

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11  
: :  
COMFORT CO., INC., : Case No. 08-12305 (MFW)  
a Delaware corporation, *et al.*,<sup>1</sup> : :  
: Jointly Administered  
Debtors. : :  
: Hearing Date: October 24, 2008 @ 10:30  
: a.m.  
: Objection Deadline: October 21, 2008 @  
: 4:00 p.m.  
: :  
: Related To Docket No. 11  
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**NOTICE OF ENTRY OF INTERIM ORDER AND FINAL HEARING**

PLEASE TAKE NOTICE that, on October 3, 2008, the above-captioned debtors and debtors in possession (the “Debtors”) filed a **MOTION FOR ORDER PURSUANT TO SECTION 366 OF THE BANKRUPTCY CODE (I) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING, OR DISCONTINUING UTILITY SERVICES, (II) DEEMING UTILITY PROVIDERS ADEQUATELY ASSURED OF FUTURE PERFORMANCE, AND (III) ESTABLISHING PROCEDURES FOR DETERMINING ADEQUATE ASSURANCE OF PAYMENT** [Docket No. 11] (the “Utilities Motion”) with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware 19801 (the “Bankruptcy Court”). Pursuant to the Utilities Motion, the Debtors sought the entry of an order pursuant to section 366 of the

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Comfort Co., Inc. (0360); Sleep Innovations, Inc. (6386); Advanced Innovations Central, LLC (7109); Advanced Innovations East, LLC (2669); Advanced Innovations West, LLC (2116); Advanced Urethane Technologies, Inc. (1725); AUT Brenham, Inc. (7286); AUT Dallas, Inc. (7706); AUT Lebanon, Inc. (7928); AUT Newburyport, Inc. (7032); and AUT West Chicago, Inc. (7561). The address for all of the Debtors is 187 Route 36, Suite 101, West Long Branch, NJ 07764.

Bankruptcy Code (i) prohibiting utility providers from altering, refusing, or discontinuing utility services, (ii) deeming utilities providers adequately assured of future performance, and (iii) establishing procedures for determining adequate assurance of payment **You were previously served with a copy of the Utilities Motion<sup>2</sup>**.

**PLEASE TAKE FURTHER NOTICE** that, following a hearing to consider the Utilities Motion on October 6, 2008, the Bankruptcy Court entered an Interim Order Pursuant To Sections 105(a) and 366 Of The Bankruptcy Code (I) Prohibiting Utility Providers From Altering, Refusing, Or Discontinuing Utility Services, (II) Establishing Procedures For Determining Adequate Assurance Of Payment, And (III) Establishing Procedures For Utility Providers To Opt Out Of The Debtors' Proposed Adequate Assurance Procedures [Docket No. 27] (the "Interim Utilities Order"). A copy of the Interim Utilities Order is attached hereto as **Exhibit A**.

**PLEASE TAKE FURTHER NOTICE** that a final hearing with respect to the relief requested in the Utilities Motion will be held on **October 24, 2008 at 10:30 a.m. (Prevailing Eastern Time)** before the Honorable Mary F. Walrath at the Bankruptcy Court, 824 Market Street, 5<sup>th</sup> Floor, Courtroom 4, Wilmington, Delaware 19801.

**PLEASE TAKE FURTHER NOTICE** that objections or responses to the final relief requested in the Utilities Motion, if any, must be made in writing, filed with the Bankruptcy Court, and served so as to be received by the proposed undersigned counsel to the Debtors on or before **October 21, 2008 at 4:00 p.m. (Prevailing Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE THAT EXCEPT IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN THE INTERIM UTILITIES ORDER, THE**

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<sup>2</sup> A copy of the Utilities Motion may also be obtained by contacting the undersigned, proposed counsel for the Debtors.

UTILITY PROVIDERS ARE PROHIBITED FROM ALTERING, REFUSING, OR DISCONTINUING UTILITY SERVICES ON THE BASIS OF THE COMMENCEMENT OF THE DEBTORS' CHAPTER 11 CASES OR ON ACCOUNT OF ANY UNPAID INVOICE FOR UTILITY SERVICES PROVIDED BEFORE THE PETITION DATE, AND REQUIRING THE DEBTORS TO FURNISH ANY ADDITIONAL DEPOSIT OR OTHER SECURITY TO THE UTILITY PROVIDERS FOR THE CONTINUED PROVISION OF UTILITY SERVICES.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS TO THE UTILITIES MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE FINAL RELIEF REQUESTED IN THE UTILITIES MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: October 6, 2008  
Wilmington, Delaware

Respectfully submitted,



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Michael R. Lastowski (DE 3892)  
Richard W. Riley (DE 4052)  
Sommer L. Ross (DE 4598)  
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*Proposed Counsel for the Debtors and Debtors  
in Possession*

**EXHIBIT A**

**Interim Utilities Order**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11  
: :  
COMFORT CO., INC., : Case No. 08-12305 (MFW)  
: :  
a Delaware corporation, *et al.*,<sup>1</sup> : [Joint Administration Pending]  
: :  
Debtors. : Ref. Docket No. 11  
----- x

**INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 105(A) AND 366  
(I) PROHIBITING UTILITIES FROM DISCONTINUING, ALTERING,  
OR REFUSING SERVICE, (II) ESTABLISHING PROCEDURES FOR  
DETERMINING ADEQUATE ASSURANCES OF PAYMENT, AND  
(III) ESTABLISHING PROCEDURES FOR THE UTILITIES TO OPT OUT  
OF THE DEBTORS' PROPOSED ADEQUATE ASSURANCE PROCEDURES**

Upon consideration of the motion (the "Motion")<sup>2</sup> of the Debtors seeking entry of an Interim Order and Final Order pursuant to section 366 of the Bankruptcy Code (i) prohibiting Utility Companies from altering, refusing, or discontinuing Utility Services, (ii) deeming Utility Companies adequately assured of future performance, and (iii) establishing procedures for determining adequate assurance of payment, all as described more fully in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and due notice of the Motion having been provided; and it appearing that no other or further notice of the Motion need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Comfort Co., Inc. (0360); Sleep Innovations, Inc. (6386); Advanced Innovations Central, LLC (7109); Advanced Innovations East, LLC (2669); Advanced Innovations West, LLC (2116); Advanced Urethane Technologies, Inc. (1725); AUT Brenham, Inc. (7286); AUT Dallas, Inc. (7706); AUT Lebanon, Inc. (7928); AUT Newburyport, Inc. (7032); and AUT West Chicago, Inc. (7561). The address for all of the Debtors is 187 Route 36, Suite 101, West Long Branch, NJ 07764.

<sup>2</sup> Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Motion.

and all parties in interest; and upon the Motion, and the Declaration of Richard A. Heller in Support of Chapter 11 Petitions and First Day Motions, dated as of the Petition Date; and all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is

1. ORDERED that the Motion is granted on an interim basis; and it is further
2. ORDERED that the Debtors are authorized, but not directed, to pay on a timely basis and in accordance with their prepetition practices all undisputed invoices for postpetition Utility Services provided by the Utility Providers to the Debtors; and it is further
3. ORDERED that, except in accordance with the procedures set forth herein and absent further order of the Court, the Utility Providers are prohibited from altering, refusing, or discontinuing Utility Services on the basis of the commencement of the Debtors' Chapter 11 Cases or on account of any unpaid invoice for Utility Services provided before the Petition Date, and requiring the Debtors to furnish any additional deposit or other security to the Utility Providers for the continued provision of Utility Services; and it is further
4. ORDERED that, the Debtors shall, on or before twenty (20) days after the Petition Date, deposit a sum equal to 50% of the Debtors' estimated monthly cost of utility service (the "Utility Deposit") into an interest-bearing, newly created segregated account (the "Utility Deposit Account"), with such Utility Deposit to be held in escrow, pending further order of the Court, for the purpose of providing each Utility Providers adequate assurance of payment of its postpetition utility services to the Debtors. The Utility Deposit Account shall be maintained with a minimum balance equal to 50% of the Debtors' estimated monthly cost of Utility Service, which may be adjusted by the Debtors to account for the termination of utility services by the Debtors regardless of any Requests, as defined below, and/or agreements with Utility Companies; and it is further.

5. ORDERED that if a Utility Provider is not satisfied with the assurance of future payment provided by the Debtors, the Utility Provider must serve a written request (a "Request") upon the Debtors setting forth the location(s) for which Utility Services are provided, the account number(s) for such location(s), the outstanding balance for each account, a summary of the Debtors' payment history on each account, and an explanation of why the Utility Deposit is not adequate assurance of payment. The Request must be served upon the Debtors at the following addresses: (a) Sleep Innovations, Inc., 187 Route 36, Suite 101, West Long Branch, NJ 07764, Attn: Richard A. Heller and (b) Duane Morris LLP, 1100 North Market Street, Suite 1200, Wilmington, DE 19801, Attn: Michael R. Lastowski, Esquire; and it is further

6. ORDERED that, if the Debtors believe that a Request is unreasonable, then they shall, within thirty (30) days after the receipt of a Request, file a motion (the "Determination Motion") pursuant to section 366(c)(3) of the Bankruptcy Code seeking a determination from the Court that the Utility Deposit, plus any additional consideration offered by the Debtors, constitutes adequate assurance of payment; and it is further

7. ORDERED that, pending notice and a hearing on the Determination Motion, the Utility Provider that is the subject of the unresolved Request may not alter, refuse, or discontinue services to the Debtors; and it is further

8. ORDERED that the Utility Deposit shall be deemed adequate assurance of payment for any Utility Provider that fails to make a timely Request; and it is further

9. ORDERED that nothing in this Interim Order or the Motion shall be deemed to constitute postpetition assumption or adoption of any agreement pursuant to section 365 of the Bankruptcy Code; and it is further

10. ORDERED that, without further order of the Court, the Debtors may enter into agreements granting additional adequate assurance to a Utility Provider serving a timely Request, if the Debtors, in their discretion, determine that the request is reasonable; and it is further

11. ORDERED that the Debtors are authorized, in their sole discretion, to amend the Utility Service List attached as Exhibit A to the Motion to add or delete any Utility Provider, and the Interim Order and Final Order shall apply to any such Utility Provider that is subsequently added to the Utility Service List; and it is further

12. ORDERED that a final hearing on the Motion will be held on October  
24, 2008 at 10:30 a.m. (ET). The deadline by which objections to Motion must be filed is October 21, 2008 at 4:00 p.m. (ET). If no objections are filed to the Motion, the Court may enter the Final Order without further notice or hearing; and it is further

13. ORDERED that this Court shall retain jurisdiction over any and all matters arising from or related to the interpretation and implementation of this Interim Order.

Dated: October 6, 2008  
Wilmington, Delaware

  
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United States Bankruptcy Judge