

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Bky Case No. 02-31674
Chapter 11

Sheldahl, Inc.,

Debtor.

**NOTICE OF HEARING AND STEERING COMMITTEE'S
OBJECTION TO CLAIM NOS. 668 AND 691 OF THE
TREASURER OF BOULDER COUNTY, COLORADO**

To: The Boulder County Treasurer, by its attorney, Michael A. Koertje, Assistant Boulder County Attorney, Office of the County Attorney, Post Office Box 471, Boulder, Colorado 80306 and other parties specified in Local Rule 3007-1

1. The Sheldahl Inc. Steering Committee (the "Steering Committee") appointed pursuant to the Joint Plan of Liquidation dated May 8, 2003, as modified on July 9, 2003 (the "Plan") of Sheldahl, Inc. (the "Debtor"), moves this Court for the relief requested below and gives notice of hearing herewith.

2. The Court will hold a hearing on the Steering Committee's motion (the "Motion") on **October 20, 2004 at 1:30 p.m.**, or as soon thereafter as counsel may be heard, in Courtroom No. 228A, United States Courthouse, 316 North Robert Street, St. Paul, Minnesota.

3. Any response to this Motion must be filed and delivered to Movant so as to be received no later than **October 13, 2004**, which is seven (7) days before the date set for the hearing or filed and served by mail not later than **October 11, 2004**, which is ten (10) days before the date set for the hearing. **UNLESS A RESPONSE OPPOSING THIS MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION**

WITHOUT A HEARING. In the event a response is timely filed, Movant requests that the Court treat the hearing scheduled above as a scheduling conference for purposes of setting the matter for an evidentiary hearing.

4. This Court has jurisdiction over this Motion under 28 U.S.C. §§157 and 1334, Rules 5005 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Local Bankruptcy Rule 1070-1. This is a core proceeding. The petition commencing the above-referenced Chapter 11 case was filed on April 30, 2002 (the “Petition Date”). The case is now pending in this Court.

5. This Motion arises under 11 U.S.C. Sections 502 and 506, Bankruptcy Rules 3007 and 3012 and Local Bankruptcy Rule 3007-1. The Motion is filed under Bankruptcy Rules 3007 and 3012 and Local Rule 9013-1 to 9013-5. The Steering Committee requests an Order of the Court disallowing and expunging the proofs of claim filed by the Boulder County, Colorado Treasurer (the “Treasurer”), which are recorded by the Clerk of the Court as claim Nos. 668 and 691 (the “Claims”).

BACKGROUND

6. On the Petition Date, the Debtor filed a voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Minnesota.

7. The United States Trustee for Region 12 appointed an Official Committee of Unsecured Creditors (the “Committee”) consisting of the following five (5) members: Qualitek Eng. & Manufacturing, Kaneka High-Tech Materials, Inc., Alps Automotive, Inc., Unisource Worldwide and BCC Equipment Leasing.

8. On May 29, 2002, the Debtor filed, pursuant to Bankruptcy Rule 1007, schedules of assets and liabilities and a statement of financial affairs, as may be amended from time to time (collectively, the "Schedules").

9. September 11, 2002 was fixed as the last date to assert claims against the Debtor that arose prior to the Petition Date (the "Bar Date").

10. December 12, 2003 was fixed as the last date to file administrative claims arising from and after the Petition Date through October 31, 2003.

11. The Treasurer filed Claim No. 668, a copy of which is annexed hereto as Exhibit A, on August 11, 2003 as an amendment to a timely filed claim dated June 28, 2002. Claim No. 668 asserts a claim against the Debtor's estate in the amount of \$168,891.22, allegedly secured by certain personal property within Boulder County, Colorado. It also states that the debt was incurred on January 1, 2002.

12. The Treasurer filed Claim No. 691, a copy of which is annexed hereto as Exhibit B, on December 8, 2003, asserting an administrative expense claim for real property taxes in the amount of \$170,520.20 incurred as of January 1, 2003.

13. By order dated August 21, 2002 (the "Sale Order"), this Court approved a sale of substantially all of the Debtor's assets to Northfield Acquisition Co. ("NAC") pursuant to Section 363(b) of the Bankruptcy Code. The sale closed on August 30, 2002.

14. The Sale Order, as amended, identified certain specific items of equipment in Boulder County, Colorado which remain property of the estate. All other personal property located in Boulder County, Colorado was conveyed to NAC. A list of the remaining equipment (the "Excluded Equipment") is annexed hereto as Exhibit C.

15. With approval of the Court, Nassau Asset Management (“NAM”) was employed to assist with the sale of the Excluded Equipment. Following a motion by the Debtor, upon court approval in Orders dated April 10, 2003 and June 9, 2003, the equipment shown below was sold at the price stated.

| Item | Buyer | Price |
|---|---|----------------------------------|
| 2000 Nidec-Read RMZ-340, s/n 9JFM247 Sheet Electrical Tester | Northfield Acquisition Co. 1150 Sheldahl Road Northfield, MN 55057 | \$60,000.00 (minimum) |
| Big Joe Model PDR-20-130 Walk Behind Electric Forklift Truck, s/n 352183 (1994) | Dan Smoots Fanestil Meats Emporia, KS | \$3,500.00 |
| 1995 Sidrabe Z2P.340.01 Roll-to-Roll Vacuum Laminator, s/n 269 | Northfield Acquisition Co. 1150 Sheldahl Road Northfield, MN 55057 | \$20,000.00 |
| 1997 ORC/Perkin Elmer OB 7500 Roll-to-Roll primary UV exposure unit (s/n TD00438) | 3M/Microinterconnect Systems Division 6801 River Place Blvd. Austin, TX 78726-9000 | \$80,000.00 (all three items) |
| 1999 ORC/Perkin Elmer 7500 WEB roll-to-roll primary exposure unit (s/n TD00583) | 3M/Microinterconnect Systems Division 6801 River Place Blvd. Austin, TX 78726-9000 | \$80,000.00 (all three items) |
| Preco IRF-240 24 (s/n IRF544) | 3M/Microinterconnect Systems Division 6801 River Place Blvd. Austin, TX 78726-9000 | \$80,000.00 (all three items) |
| | Totals: | \$163,500.00 |

16. The Committee was unable to dispose of the remaining Excluded Equipment.

17. By order dated February 6, 2004, the Bankruptcy Court confirmed the Plan, which became effective on February 16, 2004. Pursuant to the Plan, the members of the Committee were appointed to the Steering Committee.

18. Pursuant to the Plan, the Steering Committee and the Liquidating Agent are authorized to act as a representative of the estate within the meaning of 11 U.S.C. §1123(b)(3)(B). The Plan provides that the Steering Committee shall retain and enforce all rights and interests of the Debtor.

RELIEF REQUESTED

I. Claim No. 668 Should be Disallowed in its Entirety or Reduced Substantially.

19. Claim No. 668 should be disallowed for two reasons. First, the claim should be disallowed in its entirety because the Treasurer has refused to allow the claim to be satisfied in accordance with the Plan of Liquidation. Second, the amount of the claim should be substantially reduced because the actual value of the personal property as of the assessment date, January 1, 2002, does not justify the amount of the tax sought to be collected.

A. The Committee is Entitled to Satisfy the Claim by Returning the Personal Property Securing the Claims.

20. Whatever the amount of Claim No. 668 as finally determined, the Debtor is entitled to satisfy it by returning to the Treasurer all or some of the equipment which secures the claim of a value sufficient to satisfy the claim.

21. Claim No. 668 is filed as a secured claim.

22. The Plan classifies Secured Claims in Class One. It provides that Class One claims are not impaired and “shall be satisfied, settled and discharged, in full, in

Cash from the proceeds realized from the liquidation of their collateral or return of their collateral of a value up to the allowed amount of the secured claims." (Emphasis added.)

23. The Plan gives the Debtor the right to satisfy the claim by returning collateral. The Treasurer was served with the proposed Plan and notice of the confirmation hearing. The Treasurer did not object to the Plan and it was confirmed.

24. The Steering Committee previously sought to satisfy the secured claim of the Treasurer by return of its collateral up to a value of the amount allowed, but this offer was rejected. Certain of the personal property which secures the claim of the Treasurer asserted in Claim No. 668 may still be available. Upon information and belief, the value of the remaining property is equal to or greater than the amount of the secured claim sought by the Treasurer.

B. The Actual Amount of the Claim No. 668 is a Small Fraction of the Amount Claimed.

25. According to the attachment to Claim No. 668, the actual tax assessed exclusive of interest, fees and penalties, is \$162,345.40.

26. According to the claim, this tax amount was computed based upon an assessed actual value of \$7,350,752.00. This yielded, by state law formula, an assessed value of \$2,131,720.00, to which a mill levy rate of .076157 was applied, yielding the resulting \$162,345.40.

27. Upon information and belief, the total purchase price paid by NAC for all of the assets of Sheldahl, other than certain excluded assets, was approximately \$21 million. This included \$2,390,000.00 of Sheldahl's cash on hand at the time of closing so that the purchase price for all assets of Sheldahl, other than cash, was

approximately \$18,610,000.00. See excerpts from the Final Closing Statement furnished by NAC annexed hereto as Exhibit D.

28. This purchase price included fully operational facilities in Northfield, Minnesota, all accounts receivable and inventory, as well as the equipment located in Boulder County, Colorado that was not Excluded Equipment. Upon information and belief, the value, if any, attributed to the Colorado Equipment was minimal compared to the assessed value.

29. The actual price received for the Excluded Equipment that has been sold, and for the assets of the company sold to NAC, are evidence that the actual value of the Colorado equipment was far below the value used by the Treasurer. Accordingly, by this objection, the Steering Committee seeks determination of the tax pursuant to 11 U.S.C. Sections 505 and 506.

II. Claim No. 691 is Secured and Not an Administrative Expense.

30. Claim No. 691 is filed as an administrative expense claim in the amount of \$170,520.20.

31. The claim is based on taxes claimed due for two parcels of real estate, one consisting of approximately 3.77 acres of vacant land and the other described as Lot 1, Block 1, Colver Creek Industrial, First FLG, which contains a production facility formerly operated by Sheldahl. On April 9, 2004, following approval of the Bankruptcy Court, the unimproved parcel was sold and the real estate taxes thereon paid in full.

32. Upon information and belief, the remaining amount of the claim secured by the improved parcel is \$144,726.28.

33. Claim No. 691 should be disallowed in its entirety as an administrative claim because it is secured by the real property upon which the tax claim is based.

34. Because it is secured, it is not allowable as an administrative claim.

35. The Debtor ceased operations at the Colorado property prior to the closing of the sale of its assets to NAC. By motion dated June 20, 2002, the Trustee under the Deed of Trust relating to the improved Colorado property moved for relief from the automatic stay (the "Lift Stay Motion".) The Debtor consented to the relief sought in the Lift Stay Motion. Thereafter, Jeffrey Smith (the "Receiver") was appointed as receiver for the improved Colorado property. Upon information and belief, the improved Colorado property was sold at a foreclosure auction in or about July 2004.

36. The Treasurer has a statutory lien on the improved Colorado property, which is prior to any other consensual lien. Upon information and belief, the value of the improved Colorado property exceeds the amount of the Treasurer's claim. Colorado law does not appear to impose personal liability on the owner for payment of real property taxes. Because the Treasurer's claim will be satisfied upon further disposition of the property, the claim against the estate ought to be disallowed.

37. Pursuant to Local Rule 9013-2(c), Movant gives notice that it may call Michael Knight and James Hajek of Alliance Management, Inc., the Liquidating Agent, whose address is: Alliance Management, Inc., Carlson Tower, Suite 105, 601 Carlson Parkway, Minneapolis, Minnesota 55305, to testify in support of the relief requested by the Motion. In addition, Movant reserves the right to call additional witnesses, including expert witnesses, as may be appropriate as the matter proceeds to an evidentiary hearing.

38. Movant has provided notice of the relief requested herein by service of a copy of this Motion by regular, first-class mail upon (a) the Treasurer, by its attorney; and (b) the United State Trustee. Movant submits and requests that this Court find that no other or further notice of this Motion is necessary or required.

WHEREFORE, Movant respectfully requests entry of an Order (i) disallowing and expunging the Claims, substantially in the form annexed hereto as Exhibit A; and (ii) granting such other and further relief as this Court deems just and proper.

MOSS & BARNETT
A Professional Association

Dated: August 31, 2004

By /e/ James A. Rubenstein
James A. Rubenstein, # 94080
Lorie A. Klein, # 311790
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129
Telephone: (612) 347-0300
**Co-Counsel to the Steering Committee
of Sheldahl, Inc.**

HALPERIN & ASSOCIATES
Robert D. Raicht, # RR-2370
Ethan D. Ganc, # EG-3842
555 Madison Avenue – 9th Floor
New York, NY 10022
Telephone: (212) 765-9100
**Co-Counsel to the Steering Committee
of Sheldahl, Inc.**

**United States Bankruptcy Court
District of Minnesota**

PROOF OF CLAIM

In re (Name of Debtor)
SHELDahl INC.

Case Number
02-31674 DDO

RECEIVED *668*
03 AUG 15 AM 9:44
U.S. BANKRUPTCY COURT
ST. PAUL, MN

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" of payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The entity to whom the debtor owes money or property)
BOULDER COUNTY TREASURER

- 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.

Name and Address Where Notices Should be Sent
**Bob Hullinghorst
Boulder County Treasurer
P.O. Box 471
Boulder, Colorado 80306**
Telephone No. **(303) 441-3520**

THIS SPACE IS FOR COURT USE ONLY

Account or other number by which the creditor identifies the debtor
P270405

Check here if this claim replaces amends a previously filed claim, dated: June 28, 2002

- 1. BASIS FOR CLAIM**
- Goods Sold
 - Services Performed
 - Money Loaned
 - Personal injury/wrongful death
 - Taxes
 - Other (Describe briefly)

- Retiree benefits as defined in 11 U.S.C. § 114(a)
- Wages, Salaries, and Compensations (Fill out below)
Your social security number _____
Unpaid compensations for services performed
from _____ (date) to _____ (date)

2. DATE DEBT WAS INCURRED
January 1, 2002

3. IF COURT JUDGEMENT, DATE OBTAINED:

4. CLASSIFICATION OF CLAIM. Under the Bankruptcy Code all claims are classified as on or more of the following: (1) Unsecured nonpriority. (2) Unsecured Priority. (3) Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM.

SECURED CLAIM \$ 168,891.22
Attach evidence of perfection of security interest.
Brief Description of Collateral:
 Real Estate Motor Vehicle Other (Describe briefly)
Personal Property - see attachment
Amount of Arrearage and other charges included in secured claim above, if any \$ **6,495.82**
 UNSECURED NONPRIORITY CLAIM \$ _____
A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.

- UNSECURED PRIORITY CLAIM \$ _____**
Specify the priority of the claim.
 Wages, salaries, or commissions (up to \$2000), earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3)
- Contribution to an employee benefit plan - U.S.C. § 507(a)(4)
- Up to \$900 of deposits toward purchase, lease, or rental of property or services for personal, family or household use - 11 U.S.C. § 507(a)(6)
- Taxes or penalties of governmental units - 11 U.S.C. § 507(a)(7)
- Other - 11 U.S.C. §§ 507(a)(2), (a)(5) - (Describe briefly)

5. TOTAL AMOUNT OF CLAIM AT TIME CASE FILED:

| | | | |
|-----------|---------------------|----------|---------------------|
| \$ _____ | \$168,891.22 | \$ _____ | \$168,891.22 |
| Unsecured | Secured | Priority | TOTAL |

Check this box if claim includes prepetition charges in addition to the principal amount of the claim. Attach itemized statement of all additional charges.

6. CREDITS AND SETOFFS: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. In filing this claim, claimant has deducted all amount that claimant owes to debtor.

THIS SPACE IS FOR COURT USE ONLY

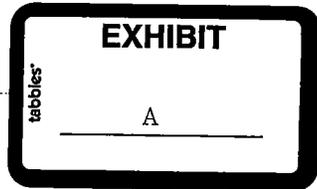
7. SUPPORTING DOCUMENTS: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgements, or evidence of security interests. If the documents are not available, explain. If the documents are voluminous, attach a summary.

8. TIME-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

Date
August 11, 2003

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).
Bob Hullinghorst
**Bob Hullinghorst
Treasurer**

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both (18 U.S.C. §§ 152 and 3571)



**ATTACHMENT TO THE PROOF OF CLAIM
BOULDER COUNTY TREASURER**

1. The grounds upon which the Debtor is liable to Boulder County are stated in Articles 1 through 13, Title 39, of the Colorado Revised Statutes (C.R.S.), more particularly, Articles 1, 5, 10, 11, and 12 thereof, to the extent and in the amount indicated:

168,891.22

Personal Property Taxes (Articles 1, 5, 10, Title 39, C.R.S.)
(Includes post-petition interest through August 29, 2003.)

2003 Personal Property Tax (Est.)

Real Estate Taxes (C.R.S. §39-1-107) (Includes post-petition interest through .)

Delinquent Real Estate Taxes Tax Years: .
(Articles 10 and 11, Title 39, C.R.S.) (Includes post-petition interest through .)

Estimated Real Estate Taxes for the Year .
This amount is estimated pursuant to 11 U.S.C. §502(c) 1 because the Treasurer will not receive notification of the exact amount of the real estate taxes until January 1, (See C.R.S. §39-5-129) which date is beyond the 90 day limit for filing this Proof of Claim.

Tax Sale Redemption - Pursuant to C.R.S. §39-11-10 et seq. the tax lien for unpaid real property taxes for the tax year on the Debtor's property located at _____ was sold on . The amount set forth herein is the amount necessary to redeem the tax sale (including accrued interest and redemption fees) in accordance with the provisions of C.R.S. §39-12-103 as of the date of this Proof of Claim. Interest accrues on the amounts paid at the tax lien sale at the rate of _____ per annum pursuant to C.R.S. §39-12-103(3).

2. The amount of post petition interest stated in this Proof of Claim is for the period between the date of the Debtor's petition and the date of this Proof of Claim. Additional interest pursuant to 11 U.S.C. §506(b) is, and will be claimed, at the time the Debtor satisfies the tax obligation listed on the Proof of Claim.
3. The security for this claim is the lien created under C.R.S. §39-1-107 as to which perfection of a first prior and perpetual lien occurs by operation of law. This lien extends to all real and personal property located in Boulder County and reported by the Debtor on property Declaration schedules submitted to the Boulder County Assessor. Said property is indentified in the tax statements, which are attached hereto and made a part hereof.
4. This claim is filed as a claim for taxes and interest (including post-petition interest) or charges allowed under 11 U.S.C. §506(b) secured by a tax lien; provided however, that priority is or will be claimed under 11 U.S.C. §507 to the extent that the amount of the claim under 11 U.S.C. §506(b) exceeds the value of the property.

ID No:

P270405

Case No.

02-31674 DDO

SCHEDULE NO: P0270405

ASSESSED TO:
SHELDAHL INC
C/O TIM SHEPARD/ OPERATIONS MANAGER
1285 S FORDHAM ST
LONGMONT, CO 80503-0000

LEGAL DESCRIPTION:

PERSONAL PROPERTY PROPERTY ADDRESS: 001285 FORDHAM ST LONGMONT

PARCEL: 0--- SITUAS ADD: 001285 FORDHAM ST LONGMONT

| TAX YEAR | CHARGE | TAX AMOUNT | INTEREST | FEES | PAID | TOTAL DUE |
|--------------------|--------|------------|----------|------|------|-------------------|
| 2002 | DCLPEN | 50.00 | 2.00 | 0.00 | 0.00 | 52.00 |
| 2002 | TAX | 162,345.40 | 6,493.82 | 0.00 | 0.00 | 168,839.22 |
| TOTAL TAXES | | | | | | 168,891.22 |

GRAND TOTAL DUE GOOD THROUGH 08/29/2003 168,891.22

ORIGINAL TAX BILLING FOR 2002 TAX DISTRICT 0684 -

| Authority | Mill Levy | Amount | Values | Actual | Assessed |
|--------------------------|-----------|---------------|------------|-----------|-------------------|
| COUNTY | 20.087 | 42,819.87 | PERSONAL P | 7,350,752 | 2,131,720 |
| SCHOOL RE-1J | 41.025 | 87,453.81 | | | |
| CITY OF LONGMONT | 13.420 | 28,607.68 | TOTAL | 7,350,752 | 2,131,720 |
| NCWD | 1.000 | 2,131.72 | | | |
| ST VRAIN LEFT HAND WATER | 0.245 | 522.27 | | | |
| MTN VIEW FIRE BOND | 0.380 | 810.05 | | | |
| TAXES FOR 2002 | | 76.157 | | | 162,345.40 |

ALL TAX LIEN SALE AMOUNTS ARE SUBJECT TO CHANGE DUE TO ENDORSEMENT OF CURRENT TAXES BY THE LIENHOLDER OR TO ADVERTISING AND DISTRAINT WARRANT FEES. CHANGES MAY OCCUR AND THE TREASURER'S OFFICE WILL NEED TO BE CONTACTED PRIOR TO REMITTANCE AFTER THE FOLLOWING DATES: PERSONAL PROPERTY AND MOBILE HOMES - 01-SEPT-03, REAL PROPERTY - SEPTEMBER 1. **TAX LIEN SALE REDEMPTION AMOUNTS MUST BE PAID BY CASH OR CASHIERS CHECK.**
P. O. Box 471
1325 Pearl Street
Boulder, CO 80306
(303) 441-3520

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

**ADMINISTRATIVE
EXPENSE CLAIM**

Name of Debtor

Case Number

Sheldahl, Inc.

02-31674

NOTE: This form should only be used to make a claim for administrative expense pursuant to the November 4, 2003 Order and Notice of Interim Administrative Expense Bar Date against the debtor identified above, arising on or after April 30, 2003 through October 31, 2003.

Name of Creditor

(The person or entity to whom the debtor owes money or property)

BOULDER COUNTY TREASURER

Check box if you are aware that anyone else has filed a proof of administrative 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.

(303) 441-3520

Telephone Number:

(303) 441-3598

Fax Number:

Identify name of creditor, address and person to whom notices must be served, if difference from the above address.

Name BOB HULLINGHORST

Company/Firm: BOULDER COUNTY TREASURER

Tax Identification or Social Security Number

Address: PO BOX 471

BOULDER, COLORADO 80306

(303) 441-3520

Account or other number by which creditor identifies Debtor.

R0120181, R0126094

Check here if this claim:

replaces

amends a previously filed claim, dated:

1. Basis For Claim:

Goods sold

Services performed

Other (Describe)

2003 REAL PROPERTY TAXES (ESTIMATED)

2. Date Debt Was Incurred

JANUARY 1, 2003

3. Please review the enclosed Notice approved by the Bankruptcy Court, which described important information for filing this Administrative Expense Claim.

4. Total Amount of Claim:

\$170,520.20

Check this box if claim includes charges in addition to the principal amount of the claim. Attach itemized statement of, and supporting documentation for, all additional charges.

5. SUPPORTING DOCUMENTS: Pursuant to the Bankruptcy Court's Order establishing the administrative bar date, you MUST attach copies of supporting documents (including any invoices, contracts, promissory notes or other written documentation of the alleged liability).

6. TIME-STAMPED COPY: To receive an acknowledgement of the filing of your claim, enclose a self-addressed POSTAGE PREPAID ENVELOPE AND COPY OF THIS ADMINISTRATIVE PROOF OF CLAIM FORM. The Administrative Expense Claim must be filed and actually received on or before December 12, 2003 at 4:00 p.m. (Central Time).

Send to: U.S. Bankruptcy Court, 200 US Courthouse, 316 North Robert Street, St. Paul, MN 55101

and
Sheldahl, Inc., c/o James L. Baillie, Fredrikson & Byron, P.A., 4000 Pillsbury Center, Minneapolis, MN 55402

Date

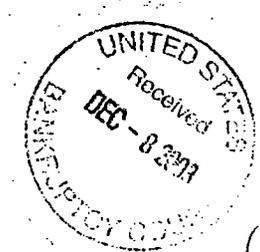
12/03/03

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)

Print: BOB HULLINGHORST, BOULDER COUNTY TREASURER

Signature: Bob Hullinghorst

THIS SPACE IS FOR COURT USE ONLY

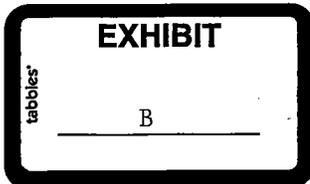


691

THIS SPACE IS FOR COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

#28684271



T-6

Account: 1120181
 SHELDahl INC
 N/O INTERNATIONAL FLEX TECH
 1285 S FORDHAM ST
 LONGMONT CO 80503

Legal Description:
 LOT 1 BLK 1 CLOVER CREEK INDUSTRIAL 1ST FLG
 PROPERTY ADDRESS: 001285 FORDHAM RD LONGMONT

Dist: 0694
 Parcel Number: 15-172-05-001
 Tract No: 1285
 Street Name: FORDHAM
 Location City: LONGMONT
 Location Zip: ?
 Owner Field: ?
 Owner Location: 3100279-1294880
 Map No: COMMERCIAL
 Accr. Type: RD
 Type: RD
 Seq: ?
 MH Spaces: ?
 Lagr: ?

| | | | |
|--|---|--------------------------------------|--|
| <input checked="" type="checkbox"/> Name | <input checked="" type="checkbox"/> Tax Items | <input type="checkbox"/> Protest (I) | <input checked="" type="checkbox"/> CAMA (A) |
| <input checked="" type="checkbox"/> Situs | <input type="checkbox"/> Pre/Suc | <input type="checkbox"/> Mobile Auth | <input type="checkbox"/> Permit |
| <input type="checkbox"/> Mobile | <input checked="" type="checkbox"/> Remarks | <input type="checkbox"/> Value | <input type="checkbox"/> Personal (P) |
| <input checked="" type="checkbox"/> Tract | <input type="checkbox"/> Tax Sale | <input type="checkbox"/> State Asd | <input type="checkbox"/> Oil and Gas |
| <input type="checkbox"/> Condo | <input type="checkbox"/> Spc Asmt | <input type="checkbox"/> Control | <input type="checkbox"/> Recording |
| <input checked="" type="checkbox"/> Block | <input type="checkbox"/> Mines | <input type="checkbox"/> History | <input checked="" type="checkbox"/> Imaging |
| <input checked="" type="checkbox"/> Sales | <input type="checkbox"/> Sibling | <input type="checkbox"/> Exemption | <input type="checkbox"/> Sketch |
| <input checked="" type="checkbox"/> Misc (N) | <input type="checkbox"/> Flags | <input type="checkbox"/> Tax change | |

| | | | | | | | | | | | |
|---------|-------------|---------|-------------|------|-----------|-------|-----|-------|------|-------------|-------------|
| Version | 20030418000 | V. Date | 15-APR-2003 | Time | 02:51 PM | ID | TSD | Appl | ECAM | New Version | 20030418001 |
| TYPE | INDUSTRIAL | ACTUAL | 6,362,100 | ASSD | 1,845,010 | ACRES | | SQ FT | | 356,770 | |
| TOTAL | | | 6,362,100 | | 1,845,010 | | | | | 356,770 | |

| | | | |
|--------------|----------------|-----------------|-------------|
| Queries | | | |
| ACCOUNT | Statement | Receiving | Create Bill |
| Current Year | Prior Year | Prior Version | Tax Tx |
| Next Year | Ne(x)l Version | Characteristics | Abatement |
| Update | Clear | Property Card | Exit |

* 2002 MILL LEVY - 2003 MILL LEVY WILL NOT BE SET UNTIL DECEMBER 22, 2003

GIS Map

Account: 1126094 SHELDahl INC
 C/O INTERNATIONAL FLEX TECH
 1285 S FORDHAM ST
 LONGMONT CO 80503

Parcel Number: 15472200-003
 Street Name: FORDHAM
 Location City: LONGMONT Location Zip: 80503

Parcel Type: VACANT LAND Map No: 3100279-1294458
 Acct Type: VACANT LAND Type: ST No#: Lag: Seq: MH Space: L

Legal Description: BANKRUPTCY 02-31674 DDO DIST OF MINNESOTA CH 11 SEE AA

Business Name: Owner ID: Owner Location: Version: 20030418000 V. Date: 16-APR-2003 Time: 02:52 PM ID: TSD Appl: ECAAM New Version: 20030418001

Name Tax Items Protest (I) CAMA (A) Permit
 Situs Pre/Suc Mobile Auth Personal (P)
 Mobile Remarks Value Oil and Gas
 Tract Tax Sale State Asd Recording
 Condo Spc Asml Control Imaging
 Block Mines History
 Sales Sibling Sketch
 Misc (I/ Flags Exemption Tax change

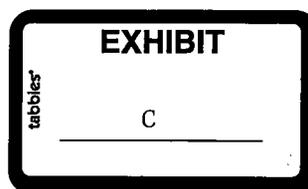
| TYPE | ACTUAL | ASSD | ACRES | SOFT |
|--------|---------|---------|-------|---------|
| VACANT | 656,900 | 190,500 | | 164,221 |
| TOTAL | 656,900 | 190,500 | | 164,221 |

GIS Map Statement Receiving Create Bill

* 2002 MILL LEVY - 2003 MILL LEVY WILL NOT BE SET UNTIL DECEMBER 22, 2003

LIST OF EXCLUDED EQUIPMENT

Lauffer Vacuum Press
Air Compressor
Zeks Air Dryer
Trane Contravac
Mass Via Generator
Perkin Elmer ORC OB 7500
Perkin Elmer ORC OB 7500
Sheet Electrical Tester
Ram Optical Measurement
Sidrabe Vacuum Laminator
Miscellaneous Lot
Waste Treatment System
Despatch Oven
Sonoscam Imaging System
Research IR Reflow Oven
Particle Counter
SEM
Environmental Test Chamber
Air Compressor
Refrigerated Air Dryer
Hot Water Boiler
Steam Boiler
Electric Forklift
Walk Behind Forklift
Miscellaneous Equipment
Micro Plate Seed Plater
24" Wide Sheeter
Micro Plate Unwind Station
Vertical Etcher



NORTHFIELD ACQUISITION CO.
 Closing Date: August 30, 2002

FINAL

| | |
|---|------------------------|
| PNC Bank - Revolver Funded @ Closing (\$18.0M PNC & EXIM Revolver Facility) | \$3,621,229.56 |
| PNC Bank - Term Loan | 6,000,000.00 |
| Newton's Available Post-Petition Club | 2,390,000.00 |
| Morganstaler Partners V - Equity | 2,000,000.00 |
| Morganstaler Partners VII - Equity | 1,000,000.00 |
| Amgenpart Ventures - Equity | 3,000,000.00 |
| Molok, Inc. - Equity | 3,000,000.00 |
| TOTAL | \$21,011,229.56 |

| | |
|--|------------------------|
| Distribution to Wells Fargo (Stashal's Senior Credit Payoff) | \$16,522,466.82 |
| Post Closing Payments Account for Creditors Committee Club | 927,000.00 |
| Post Closing Payments Account for Professional and Administrative Fees (\$291,319 less Am. Not Required to be Paid at Closing of \$230K and \$30K 2/02) | 370,000.00 |
| Case & Closing Cost Payments (\$247,293 less \$475,904.13 voted by Stashal to Title Co. on 8/30/02 less \$551,500 for Booking payment to be paid 9/6/02) | 1,436,998.90 |
| Say Business (Net of FICA) | 93,392.58 |
| Boyer Transaction Fees and Expenses (Paid At Closing) | 661,371.26 |
| US Bank Escrow Account in favor of Creditors Committee | 1,000,000.00 |
| TOTAL | \$21,011,229.56 |

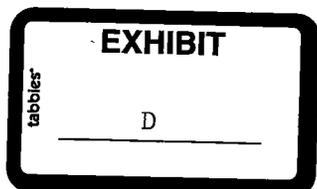
SOURCES & USES AND 9/4/02 (INCLUDES 11 POST-CLOSING CLEAN-UP WORKSHEET ON 9/4/02)

| | |
|---|------------------------|
| PNC Bank - Revolver Funded @ Closing (\$18.0M PNC & EXIM Revolver Facility) | \$3,621,229.56 |
| PNC Bank - Term Loan | 6,000,000.00 |
| Newton's Available Post-Petition Club | 2,390,000.00 |
| Morganstaler Partners V - Equity | 2,000,000.00 |
| Morganstaler Partners VII - Equity | 1,000,000.00 |
| Amgenpart Ventures - Equity | 3,000,000.00 |
| Molok, Inc. - Equity | 3,000,000.00 |
| TOTAL | \$21,011,229.56 |

| | |
|--|------------------------|
| Distribution to Wells Fargo (Stashal's Senior Credit Payoff) | \$16,522,466.82 |
| Post Closing Payments Account for Creditors Committee Club | \$927,000.00 |
| Post Closing Payments Account for Professional and Administrative Fees (\$291,319 less Am. Not Required to be Paid at Closing of \$230K and \$30K 2/02) | \$370,000.00 |
| Case & Closing Cost Payments (\$247,293 less \$475,904.13 voted by Stashal to Title Co. on 8/30/02 less \$551,500 for Booking payment to be paid 9/6/02) | \$1,436,998.90 |
| Say Business (Net of FICA) | \$93,392.58 |
| Boyer Transaction Fees and Expenses (Paid At Closing) | \$661,371.26 |
| US Bank Escrow Account in favor of Creditors Committee | \$1,000,000.00 |
| PLUS Two Post-Closing Clean-up Work on 9/4/02 (Per Escrow Acct. set-up fees due and Title Co. for adst. Interest/see also Rider County Item 93) | \$2,466.82 |
| TOTAL | \$21,011,229.56 |

*Availability per Paid Statements dated 8/29/02 - \$10.3M less the \$4M PNC source availability requirement at Close - \$6.3M available. (\$6.3M available to disburse... but only deriving \$3.6M; Interest a \$2.7M cashflow.)

\$16,501,761.54 (through noon on Friday + 4 days interest at 54.67633164% (Sun/Mon/Tue/noon).



SHELD AHL, INC.
Cash-On-Hand Reconciliation

FINAL

| Closing Date | Cash/Reconciliation | Amount |
|--------------|--|-----------------------|
| 8/28/02 | Cash on 8/28/02 | \$3,085,000.00 |
| | Less Payment of Administrative Exp. relating to Professional Fees Approved for Payment on 7/12/02; but not yet paid | (212,000.00) |
| | Less Wire to Marsh, Inc. (No Prefunding of Insurance Premiums Required) | 0.00 |
| | Less Wire to Stewart Title of Minnesota, Inc. (to cover all taxes, interest, penalties, lien payoffs, fees, expenses, etc) | (479,094.13) |
| | TOTAL | \$2,393,905.87 |
| | ROUNDED TOTAL | \$2,390,000.00 |

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Chapter 11

Sheldahl, Inc.,

Bky Case No. 02-31674

Debtor.

CERTIFICATE OF SERVICE

Maureen A. Montpetit, employed by Moss & Barnett, with office address of 4800 Wells Fargo Center, 90 South 7th Street, Minneapolis, MN 55402, declares that on August 31, 2004, I served the annexed:

1. Notice of Hearing and Steering Committee's Objection to Claim Nos. 668 and 691 of the Treasurer of Boulder County, Colorado;
2. [Proposed] Order Disallowing and Expunging Claim Nos. 668 and 691 of the Treasurer of Boulder County, Colorado; and
3. Certificate of Service,

upon:

Michael A. Koertje, Esq.
Assistant Boulder County Attorney
Office of the Boulder County Attorney
Post Office Box 471
Boulder, CO 80306

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

Faye Knowles, Esq.
Fredrikson & Byron, P.A.
Suite 4000
200 South Sixth Street
Minneapolis, MN 55402

Sheldahl, Inc.
1150 Sheldahl Road
Northfield, MN 55057

by United States Mail, a copy thereof, addressed to them at their last known address.

I declare under penalty of perjury, that the foregoing is true and correct.

Executed: August 31, 2004

Signed: /e/ Maureen A. Montpetit
Maureen A. Montpetit

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Bky Case No. 02-31674
Chapter 11

Sheldahl, Inc.,

Debtor.

**ORDER DISALLOWING AND EXPUNGING CLAIM NOS. 668 AND 691 OF THE
TREASURER OF BOULDER COUNTY, COLORADO**

The Steering Committee of Sheldahl, Inc. (the "Committee"), having filed a motion (the "Motion") for an Order disallowing and expunging Claim Nos. 668 and 691 by the Treasurer of Boulder County, Colorado (the "Treasurer"), pursuant to Section 502 of Title 11 of the United States Code and Rule 3007 of the Federal Rules of Bankruptcy Procedure, as set forth in the Motion, and the matter having duly come to be heard before the undersigned Bankruptcy Judge on October 20, 2004, and upon the affidavit of service of the Motion indicating that due and proper service was made upon, among others, the Treasurer, by its attorneys, and upon the record taken before me, with appearances as noted in the record, it is:

ORDERED, that Claim No. 668, in the amount of \$168,891.22, is hereby disallowed and expunged, and Claim No. 691, in the amount of \$170,520.20, is hereby disallowed and expunged.

Dated: _____, 2004

United States Bankruptcy Judge