

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

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In re:

Bky. No.  
Chapter 11

Reflections Homes, Inc.

Debtor.

\*\*\*\*\*

**NOTICE OF HEARING AND JOINT MOTION FOR EXPEDITED HEARING AND  
FOR ORDER AUTHORIZING DEBTOR'S ASSUMPTION OF INSURANCE  
CONTRACT AND PAYMENT OF ARREARAGES AND  
PAYMENT OF PREPETITION WAGES FOR CERTAIN EMPLOYEES**

\*\*\*\*\*

TO: The entities specified in Local Rule 9013-3(a)(2).

1. Reflections Homes, Inc. (the "Debtor"), moves this Court for the relief requested below and gives notice of hearing.

2. The Court will hold a hearing on the motion at 11 a.m. on September 27th 2004, in Courtroom 228B in 200 US Courthouse, 316 North Robert Street, St. Paul, MN 55101.

3. Debtor requests that the motion be heard on an expedited basis. Because of the expedited nature of the hearing, any responses to this motion must be filed and served by 8 a.m. on September 27, 2004, which is three (3) hours prior to the hearing or filed and served by mail by September 24, 2004 which is three (3) days prior to the hearing. **Unless a response opposing the motion is timely filed, the Court may grant the motion without a hearing.**

**INSURANCE CONTRACT**

4. This court has jurisdiction over the motion for assumption of the West Bend Mutual Insurance Contract ("Insurance Contract") and payment of arrearages, pursuant to 28 U.S.C. §§ 157 and 1334 and Local Rule 1070-1. This proceeding is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2)(A) and 157(b)(2)(M).

5. The petitions commencing this chapter 11 case was filed August 28, 2004 (the "Petition Date"). The case is now pending in this Court.

6. On the Petition Date, the Debtor filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et. seq. (the "Bankruptcy Code"). Pursuant to sections 1107 (a) and 1108 of the Bankruptcy Code, the Debtor continues to operate its business and manage its affairs as debtor-in-possession.

7. No trustee, examiner or committee has been appointed in this Chapter 11 case.

### **INSURANCE CONTRACT**

8. The motion for assumption of the Insurance Contract and payment of arrearages arises under 11 U.S.C. §365 and Bankruptcy Rule 6006. This motion is filed under Bankruptcy Rule 9014 and Local Rule 9013. Debtor requests relief with respect to authority to assume the Insurance Contract.

9. On or about \_\_\_\_\_ the Debtor and West Bend Mutual entered into a Property Casualty Insurance Contract (together with all schedules, exhibits and addendum, collectively the "Insurance Contract").

10. The Debtor owes \$816.60 for the coverage ending September 19, 2004 and West Bend Mutual has agreed to extend coverage and renew the policy until payment approval is given by the Court.

11. The Debtor has agreed to assume the Insurance Contract and West Bend Mutual has agreed to renew the Insurance Contract attached hereto as **Exhibit A.**

12. The Debtor has determined in the exercise of its sound business judgment that assumption of the Insurance Contract is in the best interests of the Debtor, its creditors and this bankruptcy estate.

13. The protection provided by this Insurance Contract has been used by Debtor since the Petition Date and is necessary to the Debtor for its reorganization.

14. The terms of the Insurance Contract are reasonable and in the best interest of the Debtor, its creditors and the bankruptcy estate.

**PRE-PETITION WAGES**

15. This Court has jurisdiction over the motion for payment of pre-petition wages for certain employees pursuant to 28 U.S.C. §§ 157 and 1334, Fed. R. Bankr. P. 5005 and Local Rule 1070-1. This proceeding is a core proceeding pursuant to 28 U.S.C. §157(b)(2).

16. The motion for payment of pre-petition wages arises under 11 U.S.C. §§ 105 and 507 (a)(3)(A). The motion is filed under Fed. R. Bankr. P. 9013 and Local Rules 9013-1 through 9013-3. The Debtor requests an order authorizing the payment of pre-petition claims of certain employees of Reflections Homes, Inc.

17. By this motion (the "Motion"), the Debtor requests entry of an order on an expedited basis authorizing it to pay, the pre-petition amounts, up to \$900, due to certain employees who have provided services to and the Debtor before the petition was filed. It is essential that such employees be paid their pre-petition wages in order to retain their loyalty and services.

18. The Debtor also requests that the Court enter an Order on an expedited basis authorizing it to pay the pre-petition wages, up to \$1,290.26 of the President of the Debtor who also serves as an employee of the Debtor. Retaining the President's loyalty and services is essential to the reorganization of Debtor.

19. The Debtor has attached as **Exhibit B** a list of the Employees, their titles, and the amounts owed to them for pre-petition wages to this Motion.

20. The Debtor also requests that the Court authorize and require banks to honor any checks drawn, or fund transfer requests made, for payment of obligations to any employees, whether such checks were presented prior to or after the Petition Date.

21. Reflections Homes, Inc., (“Reflections”) employees provide care for the residents of its facilities. Reflections’ ability to continue its operations is dependent upon having employees to care for its residents. Many of these employees have experience that is critical to the ongoing care of the residents or the day-to-day operations of the Debtor.

22. The Debtor intends to pay only those amounts absolutely necessary to retain these employees during the reorganization.

23. In accordance with Local Rule 9013-2, this Motion is accompanied by an Unsworn Declaration of Fredric H. Youngstrand, memorandum of law, proposed order and proof of service.

24. If necessary, the Debtor will offer the testimony of Fredric H. Youngstrand, President and Chief Financial Officer of Reflections in support of this Motion. The business address of the proposed witness is 25 N. 12<sup>th</sup> Avenue E., Suite F, Duluth, MN 55805. The proposed witness will testify as to the facts relevant to this Motion.

**WHEREFORE**, the Debtor respectfully requests that this Court enter an order substantially in the form attached to the Motion (a) granting its request for an expedited hearing; (b) authorizing debtor to assume and renew the Insurance Contract and pay the arrearage; (c) authorizing Debtor to pay, in its sole discretion, the pre-petition amounts due to the Employees; (d) authorizing and requiring banks to honor any checks drawn or fund transfer requests made for payment of obligations owing to employees; and (e) granting such other and further relief as is just and proper.

Dated this 20<sup>th</sup> day of September, 2004.

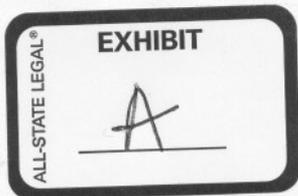
GERLACH BEAUMIER  
Attorneys at Law, LLP

By *Yvonne M. Novak*  
Yvonne M. Novak (#1047456)  
Attorney for Petitioner  
101 West 2<sup>nd</sup> Street, Suite 200  
Duluth, MN 55802  
(218) 722-2144

VERIFICATION

I Fredric Youngstrand, the President of Debtor, declare under penalty of perjury that the facts set forth in the foregoing Notice of hearing and Joint Motion for Approval of Insurance Contract and Payment of Arrearages and Payment of Pre-Petition Wages of Certain employees are true and correct according to the best of my knowledge, information and belief.

Executed on: *F.A.* *Fredric Youngstrand*  
9/20-04 Fredric Youngstrand



August 20, 2004

CARTIER AGENCY INC 22-141 (218) 727-5992

When replying, refer to: Customer/Policy Number: 0110118432  
Insured: REFLECTION HOMES, INC

Dear Agent:

SUBJECT: RENEWAL PAY CHANGE

An outstanding balance of 818.60 remains due 8-19-04 on the current term.

Attached find the renewal effective 09/20/04 to 09/20/05.

The payment plan will be changed to Electronic Funds Transfer (EFT) after the outstanding balance for the current term is received. At that time, a Schedule of Future Withdrawals will be sent to the Insured.

Sincerely,

Pat S. / pas  
6512  
Accounts Receivable

WB541 02 03



R NSK

COMMERCIAL PACKAGE POLICY DECLARATION

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME AND ADDRESS

REFLECTION HOMES, INC  
25 N 12TH AVE E  
DULUTH, MN 55805

AGENCY NAME AND ADDRESS

CARTIER AGENCY INC  
2631 W SUPERIOR PO BOX 16567  
DULUTH, MN 55816  
(218) 727-5992  
AGENCY NUMBER: 2260141 01

POLICY PERIOD: FROM: SEPT 20, 2004 TO: SEPT 20, 2005 AT  
12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
BUSINESS AUTO COVERAGE	\$1,305.00
COMMERCIAL PROPERTY COVERAGE	\$5,136.00
COMMERCIAL GENERAL LIABILITY COVERAGE	\$9,152.00
TOTAL PREMIUM:	\$15,593.00
* PAYABLE AT INCEPTION:	\$15,609.22

\* INCLUDES TAXES AND/OR SURCHARGES

MINNESOTA SURCHARGE \$16.22

SEE ATTACHED SCHEDULE FOR FORMS APPLICABLE TO ALL COVERAGE PARTS

COUNTERSIGNED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_ BY \_\_\_\_\_

(AUTHORIZED REPRESENTATIVE)

FORM NO. COMMONDEC 01/86

ISSUED 08/11/2004

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POLICY SCHEDULE OF NAMES AND ADDRESSES

POLICY NUMBER NSQ 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

LOCATIONS OR PREMISES YOU OWN, RENT OR OCCUPY

LOC/PREM 0001  
25 N 12TH AVE E  
DULUTH, ST LOUIS, MN  
55805

LOC/PREM 0002  
4646 W PIONEER RD  
DULUTH, ST LOUIS, MN  
55805

LOC/PREM 0003  
2730 GREYSOLON RD  
DULUTH, ST LOUIS, MN  
55812

LOC/PREM 0004  
1610 N 28TH AVE W  
DULUTH, ST LOUIS, MN  
55811

COMMERCIAL PACKAGE POLICY DECLARATION

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

FORMS SCHEDULE

NUMBER		DESCRIPTION
COMMONNA	01/86	COMMON NAME AND ADDRESS
WB492	10/01	NOTICE OF PAYMENT PLAN OPTIONS
WB1571A	08/93	GUARANTY ASSOCIATION LAW
IL0985	01/03	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT 2002
WB902P	09/04	GENERAL LIABILITY ALTERED TERMS LETTER



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## BUSINESS AUTO COVERAGE PART

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

FORM OF BUSINESS: CORPORATION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

ITEM TWO: SCHEDULE OF COVERAGES AND COVERED AUTOS

THIS POLICY PROVIDES ONLY THOSE COVERAGES WHERE A CHARGE IS SHOWN IN THE PREMIUM COLUMN BELOW. EACH OF THESE COVERAGES WILL APPLY ONLY TO THOSE "AUTOS" SHOWN AS COVERED "AUTOS". "AUTOS" ARE SHOWN AS COVERED "AUTOS" FOR A PARTICULAR COVERAGE BY THE ENTRY OF ONE OR MORE OF THE SYMBOLS FROM THE COVERED AUTO SECTION OF THE BUSINESS AUTO COVERAGE FORM NEXT TO THE NAME OF THE COVERAGE.

COVERAGES	COVERED AUTOS	LIMIT: THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY			
COMB SINGLE LIMIT	08 09	\$1,000,000 EACH ACCIDENT	\$1,305

SEE ATTACHED SCHEDULE FOR FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

TERRORISM RISK INSURANCE ACT OF 2002	NO CHARGE
COMMERCIAL AUTO COVERAGE PREMIUM	\$1,305.00

FORM NO. BACOVERG 01/87 PAGE 1 LAST ISSUED 08/11/2004

AGENT COPY



INSURANCE COMPANY • TIME TESTED SINCE 1894  
 1900 SOUTH 10TH AVENUE • WEST BEND, WI 53095

R NSK

BUSINESS AUTO COVERAGE PART

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

ITEM FOUR: SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

LIABILITY COVERAGE - RATING BASIS, COST OF HIRE

STATE	NUMBER OF EMPLOYEES	RATE PER EMPLOYEE	PREMIUM
MN	41	7.630	\$313
TOTAL ITEM FOUR LIABILITY PREMIUM			\$313



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BUSINESS AUTO COVERAGE PART

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

ITEM FIVE: SCHEDULE FOR NON-OWNERSHIP LIABILITY

RATING BASIS	NUMBER OF EMPLOYEES	PREMIUM
NUMBER OF EMPLOYEES	41	\$992
TOTAL PREMIUM ITEM FIVE		\$992



R NSK

## BUSINESS AUTO DECLARATION

POLICY NUMBER NSD 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

## FORMS SCHEDULE

NUMBER		DESCRIPTION
CA0138	08/97	MINNESOTA CHANGES
CA0218	06/98	MINNESOTA CHANGES-CANCELLATION AND NONRENEWAL
WB347	10/89	IMPORTANT NOTICE
CA0038	12/02	WAR EXCLUSION
CA2301	12/93	EXPLOSIVES
IL0017	11/98	COMMON POLICY CONDITIONS
IL0021	07/02	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
WB492	10/01	NOTICE OF PAYMENT PLAN OPTIONS
WB1571A	08/93	GUARANTY ASSOCIATION LAW
CA0001	12/93	BUSINESS AUTO COVERAGE FORM
WB1394	08/96	WINDSHIELD REPAIR NOTICE
CA2356	11/02	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL0985	01/03	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT 2002
WB1282P	09/04	COMMERCIAL AUTO ALTERED TERMS LETTER - MINNESOTA

FORM NO. FORMSINV 1/86

ISSUED 08/11/2004

AGENT



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COMMERCIAL PROPERTY COVERAGE PART DECLARATION

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

TOTAL PREMIUM: \$5,136.00

DESCRIPTION OF PREMISES:

PREM BLD OCCUPANCY

1 1 CARE SERVICE

CONSTRUCTION: FRAME

PROTECTION CLASS: 04

COVERAGE  
YOUR BUSINESS PERSONAL PROPERTY

COVERED CAUSE	PREMIUMS
BASIC FORM	\$30
SPECIAL FORM	\$199

CSP 0702  
LIMIT: \$10,000  
REPLACEMENT COST  
DEDUCTIBLE: \$250  
COINSURANCE: 80 %

COVERAGE  
EXTRA EXPENSE  
CSP 0702  
LIMIT: \$25,000  
LIMITS ON LOSS PAYMENT: 40-80-100

COVERED CAUSE	PREMIUMS
BASIC FORM	\$166
SPECIAL FORM	\$26

COVERAGE  
EQUIPMENT BREAKDOWN  
LIMIT: INCLUDED

PREMIUMS  
INCLUDED

PREM BLD OCCUPANCY

2 1 CARE SERVICE

CONSTRUCTION: FRAME

PROTECTION CLASS: 04



R NSK

COMMERCIAL PROPERTY COVERAGE PART DECLARATION

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

COVERAGE	COVERED CAUSE	PREMIUMS
YOUR BUSINESS PERSONAL PROPERTY	BASIC FORM	\$131
	SPECIAL FORM	\$194
CSP 9952		
LIMIT: \$40,000		
REPLACEMENT COST		
DEDUCTIBLE: \$250		
COINSURANCE: 80 %		

COVERAGE	COVERED CAUSE	PREMIUMS
BUSINESS INCOME OTHER THAN RENTAL	BASIC FORM	\$1,225
VALUE AND INCLUDING EXTRA EXPENSE	SPECIAL FORM	\$164
CSP 9952		
LIMIT: \$260,000		
MONTHLY LIMIT OF INDEMNITY: 1/3		

COVERAGE	PREMIUMS
EQUIPMENT BREAKDOWN	INCLUDED
LIMIT: INCLUDED	

PREM BLD OCCUPANCY  
 3 1 CARE CENTER  
 CONSTRUCTION: FRAME

PROTECTION CLASS: 04

COVERAGE	COVERED CAUSE	PREMIUMS
YOUR BUSINESS PERSONAL PROPERTY	BASIC FORM	\$66
	SPECIAL FORM	\$171
CSP 9952		
LIMIT: \$20,000		
REPLACEMENT COST		
DEDUCTIBLE: \$250		
COINSURANCE: 80 %		



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190 SOUTH 18TH AVENUE • WEST BEND, WI 53095

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COMMERCIAL PROPERTY COVERAGE PART DECLARATION

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

COVERAGE	COVERED CAUSE	PREMIUMS
BUSINESS INCOME OTHER THAN RENTAL	BASIC FORM	\$1,037
VALUE AND INCLUDING EXTRA EXPENSE	SPECIAL FORM	\$139
CSP 9952		
LIMIT: \$220,000		
2 ( OFF PREMISES POWER, WATER AND		
COMMUNICATION SUPPLY EXCLUDING		
OVERHEAD TRANSMISSION LINES		
MONTHLY LIMIT OF INDEMNITY: 1/3		

COVERAGE	PREMIUMS
EQUIPMENT BREAKDOWN	INCLUDED
LIMIT: INCLUDED	

PREM BLD OCCUPANCY

4 1 CARE CENTER

CONSTRUCTION: FRAME

PROTECTION CLASS: 04

COVERAGE	COVERED CAUSE	PREMIUMS
YOUR BUSINESS PERSONAL PROPERTY	BASIC FORM	\$98
	SPECIAL FORM	\$184
CSP 9952		
LIMIT: \$30,000		
REPLACEMENT COST		
DEDUCTIBLE: \$250		
COINSURANCE: 80 %		

COVERAGE	COVERED CAUSE	PREMIUMS
BUSINESS INCOME OTHER THAN RENTAL	BASIC FORM	\$942
VALUE AND INCLUDING EXTRA EXPENSE	SPECIAL FORM	\$126
CSP 9952		
LIMIT: \$200,000		
2 ( OFF PREMISES POWER, WATER AND		
COMMUNICATION SUPPLY EXCLUDING		
OVERHEAD TRANSMISSION LINES		
MONTHLY LIMIT OF INDEMNITY: 1/3		



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## COMMERCIAL PROPERTY COVERAGE PART DECLARATION

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

COVERAGE  
EQUIPMENT BREAKDOWN  
LIMIT: INCLUDED

PREMIUMS  
INCLUDED

ADDITIONAL MISCELLANEOUS COMMERCIAL PROPERTY PREMIUMS:

\$175

TOTAL EQUIPMENT BREAKDOWN PREMIUM:

\$37

TERRORISM RISK INSURANCE ACT OF 2002:

\$26

TERRORISM RISK INSURANCE ACT OF 2002(FIRE ONLY):

INCLUDED

SEE ATTACHED SCHEDULE FOR FORMS AND ENDORSEMENTS APPLICABLE  
TO THIS COVERAGE PART

## COMMERCIAL PROPERTY DECLARATION

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

## FORMS SCHEDULE

NUMBER		DESCRIPTION
WB1498	10/01	PLUS PAK-PROPERTY
CP1545	06/95	UTILITY SERVICES - TIME ELEMENT
CP0030	10/00	BUSINESS INCOME(AND EXTRA EXPENSE)COVERAGE FORM
CP1030	10/00	CAUSES OF LOSS-SPECIAL FORM
WB34	09/03	EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT
WB1337	04/02	WATER BACK UP,SUMP PUMP OVERFLOW
CP0090	07/88	COMMERCIAL PROPERTY CONDITIONS
ILD017	11/98	COMMON POLICY CONDITIONS
ILD952	11/02	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CP0010	10/00	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CP0157	07/98	MINNESOTA CHANGES - COINSURANCE
CP0108	08/02	MINNESOTA CHANGES
WB2140	10/01	COMMERCIAL PROPERTY AMENDMENT
ILD245	09/03	MINNESOTA CHANGES - CANCELLATION AND NONRENEWAL

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WATER BACK UP, SUMP PUMP OVERFLOW**

This endorsement modifies Insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

### **SCHEDULE**

**POLICY LIMIT:   \$       15,000**

We will pay for direct physical loss, not caused by your negligence, to covered Building, Business Personal Property or Personal Property of Others caused by:

1. water which backs up through sewers or drains; or
2. water which overflows from a sump pump even if such overflow results from the mechanical breakdown of the sump.

We will not pay for direct loss caused by:

1. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not.;
2. Mudslide or mudflow;

3. Water under the ground surface pressing on, or flowing or seeping through:
  - a. Foundations, walls, floors or paved surfaces;
  - b. Basements, whether paved or not; or
  - c. Doors, windows or other openings.

The most we will pay, under this coverage extension, for all direct loss or damage occurring during the policy term is shown in the Schedule. The limit does not apply separately to each location.

This coverage does not apply to Business Income or Extra Expense coverages.

Section D. Deductible applies.



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## COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATION

POLICY NUMBER NSD 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

THE INSURED IS A CORPORATION

## LIMITS OF INSURANCE:

GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS - COMPLETED OPERATIONS)	\$2,000,000
PRODUCTS - COMPLETED OPERATIONS AGGREGATE LIMIT	\$2,000,000
EACH OCCURRENCE LIMIT	\$1,000,000
MEDICAL EXPENSE LIMIT, ANY ONE PERSON	EXCLUDED
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$200,000
PERSONAL AND ADVERTISING INJURY LIABILITY LIMIT	\$1,000,000

DEDUCTIBLE \$ 250 (FORM CG 03 00) APPLICABLE TO PROPERTY DAMAGE CLAIMS.

SEE ATTACHED SCHEDULE FOR FORMS AND ENDORSEMENTS APPLICABLE  
TO THIS COVERAGE PART



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COMMERCIAL GENERAL LIABILITY CLASSIFICATION SCHEDULE

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

TOTAL PREMIUM: \$9,152.00

COMMERCIAL GENERAL LIABILITY CLASSIFICATIONS

LOC	ST	TER	CODE	PREMIUM BASIS	PER	RATE	PREMIUM COV
1	MN	003	11111	IF ANY	FLAT	CHARGE	\$50 0
PLUS PAK INCLUDING VOLUNTARY PD-\$2,500/2,500 LIMIT \$250 DED							
1	MN	003	61226	1,380 SQUARE FEET	1000	\$194.995	\$269 0*
BUILDINGS OR PREMISES-OFFICE-OTHER THAN NOT-FDR-PROFIT							
1	MN	003	97050	7,200 PAYROLL	1000	\$11.021	\$79 0*
LAWN CARE SERVICES							
2	MN	003	70051	8 BEDS	1	\$274.663	\$2,197 0*
NAMED PROFESSIONAL LIABILITY (HIGH-IN)							
2	MN	003	70057	8 BEDS	1	\$77.103	\$617 0*
PHYSICAL ABUSE (HIGH-IN)							
2	MN	003	70074	8 BEDS	1	\$104.566	\$837 0*
PREMISES LIABILITY (HIGH-IN)							
3	MN	003	70051	6 BEDS	1	\$274.663	\$1,648 0*
NAMED PROFESSIONAL LIABILITY (HIGH-IN)							

COV P IS FOR PRODUCTS-COMPLETED OPERATIONS, AND COV O IS FOR ALL OTHER HAZARDS.

(\*) DEDUCTIBLE APPLIES - PER CLAIM



R NSK

COMMERCIAL GENERAL LIABILITY CLASSIFICATION SCHEDULE

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

COMMERCIAL GENERAL LIABILITY CLASSIFICATIONS

LOC	ST	TER	CODE	PREMIUM BASIS	PER	RATE	PREMIUM COV
3	MN	003	70057	6 BEDS	1	\$77.103	\$463 0*
PHYSICAL ABUSE (HIGH-IN)							
3	MN	003	70074	6 BEDS	1	\$104.566	\$627 0*
PREMISES LIABILITY (HIGH-IN)							
4	MN	003	70051	5 BEDS	1	\$275.562	\$1,378 0
NAMED PROFESSIONAL LIABILITY (HIGH-IN)							
4	MN	003	70057	5 BEDS	1	\$77.355	\$387 0
PHYSICAL ABUSE (HIGH-IN)							
4	MN	003	70074	5 BEDS	1	\$104.991	\$525 0
PREMISES LIABILITY (HIGH-IN)							
TERRORISM RISK INSURANCE ACT OF 2002							\$75

COV P IS FOR PRODUCTS-COMPLETED OPERATIONS, AND COV Q IS FOR ALL OTHER HAZARDS.

(\* DEDUCTIBLE APPLIES - PER CLAIM

**West Bend Mutual**

INSURANCE COMPANY • TIME TESTED SINCE 1894  
1900 SOUTH 18TH AVENUE • WEST BEND, WI 53095

CUSTOMER NO. 0110118432

R NSK

POLICY NUMBER NSO 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

ADDITIONAL INTEREST

LOCATION 0003  
WILLIAM AMERY & RON KIRSCHLING  
5841 PERSIMMON DR  
MADISON, WI  
53711  
FORM CG2011 APPLIES  
MANAGERS OR LESSORS OF PREMISE  
\*ADDITIONAL INSURED

LOCATION 0004  
DR DONALD GRANT  
346 FIFTH AVE SE  
HARMONY, MN  
55939  
FORM CG2011 APPLIES  
MANAGERS OR LESSORS OF PREMISE  
\*ADDITIONAL INSURED

FORM NO. ADDINT 01/86 PAGE 1 LAST ISSUED 08/11/2004

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## GENERAL LIABILITY DECLARATION

POLICY NUMBER NSD 0607380 02

RENEWAL

INSURED NAME: REFLECTION HOMES, INC

## FORMS SCHEDULE

NUMBER		DESCRIPTION
CG2681	11/02	MINNESOTA CHANGES - DUTIES CONDITION
WB2000	12/99	PLUS PAK-LIABILITY
WB144	10/99	VOLUNTARY PROPERTY DAMAGE COVERAGE
NS0023	09/01	ADDL INS-HEALTH CARE FAC VOL WRKRS, MED DIR, STUDNT TRAIN
CG2011	01/96	ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES
NS0005	12/01	PROFESSIONAL LIABILITY COVERAGE
NS0070	11/03	PHYSICAL ABUSE & SEXUAL MOLESTATION LIAB END
NS0041	04/99	RESIDENTIAL FAC-DAMAGE TO PROPERTY OF OTHERS
CG2135	10/01	EXCLUSION-COVERAGE C - MEDICAL PAYMENTS
CG2425Z	04/02	LIMITED FUNGI OR BACTERIA COVERAGE
GLSCHEDL	01/86	LIABILITY CLASSIFICATION SCHEDULE
CG2170	11/02	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CG2150Z	09/89	AMENDMENT OF LIQUOR LIABILITY EXCLUSION
NS0013	04/99	EXCESS PROVISION
IL0017	11/98	COMMON POLICY CONDITIONS
WB1468	03/04	EXCLUSION-ASBESTOS OR ASBESTOS PRODUCTS
NS0029	04/99	EXCLUSION-DISCRIMINATION
CG2147	07/98	EMPLOYMENT - RELATED PRACTICES EXCLUSION
WB1958	07/98	EXCLUSION - LEAD LIABILITY
IL0021	07/02	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
NS0077	07/99	EXCLUSION-PUNITIVE OR EXEMPLARY DAMAGES
CG9901	11/85	MOTOR VEHICLE LAWS
WB660	03/04	TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US
CG0001	10/01	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG2155	09/99	TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION
CG0122	07/98	MN-AMEND OF CONTR LIAB EXCL FOR PERSONAL INJURY
CG2605	07/98	MINNESOTA CHANGES
IL0245	09/03	MINNESOTA CHANGES - CANCELLATION AND NONRENEWAL
CG0062	12/02	WAR LIABILITY EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## LIMITED FUNGI OR BACTERIA COVERAGE

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SCHEDULE

##### FUNGI AND BACTERIA LIABILITY

EACH OCCURRENCE LIMIT	\$	50,000
AGGREGATE LIMIT	\$	100,000

Coverage under this endorsement is subject to the Fungi and Bacteria Each Occurrence and Aggregate Limits shown in the schedule. Our obligation to pay any claim or judgment, or to defend any suit, ends after these limits have been exhausted by payment of judgments or settlements, or after we have offered for settlement our limit of liability.

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

- a. "Personal and advertising injury" arising out of a "fungi or bacteria incident".
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

B. Coverage provided by this insurance for "bodily injury" or "property damage", arising out of a "fungi or bacteria incident", is subject to the Fungi and Bacteria Liability Each Occurrence and Aggregate Limit as described in Paragraph C. of this endorsement. This provision B. does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

C. The following are added to Section III – Limits of Insurance:

1. Subject to Paragraphs 2. and 3. of Section III – Limits of Insurance, as applicable, the Fungi and Bacteria Liability Aggregate Limit shown in the Schedule of this endorsement is the most we will pay under Coverage A for all "bodily injury" or "property damage" and Coverage C. for Medical Payments arising out of one or more "fungi or bacteria incidents". This provision C.1. does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

2. Subject to Paragraph C.1. of this endorsement and Paragraph 5. Of Section III - Limits of Insurance, as applicable, the Fungi and Bacteria Each Occurrence Limit is the most we will pay under Coverage A. for "bodily injury" or "property damage" and Coverage C. for medical payments arising out of a "fungi or bacteria incident". This provision C.2. does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

3. Paragraph 6., the Damage To Premises Rented To You Limit, and Paragraph 7., the Medical Expense Limit, of Section III - Limits of Insurance continue to apply to "bodily injury" or "property damage" arising out of a "fungi or bacteria incident".

CG 24 25 Z 04 02

West Bend Mutual Insurance Company  
West Bend, Wisconsin 53095

Page 1 of 2

professional liability only on this form:

The Each "Occurrence" limit shown on this Coverage Form is the most we will pay for all losses arising out of an "occurrence" resulting from the activity of a scheduled operation(s) listed on this form. This limit is the most we will pay regardless of:

- a. the number of persons or entities to whom this policy provides coverage;

The Aggregate limit shown on this Coverage Form is the most we will pay under this Coverage Form for all occurrences taking place during the policy period to which this additional coverage applies.

NS 0005 12 01

West Bend Mutual Insurance Company  
West Bend, Wisconsin 53095

Page 1 of 2

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PROFESSIONAL LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

#### **SCHEDULE OF OPERATION(S)**

**PROFESSION(S) RELATED TO:  
CAREGIVERS**

**EACH OCCURRENCE LIMIT           \$ 1,000,000**  
**AGGREGATE LIMIT                 \$ 2,000,000**

Unless specifically stated in this Coverage Form, all terms, conditions, exclusions and definitions of the Commercial General Liability Coverage Form apply.

#### **A. COVERAGE**

The following is added to Section I – Coverages:

We will pay all sums which arise from the named profession(s) listed on this form and become obligated to pay as damages because of any act, error or omission of the insured arising out of the activities of the profession(s) related to the operation(s) as listed on this form. During this policy term you may extend coverage to professions other than those stated above, provided that the profession is new to your operation during the policy term. Any added profession is subject to all the exclusions and conditions of this policy. The damages:

- a. must constitute, or arise directly out of a professional activity undertaken on your behalf by a "covered person".
- b. Must be an "occurrence" taking place in the "coverage territory", during the policy period.

#### **B. LIMITS OF INSURANCE**

The following is added as respects to the professional liability only on this form:

The Each "Occurrence" limit shown on this Coverage Form is the most we will pay for all losses arising out of an "occurrence" resulting from the activity of a scheduled operation(s) listed on this form. This limit is the most we will pay regardless of:

- a. the number of persons or entities to whom this policy provides coverage;

- b. the number of losses or related losses arising directly or indirectly out of one or more related acts, errors, omissions, decisions, incidents, events or breaches of duty;
- c. the number of persons acted upon, or who otherwise sustain injury, damage or loss;
- d. the number of claims made or suits brought, or the number of persons initiating such claims or suits;
- e. the number of professionals' activities or other acts, errors or omissions, decisions, incidents, events or breaches of duty contributing to injury, damage or loss; or
- f. the extent or duration of the professionals' activity or the number of acts, errors or omissions, decisions, incidents, events or breaches of duty contributing to the injury, damage or loss.

The limits of insurance provided by this Coverage Form are not considered part of the Limit of Insurance provided by the Commercial General Liability coverage part.

No coverage is provided for professional liability except as provided herein, under this Coverage Form.

The Aggregate limit shown on this Coverage Form is the most we will pay under this Coverage Form for all occurrences taking place during the policy period to which this additional coverage applies.

## EMPLOYEES OF REFLECTION'S HOMES, INC.

<b>Name</b>	<b>Position</b>	<b>Wages Owing</b>
Lindsay R. Markovich	Caregiver	\$589.36
Fredric Youngstand	President	\$1,290.26
Natasha H. Kowslowski	Caregiver	\$784.73
Kay A. Olson	Caregiver	\$834.72
Corrine R. Hashey	Caregiver	\$2.69
Grace E. Bures	Caregiver	\$91.43
Kathleen Unger	Caregiver	\$133.91
Twila Pearson	Caregiver	<u>\$343.78</u>
<b>TOTAL WAGES</b>		<b>\$4,070.88</b>

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

\*\*\*\*\*

In re:

Reflections Homes, Inc.

Bky.

Chapter 11

Debtor.

\*\*\*\*\*

**NOTICE OF INTENTION TO  
SEEK EXPEDITED HEARING**

The debtor in the above Chapter 11 case, gives notice that it intends to seek expedited hearings on the following matters (check all that apply):

\_\_\_\_\_ **JOINT MOTION FOR ORDER DIRECTING JOINT  
ADMINISTRATION OF RELATED BANKRUPTCY CASES**

\_\_\_\_\_ **MOTION FOR ORDER EXTENDING TIME TO FILE SCHEDULES,  
STATEMENT OF FINANCIAL AFFAIRS AND CERTAIN LISTS  
REQUIRED BY BANKRUPTCY RULE 1007(c)**

\_\_\_\_\_ **MOTION RE MAINTENANCE OF BANK ACCOUNTS AND  
EXISTING CASH MANAGEMENT SYSTEMS**

  x   **MOTION TO PAY PRE-PETITION WAGES, SALARIES AND  
RELATED BENEFITS**

\_\_\_\_\_ **MOTION FOR ORDER AUTHORIZING USE OF CASH  
COLLATERAL**

\_\_\_\_\_ **MOTION FOR APPROVAL OF POST-PETITION SECURED AND  
SUPER PRIORITY FINANCING PURSUANT TO SECTION 364(c)  
OF THE BANKRUPTCY CODE**

\_\_\_\_\_ **MOTION, PURSUANT TO SECTION 366 OF THE BANKRUPTCY  
CODE, FOR ENTRY OF INTERIM ORDER (1) DETERMINING  
ADEQUATE ASSURANCE FOR PAYMENT FOR FUTURE  
UTILITY SERVICES AND (2) RESTRAINING UTILITY  
COMPANIES FROM DISCONTINUING, ALTERING OR REFUSING  
SERVICE**

\_\_\_\_\_  
MOTION FOR ORDER ESTABLISHING NOTICE AND  
ADMINISTRATIVE PROCEDURES

\_\_\_\_\_  
MOTION FOR ORDER AUTHORIZING THE RETENTION OF  
PROFESSIONALS

\_\_\_\_\_  
MOTION FOR ORDER AUTHORIZING THE FILING OF  
DOCUMENTS UNDER SEAL

\_\_\_\_\_  
MOTION FOR ORDER AUTHORIZING PAYMENT OF CERTAIN  
PRE-PETITION CUSTOMER CLAIMS IN THE ORDINARY  
COURSE OF BUSINESS (E.G., GIFT CERTIFICATES, LAYAWAY  
CLAIMS; WARRANTY CLAIMS; REFUND POLICIES)

\_\_\_\_\_  
MOTION FOR ORDER AUTHORIZING PAYMENT OF SALES AND  
USE TAXES

\_\_\_\_\_  
MOTION FOR ORDER AUTHORIZING DEBTORS TO RETURN  
GOODS PURSUANT TO SECTION 546(g) OF THE BANKRUPTCY  
CODE

\_\_\_\_\_  
MOTION FOR ORDER AUTHORIZING POST PETITION  
DELIVERY OF GOODS ORDER BY CUSTOMER PRE-PETITION

\_\_\_\_\_  
MOTION FOR ORDER AUTHORIZING PAYMENT OF CUSTOMS  
DUTIES

\_\_\_\_\_  
MOTION FOR ORDER AUTHORIZING PAYMENT OF  
CONTRACTORS IN SATISFACTION OF LIENS

\_\_\_\_\_  
MOTION FOR ORDER AUTHORIZING DEBTORS TO HONOR  
CERTAIN PRE-PETITION CLAIMS OF SHIPPERS, FREIGHT  
HANDLERS AND WAREHOUSERS

  x    
MOTION FOR ORDER PERMITTING DEBTOR TO HONOR  
WORKERS' COMPENSATION PROGRAMS AND PAY  
INSURANCE OBLIGATIONS

\_\_\_\_\_  
MOTION FOR ORDER APPROVING THE ESTABLISHMENT OF  
RELCLAMATION PROCEDURES

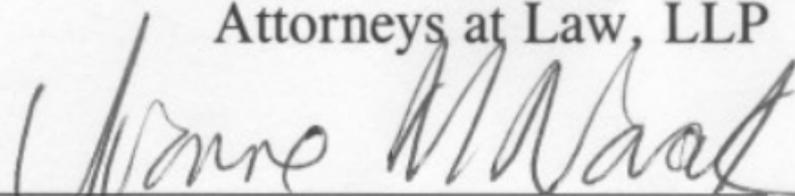
\_\_\_\_\_  
MOTION FOR ORDER REJECTING LEASES

OTHERS (LIST):

Dated this 20<sup>th</sup> day of September, 2004.

GERLACH BEAUMIER  
Attorneys at Law, LLP

By

  
Yvonne M. Novak (#1047456)

Attorney for Petitioner  
101 West 2<sup>nd</sup> Street, Suite 200  
Duluth, MN 55802  
(218) 722-2144

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

\*\*\*\*\*

In re:

Bky. No.  
Chapter 11

Reflections Homes, Inc.

Debtor.

\*\*\*\*\*

**MEMORANDUM OF LAW**

\*\*\*\*\*

Debtor submits this Memorandum in support of its Joint Motion for the Assumption of Insurance Contract and Payment of Arrearages and Payment of Pre-petition Wages for Certain Employees (“Motion”). A hearing is scheduled on September 27, 2004 to consider the Motion.

**FACTS**

The factual basis for this memorandum are set forth in the verified motion and incorporated herein. Capitalized terms not defined herein have the meaning ascribed to them in the Motion.

**LEGAL ARGUMENT**

**The Proposed Assumption of the Insurance Contract and Payment of Arrearages is in the Best Interests of Creditors and the Estate.**

11 U.S.C. §365(a) provides that:

[T]he trustee, subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the Debtor.

The Debtor has the right, subject to Court approval, to assume the Insurance Contract referenced in the Motion. 11 U.S.C. §1107(a).

In order to obtain court approval of assumption or rejection of a contract under 11

U.S.C. §365(a), the Debtor must establish that, in its best judgment, assumption or rejection is in the best interest of its creditors and the bankruptcy estate. *See In re Crystalin, LLC*, 293 B.R. 455,463 (B.A. P. 8<sup>th</sup> Cir. 2003).

Assumption of the Insurance Contract and Payment of Arrearages as described in the motion is in the best interests of creditors and the estate for the reasons set forth in the verified motion. Based on those reasons, and the foregoing law, the Debtor requests that the court authorize assumption of the Insurance Contract as set forth in the Motion.

**The Payment of Pre-Petition Wages for Certain Employees is in the Best Interests of Creditors and the Estate.**

11 U.S.C. §§ 507(a)(3)(A) states:

(a) The following expenses and claims have priority in the following order:

...(3) Third, allowed unsecured claims, but only to the extent of \$4,000 for each individual or corporation, as the case may be, earned within 90 days before the date of the filing of the petition or the date of the cessation of the debtor's business, whichever occurs first, for –

(A) wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual; or ...

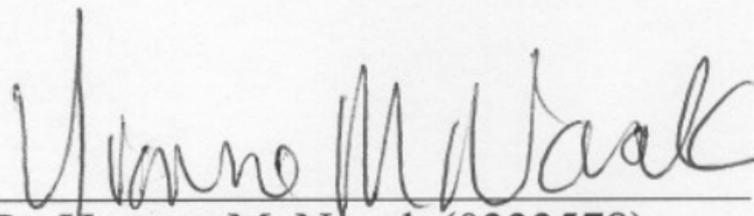
Payment of Pre-Petition Wages to Certain Employees as described in the motion is in the best interests of creditors and the estate for the reasons set forth in the verified motion. Based on those reasons, and the foregoing law, the Debtor requests that the court authorize assumption of the Insurance Contract as set forth in the Motion.

**WHEREFORE**, the Debtor respectfully requests that this court approve assumption of the Insurance Contract and payment of arrearages and payment of Pre-Petition Wages of Certain Employees as set forth in the motion.

Dated: \_\_\_\_\_

9-20-04

GERLACH BEAUMIER  
Attorneys at Law, L.L.P.



By Yvonne M. Novak (0333578)  
101 W. 2<sup>nd</sup> Street, Suite 200  
Duluth, MN 55802  
(218) 722-2144

ATTORNEYS FOR DEBTOR

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

\*\*\*\*\*

In Re: Reflections Homes, Inc.

Bky.No.  
Chapter 11

Debtor.

\*\*\*\*\*

**UNSWORN CERTIFICATE OF SERVICE**

\*\*\*\*\*

I, Yvonne M. Novak, declare under penalty of perjury that on 9/20, 2004, I served copies of the attached:

1. Notice of Intention to seek expedited hearing;
2. Notice of Hearing with Exhibits;
3. Memorandum of Law; and
4. Proposed Order.

by sending a copy of these documents to:

Office of the U.S. Trustee  
1015 U.S. Courthouse  
300 South Fourth Street  
Minneapolis, MN 55415

Bill Amery  
5841 Persimmon Drive  
Fitchburg, WI 53711-5005

Upper Lakes Foods, Inc.,  
Attn: Kirk M. Wimmer  
801 Industry Avenue  
Cloquet, MN 55720

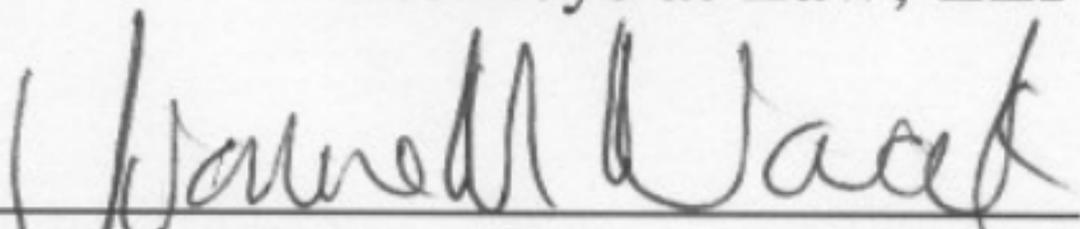
Tom McCarney  
PO Box 16361  
Duluth, MN 55816

West Bend Mutual  
1900 S. 18<sup>th</sup> Avenue  
West Bend, WI 53095

Dated this 20<sup>th</sup> day of September, 2004.

GERLACH BEAUMIER  
Attorneys at Law, LLP

By

A handwritten signature in black ink, appearing to read "Yvonne M. Novak", is written over a horizontal line. The signature is cursive and somewhat stylized.

Yvonne M. Novak (#1047456)

Attorney for Petitioner

101 West 2<sup>nd</sup> Street, Suite 200

Duluth, MN 55802

(218) 722-2144

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

\*\*\*\*\*

In re:

Bky. No.  
Chapter 11

Reflections Homes, Inc.

Debtor.

\*\*\*\*\*

**ORDER GRANTING EXPEDITED HEARING AND AUTHORIZING ASSUMPTION  
OF THE INSURANCE CONTRACT AND PAYMENT OF ARREARAGES AND  
THE PAYMENT OF PRE-PETITION WAGES OF CERTAIN EMPLOYEES**

\*\*\*\*\*

Reflections Homes, Inc.'s motion for an expedited hearing and for entry of an order authorizing the assumption and renewal of the Insurance Contract and payment of arrearages on such contract and payment of pre-petition amounts due to certain employees and officers came on for a hearing before the undersigned on September 27, 2004. Appearances are noted on the record.

Based upon the arguments of counsel, all of the files, records and proceedings herein, the Court being fully advised in the premises, and the Court's Findings of Fact and Conclusions of Law, if any, having been stated orally and recorded in open court following the close of evidence:

**IT IS HEREBY ORDERED:**

1. The Debtor's request for an expedited hearing with respect to the Motion is hereby granted.
2. The Debtor is authorized to assume and renew the Property Casualty Insurance Contract made with West Bend Mutual and pay the arrearages.
3. The Debtor is authorized to make payment of the pre-petition wage claims of the

employees, up to \$900.

4. The Debtor is authorized to make payment of the pre-petition wage claim of the President, up to \$1,290.26.

5. All applicable banks and other financial institutions are hereby authorized and required to receive, process, honor, process and pay any and all checks and transfer requests evidencing amounts paid by Debtor under this Order whether presented prior to or after the Petition Date. Such banks and financial institutions are authorized to rely on the representations of the Debtor as to which checks are issued or authorized to be paid pursuant to this Order.

6. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

7. This Order is effective immediately upon its entry.

Dated: September \_\_\_\_, 2004.

By: \_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

September 20, 2004



Clerk of Bankruptcy Court  
U.S. Bankruptcy Court  
301 U.S. Courthouse  
300 South Fourth Street  
Minneapolis, MN 55415

GERLACH  
BEAUMIER  
ATTORNEYS at LAW, LLP

Re: Reflections Homes, Inc.,  
Case No. 4-50969

Dear Clerk:

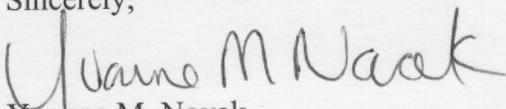
Enclosed are the following documents:

1. Notice of Intention to seek expedited hearing;
2. Notice of Hearing with Exhibits;
3. Memorandum of Law;
4. Proposed Order; and
5. Certificate of Service.

We hereby request that the court allow the hearing on September 27<sup>th</sup>, 2004, at 11:00 to be held by telephone. Please contact us if this is acceptable.

Thank you.

Sincerely,

  
Yvonne M. Novak  
Attorney at Law  
GERLACH BEAUMIER, LLP.

YMN/ce  
Enc.

