

CERTIFICATE OF LIMITED PARTNERSHIP

for

TANGLES HAIR DESIGN & BEAUTY SUPPLY LIMITED PARTNERSHIP

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We, the undersigned, desiring to form a Limited Partnership pursuant to the Idaho Limited Partnership Act, Title 53, Chapter 2, Idaho Code, do hereby agree and certify:

1. Name.

The name of the limited partnership is:

TANGLES HAIR DESIGN & BEAUTY SUPPLY LIMITED
PARTNERSHIP.

2. Character of Business.

The general character of the business of the partnership is to engage in the business of designing, cutting, curling, fixing and caring for peoples' hair as barbers, beauticians, and cosmetologists; and to sell, retail and wholesale, and distribute such products to the trade; to furnish consultant services; and to do any and all related services and activities, and conduct any and all business as natural persons could do.

3. Registered Agent.

The name and address of the registered agent of the limited partnership, for service of process, as required by Idaho Code Sec. 53-204, is:

Rory Crowell
16 West 1st South
Rexburg, ID 83440

4. Partners' Names and Addresses.

(a) The names and business addresses of the General Partners are:

<u>NAME</u>	<u>ADDRESS</u>
Rory Crowell	16 West 1st South, Rexburg, ID 83440
Darla Crowell	16 West 1st South, Rexburg, ID 83440

(b) The names and business addresses of the limited partners are:

<u>NAME</u>	<u>ADDRESS</u>
Dayton Grover	9177 South 400 West, Rexburg, ID 83440
Latrese Grover	9177 South 400 West, Rexburg, ID 83440
Mitchell Grover	9177 South 400 West, Rexburg, ID 83440

5. Initial Contributions to Capital.

The amount of cash and property contributed by each partner, and the number of units of interest in the partnership owned by each partner are as follows:

<u>Name</u>	<u>Contribution</u>	<u>Units of Interest</u>
<u>General Partners</u>		
a. Rory Crowell, cash, equipment and supplies	\$3,500	3500
b. Darla Crowell, cash, equipment and supplies	3,500	3500
<u>Limited Partners</u>		
a. Mitchell Grover, cash	7,500	7500
b. Dayton Grover, cash	2,500	2500
c. Latrese Grover, cash	<u>2,500</u>	<u>2500</u>
Totals	\$19,500	19500

All units have a value of \$1.00 each at the commencement of the partnership, and the total 19,500 units represent \$19,500 in value, which is equivalent to the cash and

fair market value of the personal property transferred to the partnership, as set forth above.

6. Additional Contributions.

There is no agreement to make additional contributions to capital.

7. Substitute Limited Partners.

A limited partner has no power to grant the right to become a limited partner to an assignee of any part of his partnership interest except with written approval by the General Partners.

8. Termination.

No partner has the right to terminate his membership in the partnership prior to the end of the agreed term of the partnership.

9. Right to Distributions.

(a) The General Partners shall cause the limited partnership to maintain such reserves to cover anticipated future expenses and disbursements as in the discretion of the General Partners seems appropriate.

(b) The General Partners shall be compensated from time to time for management and other services provided to the partnership. Compensation shall be in a reasonable amount.

(c) Balances of revenues and profits, if any, after payment of necessary expenses and compensation to General Partners, and after maintenance of necessary reserves, shall be distributed at periodic intervals, not less often than

annually, as shall be determined by the General Partners, as follows:

The balance, if any, of distributable income in excess of reserves allocated under Sec. 9(a), and all losses in each fiscal year, shall be allocated (and distributed) pro-rata to all units.

(d) In the event of liquidation of the partnership, all proceeds shall be distributed in the following order of priority:

(1) To the payment of the debts and liabilities of the partnership and the expense of liquidation. For this purpose the liquidator, in his discretion, shall set up such reserves as may seem necessary for any contingent or unforeseen liabilities of the partnership.

(2) Current and unpaid compensation or reimbursement of expenses, owing to the General Partners.

(3) To the partners with respect to their shares of any undrawn profits for the fiscal year.

(4) The balance, if any, shall be paid pro-rata to the all units.

10. No Other Right To Distribution.

There is no other right of a partner to receive, nor of the General Partners to make, distributions to a partner, whether by way of return of all or any part of the partner's contribution.

11. Dissolution of Partnership.

The limited partnership shall be dissolved and its

affairs wound up upon the first of the following events to occur:

(a) Retirement, death, bankruptcy, or insanity of a General Partner.

(b) The written agreement of all partners, general and limited, to terminate as of a stated date.

(c) The General Partners may determine that there shall be life insurance upon the life of each General Partner, with the other General Partners as owners, premium payers, and beneficiaries. The General Partners herein are husband and wife, but it is possible that in time, by proper amendment of this certificate of limited partnership, that other general partners may be designated, and involved in the issuance of life insurance upon their lives. The partnership as such shall have no right of ownership in and to any such policy, and in the event of the death of a general partner, the proceeds of the policy shall not be taken into account as an asset of the partnership. However, in the event of the death of a general partner, and there are at that time another general partner or partners other than the spouse of the deceased general partner, the remaining general partner or partners, if continuing the business, shall apply and pay directly to the spouse or legal representative of the deceased general partner the lesser of (a) the value of the deceased partner's interest in the partnership, or (b) the full proceeds of the policy. If the proceeds of the insurance are greater than the value of the deceased partner's interest, or if the business is not

continued, then the remaining partners as owners of the policy may retain the balance of the policy proceeds. In the event a general partner dies with such a policy in force, owned by the remaining general partners, and the remaining general partners survive for a period of at least sixty days, then the remaining general partners shall purchase the deceased partner's interest in the partnership as provided in this article.

12. Continuance of Business.

(a) In the event of dissolution of the partnership, then a remaining General Partner, if there be one, or if not, any one or more limited partners may elect, by notice in writing to all interested parties within 30 days of dissolution, to become a substituted General Partner or Partners and to continue the business. But if a General Partner does not continue, then a limited partner or partners becoming a General Partner or Partners must pay to each limited partner who requests in writing (within 15 days) withdrawal of his partnership units, the value of the units of each partner not continuing or withdrawing. Value shall be determined and paid as provided in sub-paragraphs (c) and (d) hereof. If more than one limited partner elects to be a new General Partner, but not together, then the limited partners shall determine who shall be the new General Partner by majority vote of all units; otherwise, the partnership shall be liquidated.

(b) The new General Partner shall have the right to form a new limited partnership and shall have the right:

(1) To transfer and convey the assets of the dissolved limited partnership to the new limited partnership, subject to liabilities;

(2) Amend this certificate to establish the new General Partner or Partners;

(3) Perform all such other acts or cause all such things to be done as shall be necessary or advisable for the formation of the new limited partnership.

(c) In the event of the formation of a new limited partnership, the value of each partnership unit, as to any non-continuing or withdrawing limited partner, shall be based upon book value adjusted to include fair market value of all tangible real property and personal property owned by the partnership. Partnership capital shall be allocated pro-rata to the all units. Any disputes as to value shall be arbitrated in accordance with sub-paragraph (e) hereof.

(d) The price of a partnership unit shall be payable ten (10) percent down, the balance shall bear interest at the rate of nine (9) percent per annum from the date the limited partner requests withdrawal, in ten (10) equal annual installments. The unpaid sales price shall be evidenced by a written promissory note, shall be a debt of the partnership and shall be secured by a security agreement in the personal property, or a mortgage or deed of trust on the partnership interest in any real estate it may own or have an interest in.

(e) In the event of any dispute as to the value of a partnership unit, upon an election for continuance of the

business, then the continuing partner or partners shall appoint an appraiser, the non-continuing partner or partners (or a representative thereof) shall appoint an appraiser, the two appraisers shall jointly appoint a third appraiser, and the three appraisers shall determine, in compliance with this agreement, and by majority vote, the value of the partnership units being retired, which determination shall bind all parties.

13. Additional Agreements.

The partners agree to the following additional provisions:

(a) This certificate, and the partnership agreement contained herein, may not be amended by the General Partners without the consent in writing of the limited partners.

(b) Except as otherwise expressly herein provided, the partnership may not, by a General Partner, without written consent of the limited partners, do any of the following:

(1) Dissolve or wind up the limited partnership;

(2) Sell, exchange, lease, mortgage, pledge, or make any other transfer of all or substantially all of the assets of the limited partnership other than in the ordinary course of business;

(3) Incur any indebtedness other than in the ordinary course of business; nor

(4) Change the nature of the business.

(c) The limited partners shall not participate in the control of the business and shall not be liable for any obligations of the limited partnership.

(d) Any partner, with the consent of the General Partners, may loan money to the partnership, from time to time, with the amount, interest, terms and repayment of each loan to be evidenced by a written promissory note. Each such loan shall constitute a debt of the limited partnership.

(e) Adequate books of account shall be kept at all times under the supervision of the General Partners. The books shall be open to inspection by any limited partner, or his accredited representative, at any reasonable time.

(f) The partnership books shall contain a capital account and an income account for each partner. Profits and losses shall be credited or debited to an individual income account of each partner as soon as practicable after the close of each fiscal year. If there be no balance in the individual income account, net losses shall be debited to the individual capital accounts. If there be no balance in the capital account of a partner, or if the capital account shall have been depleted by the debiting of losses under this paragraph, future profits of that partner shall not be credited to his income account until the depletion shall have been made good, but shall be credited to his capital account. After such depletion in this capital account shall have been made good his share of the profits shall thereafter be credited to his income account.

(g) The books of account shall be examined and reviewed at the close of each fiscal year by an independent public accountant designated by the General Partners, who shall

make a report thereon. A copy of the report shall be furnished to each limited partner.

(h) The fiscal year of the partnership shall be the calendar year from January 1 to December 31 in the same year.

(i) The General Partners shall have equal rights in the management of the partnership business. The General Partners shall not be required to devote their entire business time to this partnership. They may have other businesses and/or employment. They agree to devote such time and attention to this enterprise as may be necessary, in their discretion, for the successful functioning and completion of the work of the partnership.

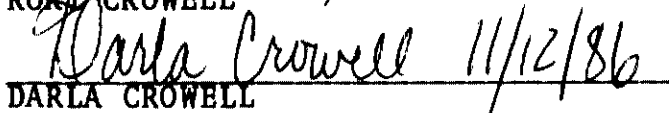
(j) Each party hereto shall execute such other and further instruments and shall perform such additional acts as are necessary to effectuate this partnership and to carry on its business.

(k) The general partners have a power of attorney authorizing them to execute and file for record amendments to the Certificate of Limited Partnership.

EXECUTED THIS 12th day of November, 1986.

"GENERAL PARTNERS"


RORE CROWELL


DARLA CROWELL 11/12/86

Dayton Grover
DAYTON GROVER

Latrese Grover
LATRESE GROVER

Mitchell Grover
MITCHELL GROVER

On this 12 day of November, 1986, appeared RORY CROWELL, DARLA CROWELL, DAYTON GROVER, LATRESE GROVER and MITCHELL GROVER, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Marsha L. Mabury
Notary Public for Idaho
Residing at Rexburg, Idaho
My Commission Expires: 4-10-88