

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

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

**ORDER (A) ESTABLISHING ADMINISTRATIVE CLAIM BAR DATES 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) establishing administrative claim bar dates; and (b) approving the form and manner of notice thereof; 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 were appropriate under the particular circumstances and that no other or further notice need be given; it appearing to the

¹ The Debtors in these cases include: Kimball Hill, Inc.; 18th and Peoria, LLC; KH Financial Holding Company; KH Ingham Park South, LLC; KIH 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; The Hamilton Place Partnership.



Court based upon the record of the hearing to consider the Motion that the 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 title 11 of the United States Code (the "Bankruptcy Code")) holding or wishing to assert an administrative expense claim, as set forth in sections 503(b)(1)-(8) and 507(a)(2) of the Bankruptcy Code ("Administrative Claim"), that arose on or after April 23, 2008 (the "Petition Date") but before the entry of this order (the "Order Date") against any of the Debtors are required to file any and all such Administrative Claims in the form attached hereto as Exhibit A (the "Administrative Claim Form") on or before February 27, 2009 (the "First Administrative Bar Date").

2. Any claimant wishing to assert an Administrative Claim arising between the Order Date and the effective date of a confirmed chapter 11 plan (the "Effective Date") is required to file any and all such Administrative Claims in the form of the Administrative Claim Form on or before May 4, 2009 (the "Second Administrative Bar Date," and together with the First Administrative Bar Date, the "Administrative Bar Dates").

3. The form of the Administrative Claim Form is approved.

4. Any creditor that is required to file a Administrative Claim in these chapter 11 cases but that fails to do so by the applicable Administrative Bar Date will not be treated as the holder of an administrative expense claim against any of the Debtors for the purposes of distribution under any chapter 11 plan.

5. Notwithstanding anything to the contrary herein, the following persons or entities are not required to file Administrative Claims on or before the Administrative Bar Dates:

- a. The United States Trustee, in connection with fees due under 28 U.S.C. § 1930;
- b. Any person or entity who has already properly filed an Administrative Claim with the Bankruptcy Court against the Debtors;
- c. Any person or entity whose Administrative Claim either has been previously allowed by an order or orders of this Bankruptcy Court;
- d. Harris N.A., as administrative agent (the "Agent") and prepetition lender, and the other prepetition lenders party to that Certain Amended and Reinstated Credit Agreement dated as of August 10, 2007, as amended, in connection with the Debtors' obligation to pay interest to the prepetition lenders and the professional fees of the Agent pursuant to the Final Order (I) Authorizing the Debtors to Obtain, and the Debtors' Corporate Parent to Provide Secured Postpetition Financing on a Superpriority and Priming Basis and (II) Authorizing the Debtors to Use Cash Collateral of Existing Prepetition Secured Lenders and Granting Related Adequate Protection that was entered on May 13, 2008;
- e. Any person or entity who is a professional retained by the Debtors or the Creditor's Committee pursuant to sections 327, 328, or 1103 of the Bankruptcy Code; and
- f. Any person or Entity the Court rules shall not be subject to the Administrative Bar Dates.

6. For any Administrative Claim Form to be validly and properly filed, a signed original of the completed Administrative 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

Administrative Bar Dates (the "Administrative Bar Date Notice") so as to be received no later than 5:00 p.m. (prevailing Pacific Time) on the respective Administrative Bar Date.

7. Creditors may submit Administrative Claim Forms in person, by courier service, overnight delivery, or first class U.S. mail only; facsimile and electronic mail submissions are not acceptable. Administrative 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 Administrative Claim Form, such creditor may submit a copy of the Administrative Claim Form and a self-addressed, stamped envelope to the Notice, Claims, and Balloting Agent along with the original Administrative Claim Form.

8. The form of the Administrative Bar Date Notice attached hereto as Exhibit B is approved. The Administrative 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, but in no event later than 30 days before the First Administrative Bar Date, to all known creditors holding potential Administrative Claims.

9. The Administrative Bar Date Notice, modified to provide notice of the Second Administrative Bar Date, shall be mailed by the Notice, Claims, and Balloting Agent by first class U.S. mail, postage prepaid, as soon as practicable, but in no event later than 30 days before the Second Administrative Bar Date, to all known creditors holding potential Administrative Claims arising after the Order Date.

10. The Debtors shall publish notice of the Administrative Bar Dates by publishing the Administrative Bar Date Notice once each in the national editions of *The USA Today* and *The Chicago Tribune*. Additionally, the Debtors are hereby authorized, but not required, to publish

the Administrative Bar Date Notice at such times and in such trade or other local publications of general circulation as the Debtors shall determine. Any publication notices shall be published on or before 20 days before each of the First and Second Administrative Bar Dates.

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

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

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

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

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

Dated: 1.16.09



United States Bankruptcy Judge

Exhibit A

UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF ILLINOIS

**ADMINISTRATIVE
PROOF OF CLAIM**

Name of Debtor:

Kimball Hill, Inc. Case No. 08-10095 (SPS)

NOTE: This form should only be used to make a claim for an administrative expense claim arising on or after April 23, 2008. IT SHOULD NOT BE USED FOR CLAIMS ARISING PRIOR TO APRIL 23, 2008.

Name of Creditor (The person or other entity to whom the debtor owes money or property):

**ADMINISTRATIVE
CLAIM**

Name and address where notices should be sent:

- 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.
- Check box if you have never received any notices from the bankruptcy court in this case.
- Check box if the address differs from the address on the envelope sent to you by the court.

Telephone number:

Account number or other number by which creditor identifies debtor:

Check here if this claim:

- replaces amends a previously filed claim, dated: _____

1. Basis for Claim

- Goods sold
- Services performed
- Money loaned
- Personal injury/wrongful death
- Taxes
- Other _____ (explain)

- Wages, salaries, and compensation (fill out below)

Last Four Digits of your SS#: _____

Unpaid compensation for services performed

from _____ to _____
(date) (date)

2. Date debt was incurred (must be after April 23, 2008):

3. If court judgment, date obtained:

4. Total Amount of Administrative Claim: \$ _____

- 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.

5. Secured Claim.

- Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:

- Real Estate Motor Vehicle

Other _____

Value of Collateral: \$ _____

6. Offsets, Credits and Setoffs:

- All payments made on this claim by the Debtors have been credited and deducted from the amount claimed herein.
- This claim is not subject to any setoff or counterclaim.
- This claim is subject to setoff or counterclaim as follows: _____

7. Supporting Documents:

Attach copies of supporting documents, such as promissory notes, contracts, security agreements, and evidence of perfection of liens. **DO NOT SEND ORIGINAL DOCUMENTS.**

8. This Administrative Proof of Claim:

- is the first filed proof of claim evidencing the claim asserted herein.
- supplements a proof of claim filed on or about _____
- replaces/supersedes a proof of claim filed on _____

8. Assignment:

- Check this box if the claimant has obtained this claim by Assignment, a copy is attached hereto.

THIS SPACE IS FOR COURT USE ONLY

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):

INSTRUCTIONS FOR ADMINISTRATIVE 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.

Administrative Proof of Claim

A form telling the bankruptcy court how much the debtor owes the creditor at the time the form was filed (the amount of the creditor's claim) for claims arising after the date the bankruptcy case was filed.

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.

Secured Claim

A claim is a secured claim if 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.

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

Name of Debtor and Case Number:

If your claim form is not preprinted with the name of the debtor in the bankruptcy case, and the bankruptcy case number, fill in 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 owed by the debtor.

3. Court Judgments:

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

4. Total Amount of Claim:

Fill in the total amount of the entire administrative 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.

5. Secured Claim:

Check the appropriate place if the claim is a secured claim. You must state the type and value of the property that is collateral for the claim, attach copies of the documentation of your lien.

6. Offsets, Credits and Setoffs:

By signing this administrative 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.

Please send original, completed administrative proof of claim as follows:

BY MAIL OR BY HAND OR OVERNIGHT DELIVERY TO:

Kimball Hill Claims Processing
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245

All claims must be received on or before _____, 2009 at 5:00 p.m. Prevailing Pacific Time

Exhibit B

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

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

NOTICE OF BAR DATES FOR FILING ADMINISTRATIVE EXPENSE CLAIMS

TO: ALL KNOWN CREDITORS AND HOLDERS OF CLAIMS FOR ADMINISTRATIVE EXPENSES AGAINST THE DEBTORS

PLEASE TAKE NOTICE THAT:

1. On April 23, 2008 (the "Petition Date"), the above-captioned debtors (collectively, the "Debtors") each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

2. The Bankruptcy Court entered an Order on January 16, 2009 (the "Order Date"), which, with limited exceptions, requires all holders of claims against the Debtors arising or accruing on or after the Petition Date and through the Order Date which are entitled to be

¹ The Debtors in these cases include: Kimball Hill, Inc.; 18th and Peoria, LLC; KH Financial Holding Company; KII Ingham Park South, LLC; KHH Texas Trading Company L.P.; Kimball Hill Far East Detroit, L.L.C.; 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, L.L.C.; Kimball Hill Urban Centers, L.L.C.; National Credit and Guaranty Corporation; and The Hamilton Place Partnership.

asserted as priority claims under sections 503(b)(1)-(8) and 507(a)(2) of the Bankruptcy Code as expenses of administration ("Administrative Expense Claims"), to file a separate, signed and completed original of the attached administrative claim form, together with accompanying documentation, so as to be actually received on or before **February 27, 2009 at 5:00 p.m.** (prevailing Pacific Time) (the "Administrative Bar Date").

3. Each proof of Administrative Expense Claim ("Administrative Claim") must be filed on or before the Administrative Bar Date by delivering an original of the attached administrative claim form in person, by courier service, overnight delivery, or first class U.S. mail only (facsimile and electronic mail submissions are not acceptable) to the claims agent appointed by the Bankruptcy Court, Kurtzman Carson Consultants LLC (the "Notice, Claims, and Balloting Agent") at:

<p>Kimball Hill Claims Processing c/o Kurtzman Carson Consultants LLC 2335 Alaska Avenue El Segundo, California 90245</p>
--

4. The following persons or entities are not required to file an Administrative Claim on or before the Administrative Bar Date:

- a. The United States Trustee, in connection with fees due under 28 U.S.C. § 1930;
- b. Any person or entity who has already properly filed an Administrative Claim with the Bankruptcy Court against the Debtors;
- c. Any person or entity whose Administrative Claim has been previously paid or allowed by an order or orders of this Bankruptcy Court;
- d. Harris N.A., as administrative agent (the "Agent") and prepetition lender, and the other prepetition lenders party to

that Certain Amended and Reinstated Credit Agreement dated as of August 10, 2007, as amended, in connection with the Debtors' obligation to pay interest to the prepetition lenders and the professional fees of the Agent pursuant to the Final Order (I) Authorizing the Debtors to Obtain, and the Debtors' Corporate Parent to Provide Secured Postpetition Financing on a Superpriority and Priming Basis and (II) Authorizing the Debtors to Use Cash Collateral of Existing Prepetition Secured Lenders and Granting Related Adequate Protection that was entered on May 13, 2008;

- e. Any person or entity who is a professional retained by the Debtors or the Creditor's Committee pursuant to sections 327, 328, or 1103 of the Bankruptcy Code; and
- f. Any person or Entity the Court rules shall not be subject to the Administrative Bar Dates.

5. Any holder of an Administrative Claim against the Debtors who is required, but fails, to file an Administrative Claim on or before the Administrative Bar Date will not be treated as the holder of an administrative expense claim against any of the Debtors for the purposes of distribution under any chapter 11 plan.

If you bought a home from Kimball Hill and the closing occurred on or after April 23, 2008, any warranty claim you may have should be asserted against warranty insurance. Additionally, you may wish to consult your own attorneys or other professionals to determine whether you hold a claim against Kimball Hill.

an administrative

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: _____, 2009

KIMBALL HILL, INC., et al.
Debtors