange (the Plan) of all shares of common stock of PCS School, Inc. for shares of common stock of PCS Education Systems, Inc. has been approved:

Article I

On the effective date of the exchange, all shares of common stock of PCS School, Inc. shall be exchanged for shares of common stock of PCS Education Systems, Inc. PCS Education Systems, Inc. is the acquiring corporation. The Plan shall be carried out in the manner necessary to qualify the exchange as a tax-free exchange under the Internal Revenue Code.

Article II

Total authorized and issued common stock of PCS School, Inc. is 9,900,000 shares. Total authorized shares of PCS Education Systems, Inc. is 20,000,000 shares of no par value common stock. Each share of common stock of PCS School, Inc. shall be exchanged for a share of common stock of PCS Education Systems, Inc. on a one share for one share basis. Following the exchange, PCS Education Systems, Inc. shall then own all of the authorized and issued shares of common stock of PCS School, Inc. and each present stockholder of PCS School, Inc. shall own the same number of shares of common stock of PCS Education Systems, Inc. as said shareholder owned in PCS School, Inc. prior to the exchange. Upon surrender of their stock certificates, shareholders of PCS School, Inc. will receive one or more stock certificates in PCS Education Systems, Inc. All shares of PCS Education Systems, Inc. issued in exchange for shares of PCS School, Inc. shall be fully paid and

non-assessable and shall be issued in full satisfaction of all stockholders' rights pertaining to such shares in PCS School, Inc.

Article III

Following the exchange, PCS School, Inc. will continue operating as a wholly-owned subsidiary of PCS Education Systems, Inc.

Article IV

On the effective date of the exchange, all existing officers and directors of PCS School, Inc. shall become the officers and directors of PCS Education Systems, Inc. until their successors are duly elected or appointed. The Bylaws of PCS Education Systems, Inc. allow for the election of up to nine (9) directors. There are currently six (6) directors of PCS School, Inc. Cumulative voting for directors of PCS Education Systems, Inc. is not allowed. The three additional director positions may not be filled unless and until additional capital in PCS Education Systems, Inc. is invested by an additional investor(s). Following the effective date of the exchange, the number of directors of PCS School, Inc. will be reduced and filled by vote of the Board of Directors of PCS Education Systems, Inc.

Article V

The Plan shall be submitted to the shareholders of PCS School, Inc. as provided by law, at a meeting held on or before November 2, 1994, or such other date as the Board of Directors of the corporation shall approve. Each issued outstanding share of stock of PCS School, Inc. is validly issued and fully paid, non-assessable and entitled to one vote on the Plan.

Article VI

The effect of adoption of the Plan will be the continued operation of PCS School, Inc. as a wholly-owned subsidiary of PCS Education Systems, Inc. PCS Education Systems, Inc. anticipates a private placement offering of all or so much of its remaining outstanding shares to investors to raise additional capital to fund implementation of a business plan to expand locations of PCS Centers for Enriched Learning and sale of the products and services of the operating corporations. Shareholders in PCS Education Systems, Inc. shall not have preemptive rights.

Each present stockholder of PCS School, Inc. shall own the same number of shares of common stock Article VII

Anything herein or elsewhere notwithstanding the Plan may be terminated and abandoned at any time before the effective time of the exchange, whether before or after approval by the

shareholders of the corporation under any one or more of the following circumstances:

- 1) By the mutual consent of the Boards of Directors of both corporations;
- 2) By PCS Education Systems, Inc. if the holders of more than 20% of the shares of common stock of PCS School, Inc. have voted against the exchange and exercise the provisions of the Idaho Business Corporation Act regarding payment of the fair value of their shares.

DATED this 2 day of November, 1994.

PCS SCHOOL, INC.

By Anthony A. Maher
Anthony A. Maher
President

By Michael K. McMurray
Michael K. McMurray
Secretary

PCS EDUCATION SYSTEMS, INC.

By Anthony A. Maher
Anthony A. Maher
President

By Donald J. Farley
Donald J. Farley
Secretary

Article VII

STATE OF IDAHO)

County of Ada)

) ss.

On this 2nd day of Nov., 1994, before me, a notary public in and for said county and state, personally appeared ANTHONY A. MAHER, known to me to be the President of PCS School, Inc., and President of PCS Education Systems, Inc., and known to me to be the person whose name is subscribed to the within instrument and, under oath, acknowledged to me that he executed the same on behalf of both corporations, and that the statements contained therein are true to the best of his knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year in this certificate first above written.

Shirley A. Spratt
Notary Public for Idaho
Residing at Boise, Idaho
My Commission Expires 8/24/99

