

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

	)	Chapter 11
In re:	)	
KIMBALL HILL, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 08-10095
	)	(Jointly Administered)
Debtors.	)	Hon. Susan Pierson Sonderby

**ORDER (A) SETTING BAR DATES FOR FILING PROOFS OF CLAIM  
AND (B) APPROVING THE FORM AND MANNER OF NOTICE THEREOF**

Upon the motion (the "Motion") of the above-captioned debtors (collectively, the "Debtors") for the entry of an order (a) setting bar dates for filing proofs of claim and (b) approving the form and manner of notice thereof; and upon the Declaration of Edward J. Madell in Support of First Day Pleadings; it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); it appearing that venue of this proceeding and the Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; it appearing that notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances and that no other or further notice need be given; it appearing that the

<sup>1</sup> The Debtors in these cases include: Kimball Hill, Inc.; 18th and Peoria, LLC; KH Financial Holding Company; KH Ingham Park South, LLC; KHH Texas Trading Company L.P.; Kimball Hill Far East Detroit, LLC; Kimball Hill Homes Austin, L.P.; Kimball Hill Homes California, Inc.; Kimball Hill Homes Dallas, L.P.; Kimball Hill Homes Florida, Inc.; Kimball Hill Homes Houston, L.P.; Kimball Hill Homes Illinois, LLC; Kimball Hill Homes Nevada, Inc.; Kimball Hill Homes Ohio, Inc.; Kimball Hill Homes Oregon, Inc.; Kimball Hill Homes Realty Florida, Inc.; Kimball Hill Homes San Antonio, L.P.; Kimball Hill Homes Texas Investments, L.L.C.; Kimball Hill Homes Texas Operations, L.L.C.; Kimball Hill Homes Texas, Inc.; Kimball Hill Homes Washington, Inc.; Kimball Hill Homes Wisconsin, Inc.; Kimball Hill Stateway, Inc.; Kimball Hill Texas Investment Company, L.L.C.; Kimball Hill Urban Centers Chicago One, L.L.C.; Kimball Hill Urban Centers Chicago Two, L.L.C.; Kimball Hill Urban Centers Special Purposes, LLC; Kimball Hill Urban Centers, L.L.C.; National Credit and Guaranty Corporation; and The Hamilton Place Partnership.



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relief requested is in the best interest of the Debtors' estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is **ORDERED** that:

1. Except as otherwise set forth herein, all entities (as defined in section 101(15) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), each, an "Entity") holding or wishing to assert a claim (as defined in section 101(5) of the Bankruptcy Code) that arose prior to April 23, 2008 (the "Petition Date") against any of the Debtors (collectively, the "Claims" and the holders of such Claims, collectively, the "Creditors") are required to file a proof of such Claim (the "Proof of Claim Form"), by August 1, 2008 (the "General Bar Date").

2. The bar date for filing a Proof of Claim Form is the later of the General Bar Date and 30 days after a claimant is served with notice that the Debtors have amended their statements of financial affairs and schedules of assets and liabilities, current income and expenditures, and executory contracts and unexpired leases as required by section 521 of the Bankruptcy Code (collectively, the "Schedules"), reducing, deleting or changing the status of a Claim in the Schedules (the "Amended Schedule Bar Date").

3. Except as otherwise set forth in any order authorizing the rejection of an executory contract or unexpired lease, the latest of: (a) the General Bar Date; (b) 30 days after the date of the entry of any order authorizing the rejection of an executory contract or unexpired lease; and (c) 30 days after the effective date of the rejection of such executory contract or unexpired lease is the bar date by which a Proof of Claim Form relating to the Debtors' rejection of such contract or lease must be filed (the "Rejection Claim Bar Date").

4. The bar date for all governmental units (as defined in section 101(27) of the Bankruptcy Code) to file a Proof of Claim Form in these chapter 11 cases is December 8, 2008

(the "Governmental Unit Bar Date," and with the General Bar Date, the Amended Schedule Bar Date, and the Rejection Claim Bar Date, the "Bar Dates").

5. The Bar Dates apply to all Claims held or to be asserted against the Debtors, including the following:

- a. any Claim that is listed in the Schedules as "contingent," "unliquidated," "disputed," or any combination thereof if the holder of such Claim desires to participate in any of these chapter 11 cases or share in any distribution in these chapter 11 cases on account of such Claim;
- b. any Claim that is improperly classified in the Schedules or is listed in an incorrect amount if the holder of such Claim desires to have such Claim allowed in a classification or amount other than as set forth in the Schedules;
- c. any Claim against a Debtor that is not listed in the applicable Schedules; and
- d. any Claim under section 503(b)(9) of the Bankruptcy Code for goods received by the Debtors within 20 days prior to the Petition Date.

6. Proof of Claim Forms need not be filed by any Entity holding or wishing to assert Claims against the Debtors of the types set forth in clauses (a) through (h) below:

- a. Claims listed in the Debtors' Schedules or any amendments thereto, which are not therein listed as "contingent," "unliquidated," "disputed," or any combination thereof and which are not disputed by the Creditor holding such Claim as to nature, amount, or classification;
- b. Claims for which a Proof of Claim Form has already been filed with the Court;
- c. Claims previously allowed by, or paid pursuant to, an order of the Court;
- d. Claims allowable under sections 503(b) and 507(a)(1) of the Bankruptcy Code as administrative expenses of the Debtors' chapter 11 cases, with the exception of Claims allowable under section 503(b)(9) of the Bankruptcy Code;

- c. Claims made by any of the Debtors or any direct or indirect wholly-owned subsidiary of any of the Debtors that hold Claims against one or more of the other Debtors;
- f. Claims made by any holder of equity securities of the Debtors solely with respect to such holder's ownership interest in or possession of such equity securities; provided that any such holders who wish to assert a Claim against any of the Debtors based on transaction in the Debtors' securities, including, but not limited to, Claims for damages or rescission based on the purchase or sale of such securities, must file a proof of claim on or prior to the General Bar Date; provided further that the Debtors reserve all rights with respect to any such Claims including, *inter alia*, to assert that such Claims are subject to subordination pursuant to section 510(b) of the Bankruptcy Code;
- g. Claims made by any holder of 10 1/2% senior subordinated notes (collectively, the "Notes") of the Debtors whose Claim is limited exclusively to the repayment of principal, interest and/or other applicable fees and charges (a "Debt Claim"); provided that (i) the foregoing limitation shall not apply to the indenture trustee under the applicable indenture, (ii) each such indenture trustee shall be required to file one proof of Claim on account of all of the Notes on or before the General Bar Date and (iii) any holder of a Note wishing to assert a Claim, other than a Debt Claim, arising out of or relating to a Note, including, but not limited to, Claims for damages or rescission based on the purchase or sale of such Notes, must file a proof of claim on or before the General Bar Date; and
- h. Claims arising from the Senior Credit Facility (as defined below) held by any Lender (as defined below); provided, however, that:
  - i. Harris, N.A. ("Harris"), as administrative agent, under that certain Amended and Restated Credit Agreement, dated as of August 10, 2007 (as amended, restated or otherwise modified from time to time, and together with all related agreements, the "Senior Credit Facility") among Harris, as administrative agent, certain lenders (together with Harris, the "Lenders" and each, a "Lender") and the Debtors, is authorized to file one master proof of claim (the "Master Proof of Claim") in the bankruptcy proceeding of Kimball Hill, Inc., Case No. 08-10095 (the "Lead Case"), on behalf of itself and each of the Lenders on account of the Lenders'

claims arising from, and in connection with, the Senior Credit Facility;

- ii. Upon the filing of the Master Proof of Claim in the Lead Case, Harris and each of the Lenders shall be deemed to have filed individually a proof of claim in each of the Debtors' cases and such filing shall have the same effect as if Harris and each Lender had individually filed a separate proof of claim in the case of each Debtor, subject to each of the Lenders' right to withdraw, if any, the proof of claim with respect to itself;
- iii. Harris need not attach supporting documents to the Master Proof of Claim, nor need any Lender attach supporting documents to any proof of claim filed on account of its claims arising from, and in connection with, the Senior Credit Facility in any of the Debtors' cases, so long as such proof(s) of claim, including the Master Proof of Claim, include a list of such documents. Upon the request of the Debtors, the Official Committee of Unsecured Creditors, or any other party in interest, such listed documents will be provided, at the requestor's expense, within ten (10) business days of such request;
- iv. Whether the claim against the Debtor stems from the Debtor's status as a borrower or a guarantor, the Master Proof of Claim need only list the aggregate amount of principal and interest due to the Lenders under the Senior Credit Facility. The Master Proof of Claim need not specifically: (a) identify each of the Debtors against which it asserts claims in the Master Proof of Claim; (b) identify the individual Lenders in the Master Proof of Claim; or (c) allocate, identify, or attribute any portion of the Claims asserted in the Master Proof of Claim to any individual Lender, provided, however, that upon request of the Debtors, Harris shall provide such information within a reasonable time of the request;
- v. Harris shall not be required to specify amounts of any Claims asserted for attorneys' fees and other costs and expenses in the Master Proof of Claim; provided, however, that upon request of the Debtors for information relating to such Claims for fees, costs, and expenses as of a specific date, Harris shall provide such information within a reasonable time of the request;

- vi. The Master Proof of Claim need not be amended to reflect a change in the holders of the Claims set forth therein or a reallocation among such holders of the Claims asserted therein resulting from the transfer of all or any portion of such Claims;
- vii. Subject to the Bar Dates, neither Paragraph 6(h) nor any proof of claim filed in compliance herewith, including the Master Proof of Claim, shall impair or abridge in any way the right of Harris or any Lender whose claims are included in any such proof of claim to file additional or supplemental proofs of claim against any of the Debtors in respect of any Claims, including but not limited to Claims for Lenders' costs and expenses, including attorneys' fees, incurred in connection with the Senior Credit Facility, whether or not included in any such proof of claim;
- viii. This Paragraph 6(h) and the Master Proof of Claim to be filed in connection therewith address claims arising from, and in connection with, the Senior Credit Facility and shall not impair, abridge or affect in any way Harris' or the Lenders' rights and obligations with respect to any other claim that they may have against any of the Debtors;
- ix. This Paragraph 6(h) is intended to minimize expense and for administrative convenience and does not alter the substantive rights of the parties affected hereby; and
- x. This Paragraph 6(h) shall not affect the right of any Lender to vote separately on any plan or plans of reorganization proposed in the Debtors' chapter 11 cases.

7. The Debtors retain the right to: (a) dispute and assert offsets or defenses against any filed Claim or any Claim listed or reflected in the Schedules as to the nature, amount, liability, classification or otherwise of such Claim; and (b) subsequently designate any Claim as contingent, unliquidated, or disputed.

8. Any Creditor that is required to file a Proof of Claim Form in these chapter 11 cases but that fails to do so by the applicable Bar Date is forever barred, estopped, and enjoined from: (a) asserting any Claim against the Debtors that (i) is in an amount that exceeds the amount, if any, that is set forth in the Schedules as noncontingent, liquidated, or undisputed, or

(ii) is of a different nature or in a different classification (any such Claim referred to as an "Unscheduled Claim"); and (b) voting upon, or receiving distributions under, any chapter 11 plan or plans in these chapter 11 cases in respect of an Unscheduled Claim; and the Debtors and their ~~property~~ *will be* forever discharged from any and all indebtedness or liability with respect to such Unscheduled Claim if a plan is confirmed, or as otherwise ordered by this Court.

9. For any Proof of Claim Form to be validly and properly filed, a signed original of the completed Proof of Claim Form, together with accompanying documentation, must be delivered to Kurtzman Carson Consultants LLC (the "Notice, Claims, and Balloting Agent") at the address set forth on the notice of the Bar Dates (the "Bar Date Notice") so as to be received no later than 5:00 p.m. (prevailing Pacific Time) on the respective Bar Date.

10. Creditors are permitted to submit Proof of Claim Forms in person, by courier service, overnight delivery, or first class U.S. mail only; facsimile and electronic mail submissions are not acceptable. Proof of Claim Forms are deemed filed when actually received by the Notice, Claims, and Balloting Agent (not the date of the postmark). If a Creditor wishes to receive acknowledgment of receipt of such Creditor's Proof of Claim Form, such Creditor must submit a copy of the Proof of Claim Form and a self-addressed, stamped envelope to the Notice, Claims, and Balloting Agent along with the original Proof of Claim Form.

11. Except as otherwise provided herein, any Creditor asserting Claims against more than one Debtor must file a separate Proof of Claim Form with respect to each such Debtor. If more than one Debtor is listed on a Proof of Claim Form, the Debtors will treat such Claim as filed against the first listed Debtor. All Creditors must identify on their Proof of Claim Forms the holder or holders of the Claim and the particular Debtor against which their Claim is asserted and the applicable bankruptcy case number for such Debtor. Any Claims filed in the lead jointly

administered case (*In re Kimball Hill, Inc.*) are deemed filed only against Kimball Hill, Inc; provided, however, that U.S. Bank National Association, in its capacity as indenture trustee for the Notes, may file a Claim or Claims in the lead jointly administered case (*In re Kimball Hill, Inc.*) and such Claim or Claims shall be deemed to be filed against each of the Debtors.

12. The form of the Bar Date Notice attached hereto as Attachment 1 is approved. The Bar Date Notice shall be mailed by the Notice, Claims, and Balloting Agent by first class U.S. mail, postage prepaid, as soon as practicable after the Debtors' Schedules are filed, but in no event later than 45 days before the earliest Bar Date, to all known Creditors holding potential Claims.

13. The form of the Proof of Claim Form attached hereto as Attachment 2 is approved.

14. The Debtors are directed to give notice of the Bar Dates by publishing the Bar Date Notice once each in the national editions of *The Wall Street Journal*, *The USA Today*, and *The Chicago Tribune*. Additionally, the Debtors are hereby authorized, but not required, to publish the Bar Date Notice at such times and in such trade or other local publications of general circulation as the Debtors shall determine. Such notices, if published, shall be published on or before 45 days before the earliest Bar Date.

15. The Debtors are authorized to enter into such transactions to cause such publication to be made and to make reasonable payments required for publications.

16. Provision of notice of the Bar Dates as set forth in this Order, in the manner set forth herein, constitutes adequate and sufficient notice of each of the Bar Dates and is deemed to satisfy all applicable notice requirements.



17. All Creditors that rely on the Schedules with respect to filing a Proof of Claim Form in these chapter 11 cases are responsible for determining that their Claims are accurately listed therein.

18. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

19. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of the Order.

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

Dated: 6.11.08

  
United States Bankruptcy Judge

**Attachment 1**

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:	)	Chapter 11
KIMBALL HILL, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 08-10095
Debtors.	)	(Jointly Administered)
	)	Hon. Susan Pierson Sonderby

**NOTICE OF BAR DATES FOR FILING PROOFS OF CLAIM**

**TO: ALL ENTITIES WHO MAY HAVE CLAIMS AGAINST ANY OF THE FOLLOWING DEBTORS:**

Debtor	Case Number	Tax ID Number
Kimball Hill, Inc.	08-10095	36-2177380
18th & Peoria, LLC	08-10102	20-2545435
KH Financial Holding Company	08-10107	36-4386898
KH Ingham Park South, LLC	08-10111	20-2880921
KHH Texas Trading Company L.P.	08-10116	81-0571275
Kimball Hill Far East Detroit, LLC	08-10119	20-0566650
Kimball Hill Homes Austin, L.P.	08-10121	36-2177380
Kimball Hill Homes California, Inc.	08-10122	68-0343017
Kimball Hill Homes Dallas, L.P.	08-10123	76-0274839
Kimball Hill Homes Florida, Inc.	08-10125	59-3431314
Kimball Hill Homes Houston, L.P.	08-10126	76-0274839

<sup>1</sup> The Debtors in these cases include: Kimball Hill, Inc.; 18th and Peoria, LLC; KH Financial Holding Company; KH Ingham Park South, LLC; KHH Texas Trading Company L.P.; Kimball Hill Far East Detroit, LLC; Kimball Hill Homes Austin, L.P.; Kimball Hill Homes California, Inc.; Kimball Hill Homes Dallas, L.P.; Kimball Hill Homes Florida, Inc.; Kimball Hill Homes Houston, L.P.; Kimball Hill Homes Illinois, LLC; Kimball Hill Homes Nevada, Inc.; Kimball Hill Homes Ohio, Inc.; Kimball Hill Homes Oregon, Inc.; Kimball Hill Homes Realty Florida, Inc.; Kimball Hill Homes San Antonio, L.P.; Kimball Hill Homes Texas Investments, L.L.C.; Kimball Hill Homes Texas Operations, L.L.C.; Kimball Hill Homes Texas, Inc.; Kimball Hill Homes Washington, Inc.; Kimball Hill Homes Wisconsin, Inc.; Kimball Hill Stateway, Inc.; Kimball Hill Texas Investment Company, L.L.C.; Kimball Hill Urban Centers Chicago One, L.L.C.; Kimball Hill Urban Centers Chicago Two, L.L.C.; Kimball Hill Urban Centers Special Purposes, LLC; Kimball Hill Urban Centers, L.L.C.; National Credit and Guaranty Corporation; and The Hamilton Place Partnership.

Kimball Hill Homes Illinois, LLC	08-10128	20-2370003
Kimball Hill Homes Nevada, Inc.	08-10130	88-0347282
Kimball Hill Homes Ohio, Inc.	08-10131	31-1508097
Kimball Hill Homes Oregon, Inc.	08-10132	93-1188163
Kimball Hill Homes Realty Florida, Inc.	08-10134	59-3649717
Kimball Hill Homes San Antonio, L.P.	08-10135	76-0274839
Kimball Hill Homes Texas Investments, L.L.C.	08-10136	76-0274839
Kimball Hill Homes Texas Operations, L.L.C.	08-10138	76-0274839
Kimball Hill Homes Texas, Inc.	08-10140	76-0274839
Kimball Hill Homes Washington, Inc.	08-10141	91-1699775
Kimball Hill Homes Wisconsin, Inc.	08-10144	36-3977359
Kimball Hill Stateway, Inc.	08-10146	36-2967622
Kimball Hill Texas Investment Company, L.L.C.	08-10147	36-4343053
Kimball Hill Urban Centers Chicago One, L.L.C.	08-10149	20-1145890
Kimball Hill Urban Centers Chicago Two, L.L.C.	08-10151	20-4551730
Kimball Hill Urban Centers Special Purposes, LLC	08-10153	20-0566650
Kimball Hill Urban Centers, L.L.C.	08-10156	20-0566650
National Credit and Guaranty Corporation	08-10158	32-0061470
The Hamilton Place Partnership	08-10159	36-6829368

PLEASE TAKE NOTICE THAT on June \_\_, 2008, the Bankruptcy Court entered an order [Docket No. ] in the *Kimball Hill, Inc., et al.* chapter 11 cases (the "Bar Date Order") establishing **August 1, 2008** as the general claims bar date (the "General Bar Date") and **December 8, 2008** as the governmental unit claims bar date (the "Governmental Unit Bar Date," and along with the General Bar Date, the Amended Schedule Bar Date (as defined herein) and the Rejection Claim Bar Date (as defined herein), the "Bar Dates").

Pursuant to the Bar Date Order, all entities (as defined in section 101(15) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code")) (each, an "Entity") holding or wishing to assert a claim (as defined in section 101(5) of the Bankruptcy Code) that arose prior to April 23, 2008 (the "Petition Date") against any of the Debtors (collectively, the "Claims" and the holders of such Claims, collectively, the "Creditors") are required to file proof of such Claim (the "Proof of Claim Form") in these chapter 11 cases by the applicable Bar Dates, unless otherwise provided herein.

## 2. WHO MUST FILE A PROOF OF CLAIM FORM

Creditors holding or wishing to assert Claims against the Debtors must file a Proof of Claim Form on or before the applicable Bar Dates with respect to the following Claims, unless otherwise provided herein: (a) any Claim that is listed in the Debtors' schedules of assets and liabilities (the "Schedules") as "contingent," "unliquidated," "disputed," or any combination thereof if the holder of such Claim desires to participate in any of these chapter 11 cases or share in any distribution in these chapter 11 cases account of such Claim; (b) any Claim that is improperly classified in the Schedules or is listed in an incorrect amount if the holder of such Claim desires to have such Claim allowed in a classification or amount other than as set forth in the Schedules; (c) any Claim that is not listed in the Schedules; and (d) any Claim under section 503(b)(9) of the Bankruptcy Code for goods received by the Debtors within 20 days prior to the Petition Date.

Any Creditor whose Claims have been reduced, deleted, or the status of which has been changed in connection with the Debtors amending the Schedules must file a Proof of Claim Form with respect to such Claim on or before the later of: (a) the applicable Bar Dates; and (b) 30 days after such Creditor is served with notice that the Debtors have amended their Schedules (the "Amended Schedule Bar Date").

**Any Creditor asserting Claims against more than one Debtor must file a separate Proof of Claim Form with respect to each such Debtor.** If more than one Debtor is listed on a Proof of Claim Form, the Debtors will treat such Claim as filed against the first listed Debtor. All Creditors must identify on their Proof of Claim Forms the holder or holders of the Claim and the particular Debtor against which their Claim is asserted and the applicable bankruptcy case number for such Debtor. Any Claims filed in the lead jointly administered case (*In re Kimball Hill, Inc.*) shall be deemed filed only against Kimball Hill, Inc.

## 3. WHO NEED NOT FILE A PROOF OF CLAIM FORM

Proof of Claim Forms need not be filed on or before the applicable Bar Dates for Claims asserted against the Debtors of the types set forth below:

- (a) Claims listed in the Debtors' Schedules or any amendments thereto which are not therein listed as "contingent," "unliquidated," "disputed," or any combination thereof and which are not disputed by the Creditor holding such Claim as to nature, amount or classification;
- (b) Claims for which a Proof of Claim Form has already been filed with the Court;
- (c) Claims previously allowed by, or paid pursuant to, an order of the Court;
- (d) Claims allowable under sections 503(b) and 507(a)(1) of the Bankruptcy Code as administrative expenses of the Debtors' chapter 11 cases, with the exception of Claims allowable under section 503(b)(9) of the Bankruptcy Code;
- (e) Claims made by any of the Debtors or any direct or indirect wholly-owned subsidiary of any of the Debtors that hold Claims against one or more of the other Debtors;
- (f) Claims made by any holder of equity securities of the Debtors solely with respect to such holder's ownership interest in or possession of such equity securities; provided that any such holders who wish to assert a Claim against any of the Debtors based on transaction in the Debtors' securities, including, but not limited to, Claims for damages or rescission based on the purchase or sale of such securities, must file a proof of claim on or prior to the General Bar Date; provided further that the Debtors reserve all rights with respect to any such Claims including, *inter alia*, to assert that such Claims are subject to subordination pursuant to section 510(b) of the Bankruptcy Code; and
- (g) Claims made by any holder of 10 1/2% senior subordinated notes (collectively, the "Notes") of the Debtors whose Claim is limited exclusively to the repayment of principal, interest and/or other applicable fees and charges (a "Debt Claim"); provided that (i) the foregoing limitation shall not

apply to the indenture trustee under the applicable indenture, (ii) each such indenture trustee shall be required to file one proof of Claim on account of all of the Notes on or before the General Bar Date and (iii) any holder of a Note wishing to assert a Claim, other than a Debt Claim, arising out of or relating to a Note, including, but not limited to, Claims for damages or rescission based on the purchase or sale of such Notes, must file a proof of claim on or before the General Bar Date.

#### 4. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

For a Claim that arises out of the rejection of an executory contract or an unexpired lease, the Creditor holding such Claim must file a Proof of Claim Form on or before the latest of: (a) the applicable Bar Dates; (b) 30 days after the date of entry of any order authorizing the rejection of an executory contract or unexpired lease; and (c) 30 days after the effective date of the rejection of such executory contract or unexpired lease (the "Rejection Bar Date").

#### 5. WHEN AND WHERE TO FILE

Except as provided herein, the Bar Date Order requires that any Claims against any of the Debtors be filed with the claims agent appointed by the Bankruptcy Court, Kurtzman Carson Consultants LLC (the "Notice, Claims, and Balloting Agent"), by submitting a Proof of Claim Form, so that such Proof of Claim Form is actually received on or before 5:00 p.m. (prevailing Pacific Time) on the applicable Bar Date at the following address:

<p style="text-align: center;"><b>Kimball Hill Claims Processing</b> c/o Kurtzman Carson Consultants LLC 2335 Alaska Avenue El Segundo, California 90245</p>
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Proof of Claim Forms are deemed filed only when they are actually received by the Notice, Claims, and Balloting Agent (not the date of the postmark). Facsimile and electronic mail submissions will not be accepted.

#### 6. CONSEQUENCES OF FAILURE TO FILE A PROOF OF CLAIM BY THE BAR DATES

**PLEASE TAKE NOTICE THAT ANY CREDITOR THAT IS REQUIRED TO FILE A PROOF OF CLAIM FORM IN THESE CHAPTER 11 CASES BUT THAT FAILS TO DO SO BY ON OR BEFORE 5:00 P.M. (PREVAILING PACIFIC TIME) ON THE APPLICABLE BAR DATE WILL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM: (A) ASSERTING ANY CLAIM AGAINST THE DEBTORS (OR FILING A PROOF OF CLAIM WITH RESPECT THERETO) THAT (i) IS NOT LISTED IN THE SCHEDULES, (ii) IS IN AN AMOUNT THAT EXCEEDS THE AMOUNT, IF ANY, THAT IS SET FORTH IN THE SCHEDULES OR (iii) IS OF A DIFFERENT NATURE OR IN A DIFFERENT CLASSIFICATION (ANY SUCH CLAIM REFERRED TO AS AN "UNSCHEDULED CLAIM"); AND (B) VOTING UPON, OR RECEIVING DISTRIBUTIONS UNDER, ANY PLAN OF REORGANIZATION IN RESPECT OF AN UNSCHEDULED CLAIM; AND THE DEBTORS AND THEIR PROPERTY WILL BE FOREVER DISCHARGED FROM ANY AND ALL INDEBTEDNESS OR LIABILITY WITH RESPECT TO SUCH UNSCHEDULED CLAIM IF A PLAN IS CONFIRMED OR AS OTHERWISE ORDERED BY THE COURT.**

#### 7. ACCESS TO PROOF OF CLAIM FORMS

Proof of Claim Forms and a copy of the Bar Date Order may be obtained by contacting the Notice, Claims, and Balloting Agent at Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245, Telephone: 877-631-3923 or by accessing the Notice, Claims and Balloting Agent's case website at <http://www.kccllc.net/kimballhill>. The Notice, Claims, and Balloting Agent cannot advise you whether you should file a Proof of Claim Form. Notwithstanding anything set forth in this notice of Bar Dates (the "Bar Date Notice"), the Debtors retain the right to: (a) dispute and assert offsets or defenses against any filed Claim or any Claim listed or reflected in the Schedules as to the nature, amount, liability, classification or otherwise of such Claim; and (b) subsequently designate any Claim as contingent, unliquidated, disputed, or any combination thereof.

The fact that you received this notice does not mean that you have a Claim against the Debtors. You should consult your own attorneys or other professionals to determine whether you hold a claim against the Debtors. Neither the Debtors' counsel nor the Bankruptcy Court Clerk's Office can give you legal advice.

Chicago, Illinois

Dated: \_\_\_\_\_, 2008

KIMBALL HILL, INC., et al.  
Debtors

**Attachment 2**



**FORM B10/Kimball Hill (Modified Official Form 10)**

<b>UNITED STATES BANKRUPTCY COURT - NORTHERN DISTRICT OF ILLINOIS</b>		<b>PROOF OF CLAIM</b>
Name of Debtor :		Case Number:
NOTE: Other than claims under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for administrative expenses arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503(a).		
Name of Creditor (The person or other entity to whom the debtor owes money or property):		<b>THIS SPACE IS FOR COURT USE ONLY</b>
Name and address where notices should be sent:		
Telephone Number:		
Last four digits of account or other number by which creditor identifies debtor:		<input type="checkbox"/> Check here if this claim replaces <input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.
<b>1. Basis for Claim</b> <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input type="checkbox"/> Other _____		<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below) Last four digits of your SS#: _____ Unpaid compensation for services performed from _____ to _____ (date)
<b>2. Date debt was incurred:</b>		<b>3. If court judgment, date obtained:</b>
<b>4. Classification of Claim.</b> Check the appropriate box or boxes that best describe your claim and state the amount of the claim at the time case filed. See reverse side for important explanations.		
<b>Unsecured Nonpriority Claim \$ _____</b> <input type="checkbox"/> Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or c) none or only part of your claim is entitled to priority.		<b>Secured Claim</b> <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____ Basis for Perfection: _____
<b>Unsecured Priority Claim.</b> <input type="checkbox"/> Check this box if you have an unsecured claim, all or part of which is entitled to priority. Amount entitled to priority \$ _____  Specify the priority of the claim: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).		<input type="checkbox"/> Other Specify applicable paragraph of 11 U.S.C. § 507(a) (____).
<b>5. Total Amount of Claim at Time Case Filed:</b> \$ _____ (unsecured) + _____ (secured) + _____ (priority) = _____ (Total)		
<input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
<b>6. Credits:</b> The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. <b>7. Supporting Documents:</b> Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. <b>8. Date-Stamped Copy:</b> To receive an acknowledgement of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.		
Date:	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):	<b>THIS SPACE FOR COURT USE ONLY</b>

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 11 U.S.C. §§ 152 and 357i.

# INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In particular types of cases or circumstances, such as bankruptcy cases that are not filed voluntarily by a debtor, there may be exceptions to these general rules.

## — DEFINITIONS —

### **Debtor**

The person, corporation, or other entity that has filed a bankruptcy case is called the debtor.

### **Creditor**

A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.

### **Proof of Claim**

A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed as set forth in the Notice of Bar Date for Filing Proofs of Claim.

### **Secured Claim**

A claim is a secured claim to the extent that the creditor has a lien on property of the debtor (collateral) that gives the creditor the right to be paid from that property before creditors who do not have liens on the property.

Examples of liens are a mortgage on real estate and a security interest in a car, truck, boat, television set, or other item of property. A lien may have been obtained through a court proceeding before the bankruptcy case began; in some states a court judgment is a lien. In addition, to the extent a creditor also owes money to the debtor (has a right of setoff), the creditor's claim may be a secured claim. (See also *Unsecured Claim*.)

### **Unsecured Claim**

If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.

### **Unsecured Priority Claim**

Certain types of unsecured claims are given priority, so they are to be paid in bankruptcy cases before most other unsecured claims (if there is sufficient money or property available to pay these claims). The most common types of priority claims are listed on the proof of claim form. Unsecured claims that are not specifically given priority status by the bankruptcy laws are classified as *Unsecured Nonpriority Claims*.

## Items to be completed in Proof of Claim form (if not already filled in)

### **Court, Name of Debtor, and Case Number:**

Fill in the name of the federal judicial district where the bankruptcy case was filed (for example, Northern District of Illinois), the name of the debtor in the bankruptcy case, and the bankruptcy case number. If you received a notice of the case from the court, all of this information is near the top of the notice.

### **Information about Creditor:**

Complete the section giving the name, address, and telephone number of the creditor to whom the debtor owes money or property, and the debtor's account number, if any. If anyone else has already filed a proof of claim relating to this debt, if you never received notices from the bankruptcy court about this case, if your address differs from that to which the court sent notice, or if this proof of claim replaces or changes a proof of claim that was already filed, check the appropriate box on the form.

#### **1. Basis for Claim:**

Check the type of debt for which the proof of claim is being filed. If the type of debt is not listed, check "Other" and briefly describe the type of debt. If you were an employee of the debtor, fill in your social security number and the dates of work for which you were not paid.

#### **2. Date Debt Incurred:**

Fill in the date when the debt first was owned by the debtor.

#### **3. Court Judgments:**

If you have a court judgment for this debt, state the date the court entered the judgment.

#### **4. Classification of Claim**

##### **Secured Claim**

Check the appropriate place if the claim is a secured claim. You must state the type and value of property that is collateral for the claim, attach copies of the documentation of your lien, and state the amount past due on the claim as of the date the bankruptcy case was filed. A claim may be partly secured and partly unsecured. (See DEFINITIONS, above).

##### **Unsecured Priority Claim**

Check the appropriate place if you have an unsecured priority claim, and state the amount entitled to priority. (See DEFINITIONS, above). A claim may be partly priority and partly nonpriority if, for example, the claim is for more than the amount given priority by the law. Check the appropriate place to specify the type of priority claim. Claims entitled to administrative priority under 11 U.S.C. § 503(b)(9) should be asserted by filling in the appropriate information on this Proof of Claim form. All other administrative claims must be asserted by an appropriate "request" under 11 U.S.C. § 503(a) and should not be asserted on this Proof of Claim form.

##### **Unsecured Nonpriority Claim**

Check the appropriate place if you have an unsecured nonpriority claim, sometimes referred to as a "general unsecured claim". (See DEFINITIONS, above). If your claim is partly secured and partly unsecured, state here the amount that is unsecured. If part of your claim is entitled to priority, state here the amount **not** entitled to priority.

#### **5. Total Amount of Claim at Time of Case Filed:**

Fill in the total amount of the entire claim. If interest or other charges in addition to the principal amount of the claim are included, check the appropriate place on the form and attach an itemization of the interest and charges.

#### **6. Credits:**

By signing this proof of claim, you are stating under oath that in calculating the amount of your claim you have given the debtor credit for all payments received from the debtor.

#### **7. Supporting Documents:**

You must attach to this proof of claim form copies of documents that show the debtor owes the debt claimed or, if the documents are too lengthy, a summary of those documents. If documents are not available, you must attach an explanation of why they are not available.