

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

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In re:  
Sheldahl, Inc.,  
Debtor.

Bky Case No. 02-31674  
Chapter 11

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**RESPONSE OF THE BOULDER COUNTY TREASURER TO  
THE SECOND OMNIBUS OBJECTION TO CLAIMS**

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TO: Entities specified in Local Rule 9013-3(b)

The Boulder County Treasurer, by and through its undersigned attorneys, submits this Response to the Steering Committee's Objection to Claim No. 668 and Claim No. 691.

**INTRODUCTION**

On June 28, 2002, the Boulder County Treasurer ("Treasurer") timely filed Claim No. 380. Claim No. 380 was subsequently amended by Claim No. 668 in the amount of \$168,891.22. Claim No. 668 was filed with the court on August 11, 2003. A true and correct copy of Claim No. 668 is attached hereto as Exhibit "1". The Treasurer's Claim No. 668 is based upon unpaid 2002 personal property taxes, including post-petition interest through August 29, 2003.

The Treasurer also timely filed Claim No. 691 for unpaid 2003 real estate taxes in the amount of \$170,520.20. Claim No. 691 was filed with the court on December 8, 2003 and was filed as an administrative expense. A true and correct copy of Claim No. 691 is attached hereto as Exhibit "2".

On August 31, 2004, the Steering Committee ("Committee") brought this Motion

objecting to Claim No. 668 and Claim No. 691 (“Objection”). The Committee’s Objection to Claim No. 668 is two-fold. First, the Objection alleges that the Treasurer has refused to accept return of collateral in satisfaction of its claim, contrary to its obligations under the Plan of Liquidation (“Plan”). The Committee requests that the Court disallow this claim in its entirety. The Committee also requests the Court for a tax determination pursuant to 11 U.S.C. §505. The request is based upon allegations that the value of the personal property, upon which the 2002 personal property tax was assessed, was grossly overstated.

The Committee objects to Claim No. 691 having been filed as an administrative expense claim arguing that the claim is secured by a lien on the real property located at 1285 Fordham Street, Longmont, Colorado (“Longmont Property”). The Committee requests that the Court disallow this claim in its entirety and require the Treasurer to satisfy its claim against the Longmont Property.

## **FACTS**

### **A. PERSONAL PROPERTY TAX ASSESSMENT**

Prior to filing for Chapter 11 bankruptcy relief, Sheldahl, Inc. (“Debtor”) owned and operated a business located at 1285 Fordham Street, Longmont, Colorado (“Longmont Property”). The Debtor also owned certain personal property located on the Longmont Property. Under the Colorado State Constitution, all corporations are subject to taxation on personal property owned or used by the taxpayer within state. See Colo. Const. Art. X, sec. 10. Pursuant to the state tax statutes, the cost value of the personal property is the basis for the amount of a personal property tax assessment. See C.R.S. 39-1-103(13)(a) and (b). The value of the personal property is established by the personal property schedule filed by the taxpayer. See C.R.S. 39-5-107; C.R.S. 39-5-108. Upon filing of the personal property schedule, a final

declaration of personal property is filed (“Declaration”). A copy of the Debtor’s 2002 Declaration of personal property is attached to the Aff. of Michael A. Koertje as Exhibit “A”.

As set forth in the Declaration, the Debtor valued the personal property located on the Longmont Property in the amount of \$7,350,752.00. The amount of the 2002 personal property tax was computed pursuant to Colo. Const. Art. X, sec. 3(1)(b). Payment of the personal property taxes are secured by a statutory lien on the personal property in favor of the Treasurer.

On April 30, 2002 the Debtor filed for Chapter 11 bankruptcy relief (“Petition”). At the time of the filing of its Petition, the Debtor had failed to pay its personal property taxes assessed for the years of 2000, 2001, and 2002. Accordingly, the Treasurer filed Proof of Claim No. 380 in the amount of \$487,417.05. Claim No. 380 was based upon the following: 1) unpaid 2000 and 2001 personal property taxes, including interest in the amount of \$326,797.72; 2) unpaid 2001 real estate taxes, including interest in the amount of \$13,533.93; and 3) unpaid 2002 estimated personal property taxes in the amount of \$147,085.40.

On May 29, 2002, the Debtor filed a Motion for an order authorizing the sale of assets, subject to the Treasurer’s lien for unpaid personal property taxes, free and clear of liens, claims and encumbrances (“Motion”).<sup>1</sup> The Treasurer objected to the sale of assets. To resolve the objection, the Debtor agreed: 1) to pay in full any 2000 and 2001 delinquent personal property taxes at the closing of the sale; 2) to pay in full any Real Estate Taxes through July 31, 2002 at the closing of the sale; and 3) to put in escrow an amount equal to the unpaid estimated 2002 personal property taxes in the amount of \$147,085.40 and allow for the Treasurer’s lien to

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<sup>1</sup> A substantial portion of the Debtor’s assets located on the Longmont Property were included in the Motion for sale. However, certain property located on the Longmont Property were excluded from the sale (“Excluded Property”). Certain Excluded Property was also subject to the Treasurer’s lien interest for unpaid personal property taxes.

continue against the funds in escrow (“Agreement”). The terms of the Agreement were memorialized in letters dated August 1, 2002 and August 23, 2002. A true and correct copy of the above-referenced letters are attached to the Aff. of Michael A. Koertje as Exhibits “E” and “F” respectively. The Treasurer did not object to the Motion based upon the Agreement and the sale of the Debtor’s assets to Northfield Acquisition Co. (“NAC”) closed on August 30, 2002. The August 21, 2002 Order approving the sale (“Sale Order”) specifically provides that the Treasurer’s lien continues in the sale proceeds which are continuing to be held in escrow by the Debtor. Paragraph E of the Order states in relevant part that:

“...upon the closing...the Assets shall be free and clear of all interests, including liens, claims, interest and encumbrances of any nature...with all such interest to attach to the net proceeds in the order of their priority with the same validity, force and effect which they now have as against the Assets.”

The Treasurer filed Claim No. 668 as an amended claim to Claim No. 380 to reflect the partial payment of the taxes owed by the Debtor. As amended, Claim No. 668 reflects the remaining unpaid 2002 personal property taxes in the amount of \$168,891.22, including accrued interest. The claim, as amended, is hereafter referred to as the “Personal Property Tax Claim.”

As of September 5, 2003, the Excluded Property remained on the Longmont Property. On September 5, 2003, a Receiver for the Longmont Property was appointed. The Receiver made efforts to contact all parties who retained an interest in the Excluded Property in order to determine its disposition. Eventually, the Receiver contracted to have the Excluded Property removed from the Longmont Property. The status of personal property was included in the Receivership Reports filed by the Receiver. A true and correct copies of the Receivership Reports are attached hereto as Exhibit “3”. The Excluded Property located on the Longmont

Property has been removed and scrapped for a minimal amount.

On April 22, 2004, co-counsel to the Committee, Mr. James A. Rubenstein, sent a letter offering the return of certain Excluded Property presumed to be located on the Longmont Property in satisfaction of Claim No. 668. A true and correct copy of the above-referenced letter is attached to the Aff. of Michael A. Koertje as Exhibit "C". In a response letter dated May 13, 2004, the Treasurer demanded return of its secured collateral, \$147,085.40 of sale proceeds placed in escrow, in partial satisfaction of its claim. A true and correct copy of the letter is attached to the Aff. of Michael A. Koertje as Exhibit "D".

**B. REAL PROPERTY TAX ASSESSMENT**

Under the Colorado State Constitution, all corporations are subject to taxation on real property owned or used by the taxpayer within state. See Colo. Const. Art. X, sec. 10. Prior to and after the filing of its Petition, the Debtor owed the real property which has been referred to as the Longmont Property.

After the filing of the petition, Debtor continued to use the Longmont Property located in Boulder County, Colorado. The Longmont Property was necessary for the preservation of the estate and the 2003 real estate property tax constitutes a tax incurred by the estate pursuant to 11 U.S.C. §503(b)(1)(B). Accordingly, the Treasurer filed an administrative expense claim in the amount of \$170,520.20 for the 2003 real property taxes incurred after the filing of the bankruptcy ("Real Property Tax Claim").

The Committee objects to the Real Property Tax Claim, arguing that the Treasurer be required to satisfy its claim by looking to the real property secured by its tax assessment and that it should be disallowed as an administrative expense claim.

**LEGAL ARGUMENT**

## **I. THE CLAIMS ARE ENTITLED TO A PRESUMPTION OF VALIDITY.**

Rule 3001(f) provides that a properly filed claim is a *prima facie* evidence of the validity of the claim. In addition, assessments made by taxing authorities are presumed to be correct. See Paccar, Inc. v. Commissioner, 849 F.2d 393 (9<sup>th</sup> Cir. 1988). To rebut the *prima facie* validity of a properly filed claim, there must be *evidence* presented by the objecting party that is of *equal probative force to that of the allegations of the proof of claim*. See In re Wheatley, 251 B.R. 430 (Bankr. N.D. Okla. 2000). See also In re Southern California Plastics, 165 F.3d 1243 (9<sup>th</sup> Cir. 1999) (stating that although the creditor bears the ultimate burden of persuasion, the debtor must come forward with evidence to rebut the presumption of validity).

The Eighth Circuit has currently reaffirmed that tax claims are entitled to a similar presumption of validity. See In re Harker, 357 F.3d 857, 858 (8<sup>th</sup> Cir. 2004) citing N.D. State Univ. v. United States, 255 F.3d 599, 603 (8<sup>th</sup> Cir. 2001) ("Tax assessments made by the IRS are presumed correct and the taxpayer bears the burden of proving, by a preponderance of the evidence, that the assessment is erroneous.").

## **II. THE OBJECTION FAILS TO REFUTE THE PRESUMPTION OF THE VALIDITY OF THE PERSONAL PROPERTY TAX AND REAL PROPERTY TAX CLAIMS**

The Committee has failed to meet its burden with respect to both the Personal Property Tax Claim and the Real Property Tax Claim. Each claim is addressed below separately.

### **A. Personal Property Tax Claim**

The Committee objects to the Personal Property Tax Claim, claiming that the Personal Property Tax Claim must be reduced because the proceeds from the sale of the Debtor's assets to NAC resulted in amounts far less than the assessed value. The Committee also objects on the

grounds that the Treasurer should be required satisfy the Personal Property Tax Claim by accepting return of certain Excluded Property that the Committee failed to sell during the administration of the estate.

**1. The Personal Property Taxes were Validly Assessed Based Upon the Valuations provided by the Debtor**

Somewhat conveniently, the Committee fails to recognize one very critical fact - that the personal property tax assessment was based upon values provided by the Debtor pursuant to the state tax statutes. The Debtor valued the personal property located on the Longmont Property in the amount of \$7,350,752.00 and a final declaration was filed with the Boulder County Assessor's Office. See Aff. of Michael A. Koertje ¶5.

While 11 U.S.C. §505 does give the Bankruptcy Court the right to determine the amount of any tax, this is not the case for such a determination. The Committee has failed to bring forward any **probative** evidence that the value of the personal property listed by the Debtor was an incorrect valuation at the time of the assessment. In fact, the only evidence the Committee has put forth is the purchase price paid by NAC for the assets of the Debtor in August of 2002 in the context of a bankruptcy liquidation sale. The Colorado tax statute does not define "value" of personal property as a liquidation value but as an acquisition value, less depreciation.

The Debtor based its valuation of the personal property according to the provisions of the Colorado tax statutes. In the context of bankruptcy, the Debtor was forced to sell its assets for a price far below its acquisition value. However, the Treasurer should not be penalized for this apparent decrease in value. Instead, the Committee should be bound by the Debtor's valuation or at least put forth some evidence that the valuations of the personal property at the time of declarations were erroneous.

It should also be noted that the Colorado tax statutes provide for recourse for taxpayers who choose to appeal an assessment or seek an abatement. See C.R.S. 39-8-106 through 39-8-108; C.R.S. 39-1-113. The debtor did not avail itself of these remedies and should be estopped from asking this Court to engage in the tedious task of revaluing property. See In re Northbrook Partners, LLP, 245 B.R. 104 (Bankr. Minn. D. 2000) (stating that the bankruptcy court had the discretion to abstain from tax liability determination under 11 U.S.C. §505).

**2. The Personal Property Tax Claim Should be Satisfied through Payment of the Funds in Escrow.**

The Committee argues that Boulder County must receive the amount of the Personal Property Tax Claim from the Excluded Property supposedly located on the Longmont Property. While the Treasurer does not take issue with the Committee's claim that, under the Plan, the Debtor is allowed to satisfy a secured claim by returning collateral, the Committee's argument is problematic.

First, the Committee fails to recognize that the proceeds held in escrow are subject to the lien of the Treasurer for payment of the 2002 personal property taxes. The Court granted this lien in the Sale Order. Accordingly, this money can, and should, be used to immediately satisfy, in part, the Personal Property Tax Claim – based on the Steering Committee's own argument.

Secondly, the Committee asserts that certain personal property *may* still be available and that the value of the offered property is equal to or greater than the amount of the Treasurer's claim, *upon information and belief*. Contrary to its assertions, it appears that the Committee has failed to preserve any of the Excluded Property it claims is available to satisfy the Personal Property Tax Claim. According to Receivership Reports, the Excluded Property was removed and scrapped after notice to parties of interest. See attached Exhibit "3". The Committee can not now claim that the Treasurer be required to satisfy its claim from collateral that does not

exist.

Finally, the proceeds held in escrow were placed there by the Debtor. Pursuant to the Agreement, the Treasurer did not object to the sale of the Debtor's assets securing the Treasurer's lien for unpaid taxes. The Agreement provided that the funds in escrow were to be used to satisfy the Personal Property Tax Claim. This is supported by the evidence attached to the Aff. of Michael A. Koertje as Exhibits "E" and "F".

**B. Real Estate Tax Assessment**

With respect to the Real Property Tax Claim, the Committee argues that the Real Property Tax Claim is not an administrative expense claim and claims that the Treasurer be required to satisfy its claim by looking to the real property secured by its tax assessment. For the reasons set forth below, the Committee's argument lack merit.

**1. The Real Property Tax Claim Is An Administrative Expense Claim**

11 U.S.C. §503(b)(1)(B) states in relevant part that "...any tax incurred by the estate, except a tax of a kind specified in section 507(a)(8) of this title..." shall be allowed as an administrative expense. In this case, the Real Property Tax Claim is for real estate property taxes incurred on the Longmont Property in 2003.

The Committee has failed to bring forward any probative evidence supporting the contention that the Real Property Tax Claim is not an administrative expense claim as defined by 11 U.S.C. §503(b)(1)(B). The Committee's only basis for claiming that the Real Property Tax Claim is not allowed as an administrative claim is the fact that the Treasurer maintains a lien on the real estate to secure payment of the 2003 real estate property tax. However, there is nothing in the statute to indicate that secured claims are exclude from becoming administrative claims pursuant to 11 U.S.C. §503(b). See In re D. Soltan, 234 B.R. 260 (Bankr. N.Y. 1999).

The argument that, the payment of the Real Estate Tax Claim as an administrative expense by the estate, will result in a windfall to the Treasurer is premature. The Longmont Property securing the Treasurer's claim has been only recently foreclosed upon. The general assertion that the real estate taxes will be paid upon the sale of the Longmont Property fails to consider the possibility that there may be never be a potential buyer for the real property. Nor does it take in consideration the possibility that the real property is not and may not be marketable. Again, the Committee has failed to present any probative evidence that rebuts the presumption that the Real Estate Tax Claim as an administrative expense claim is valid.

### **CONCLUSION**

For all the reasons set forth herein the Objection related the Personal Property Tax Claim should be denied in all respects and the Treasurer should be allowed to partially satisfy the claim through payment from the funds held in escrow. The Committee's Objection to the Real Estate Tax Claim should be denied and the Treasurer should be allowed to keep the claim as an administrative expense claim.

Dated: October 8, 2004

Respectfully submitted,

/e/ Ellen Cha  
Bradley J. Halberstadt, #215296  
Ellen Cha, Atty ID# 315217  
Attorneys for Boulder County Treasurer  
430 Oak Grove Street, Suite 200  
Minneapolis, MN 55403  
612-870-4100

668

<b>United States Bankruptcy Court District of Minnesota</b>	<b>PROOF OF CLAIM</b>
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In re (Name of Debtor) <b>SHELDAHL INC.</b>	Case Number <b>02-31674 DD</b>
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**RECEIVED**

**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 debt is owed or property) <b>BOULDER COUNTY TREASURER</b>  Name and Address Where Notices Should be Sent <b>Bob Hellinghorst Boulder County Treasurer P.O. Box 471 Boulder, Colorado 80306</b> Telephone No. <b>(303) 441-3520</b>	<input type="checkbox"/> Check box if you are the creditor and also has filed a proof of claim relating to your claim. Attach copies of documents giving particulars. <input type="checkbox"/> Check box if you have not received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address on the envelope differs from the address on the envelope addressed to you by the court.
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THIS SPACE IS FOR COURT USE ONLY

Name of claimant by which the claim is made <b>PZ70405</b>	Check here if this claim is a response to a previously filed claim, dated <u>June 28, 2002</u> .
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<b>1. NATURE OF CLAIM</b> <input type="checkbox"/> Goods Sold <input type="checkbox"/> Services Performed <input type="checkbox"/> Money Lent <input type="checkbox"/> Personal Injury/Wrongful Death <input checked="" type="checkbox"/> Taxes <input type="checkbox"/> Other (Describe briefly)	<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 114(a) <input type="checkbox"/> Wages, Salaries, and Commissions (Fill out below) Your social security number: _____ Unpaid compensation for services performed from _____ to _____ (date)
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<b>2. DATE DEBT WAS INCURRED</b> January 1, 2002	<b>3. IF COURT JUDGMENT DATE OBTAINED:</b>
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**4. CLASSIFICATION OF CLAIM.** Under the Bankruptcy Code all claims are classified as one or more of the following: (1) Unsecured Priority, (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 and describe your claim and STATE THE AMOUNT OF THE CLAIM.

<input checked="" type="checkbox"/> <b>SECURED CLAIMS \$168,891.22</b> Attach evidence of possession of security interest. Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other (Describe briefly) <b>Personal Property - see attachment</b> Amount of Arrears and other charges included in secured claim above, if any \$ <b>6,425.82</b>	<input type="checkbox"/> <b>UNSECURED PRIORITY CLAIMS</b> Specify the priority of the claim: <input type="checkbox"/> Wages, salaries, or commissions (up to \$2000, earned not more than 90 days before filing of this petition or operation of the debtor's business, whichever is earlier) - 11 U.S.C. § 507(a)(6) <input type="checkbox"/> Contribution to an employee benefit plan - U.S.C. § 507(a)(4) <input type="checkbox"/> Up to \$500 of debt for unpaid taxes, less or equal of property or services for personal, family or household use - 11 U.S.C. § 507(a)(8) <input type="checkbox"/> Taxes or penalties on nonexempt units - 11 U.S.C. § 507(a)(7) <input type="checkbox"/> Other - 11 U.S.C. § 507(a)(2), (a)(5) - (Describe briefly)
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<b>5. TOTAL AMOUNT OF CLAIM AT TIME CASE FILED:</b> \$ <u>Unsecured</u> <b>\$168,891.22</b> <u>Secured</u>	<b>\$168,891.22</b> TOTAL
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THIS SPACE IS FOR COURT USE ONLY

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

**7. SUPPORTING DOCUMENTS:** Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, cancelled checks, or evidence of security interests. If the documents are not available, attach a sworn statement of the creditor, or a sworn statement of the claimant, 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). <b>Bob Hellinghorst</b> Treasurer
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Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. (18 U.S.C. §§ 1592, 1593)



**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 22, 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, (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 as to  
the tax lien for unpaid real property taxes for the tax year of  
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  
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 shall 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 the creation 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 identified 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 and 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. §506(b) 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**

Report Date: 08/11/2003 12:24PM

BOULDER COUNTY TREASURER  
STATEMENT OF TAXES DUE

Page: 1

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-- SITUS ADD: 001285 FORDHAM ST LONGMONT

TAX YEAR	CHARGE	TAX AMOUNT	INTEREST	PAID	TOTAL DUE
2002	DCLPEN	50.00	2.00	0.00	52.00
2002	TAX	162,345.40	6,493.82	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	Value	Actual	Assessed
COUNTY	20.087	42,819.87	PERSONAL P	7,350,752	2,131,720
SCHOOL RE-1J	41.025	87,433.81			
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 DETRAINT WARRANT FEES. CHANGES MAY OCCUR AND THE COUNTY 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

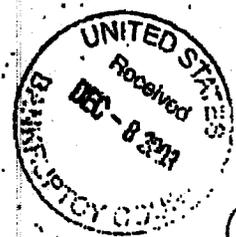
Name of Debtor  
Sheldahl, Inc.

Case Number  
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 previous administrative claim relative to your claim. Attach copy of statement giving particulars.  
  
 Check box if you have not received any notices from the bankruptcy court in this case.



691

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

Telephone Number:  
(303) 441-3520

Name: BOB HULLINGHORST

Fax Number:  
(303) 441-3598

Company/Firm: BOULDER COUNTY TREASURER

Tax Identification or Social Security Number

THIS SPACE IS FOR COURT USE ONLY

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 or 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 contracts, promissory notes or other written documentation of the alleged liability).

THIS SPACE IS FOR COURT USE ONLY

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 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

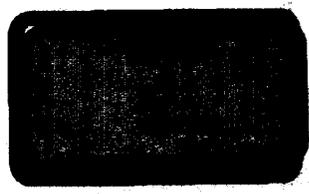
Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)

Print: BOB HULLINGHORST, BOULDER COUNTY TREASURER

Signature: *Bob Hullinghorst*

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.

#2868427A1



165

Cancel Owner Name/Address

Account 120191  
 SHELDAHL INC  
 C/O INTERNATIONAL FLEX TECH  
 1285 S FORDHAM ST  
 LONGMONT CO 80503

SIX

7/24/04

7:15:00

AFC

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

Name  Tax Parcel  Product ID  CMAA (A)  
 Status  Prebid  Mobile Auth  Permit  
 Mobile  Remarks  Value  Personal ID  
 Tract  Tax Sale  State Aid  Oil and Gas  
 Condo  Spec Asmt  Control  Recording  
 Block  Mines  History  Imaging  
 Sales  Stalling  Sketch  
 Misc ID  Flags  Exemption  
 Tax change

Statement  
 Receipting  
 Create Bill

TYPE	ACTUAL	ASSD	ACRES	SQFT
INDUSTRIAL	6,362,100	1,845,010		354,770
TOTAL	6,362,100	1,845,010		354,770

Queries

ACCOUNT	Current Year	Prior Version	Next Year	Map/Version	Characteristics	Property Card	Update	Clear	Exit

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

Account 112004  
 SHELDON INC  
 N CO INTERNATIONAL FLEX TECH  
 1285 S FORDHAM ST  
 LONGMONT CO 80503

1  
 3.77 ACS NW IN SE 1/4 NW 1/4 17-2N-89 PER DEED 1857042  
 111298 BCR SPLIT FROM ID 115163 PROPERTY ADDRESS:  
 000000 FORDHAM ST LONGMONT

BANKRUPTCY 02-31674 DDO DIST OF MINNESOTA CH 11 SEE A

<input checked="" type="checkbox"/> Name	<input checked="" type="checkbox"/> Tax Name	<input type="checkbox"/> Protect (P)	<input checked="" type="checkbox"/> CAVA (A)
<input checked="" type="checkbox"/> Status	<input type="checkbox"/> Prebid	<input type="checkbox"/> Mobile Auth	<input type="checkbox"/> Permit
<input checked="" 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 Aid	<input type="checkbox"/> Oil and Gas
<input checked="" type="checkbox"/> Condo	<input type="checkbox"/> Spec 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 (M)	<input type="checkbox"/> Flags	<input type="checkbox"/> Tax change	<input type="checkbox"/> Statement
<input type="checkbox"/> GIS Map			

TYPE	ACTUAL	ASSD	ACRES	SQFT
VACANT	686,900	190,500		164,221
TOTAL	686,900	190,500		164,221

Queries			
Current Year	Prior Version	Tax Tfr	
Prior Year	Next Version	Abatement	
Next Year	Characteristics	Property Card	
Update	Clear	Exit	

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

DISTRICT COURT, BOULDER COUNTY, COLORADO  
Boulder Justice Center  
1777 6<sup>th</sup> Street  
Boulder, Colorado 80302

**PLAINTIFF: WELLS FARGO BANK MINNESOTA, N.A., as successor in interest to Norwest Bank Minnesota, N.A., as trustee for the Registered Certificatholders of J.P. Morgan Commercial Mortgage Finance Corp. Mortgage Pass-Through Certificates, Series 2000-C-9**

v.

**DEFENDANTS: SHELDAHL COLORADO, LLC, a Minnesota limited liability company; SHELDAHL, INC., a Minnesota corporation**

v.

James R. Cage (Reg. #10153)  
Patricia A. Thatcher (Reg. #23414)  
*Attorneys for Jeffrey Smith, as Receiver*  
CAGE, WILLIAMS, ABELMAN & LAYDEN, P.C.  
1433 17<sup>th</sup> Street  
Denver, Colorado 80202  
Phone Number: (303) 295-0202  
Fax Number: (303) 297-2220

▲ COURT USE ONLY ▲

Case Number: 03-CV-1740

Div. 1

**NOTICE OF FILING OF RECEIVER'S FIRST REPORT**

Receiver, Jeffrey S. Smith, by and through his attorneys, Cage Williams Abelman & Layden, P.C. and pursuant to Order for Appointment of Receiver dated September 5, 2003, hereby files his Receiver's First Report for the receivership property for the period ending November 30, 2003.

DATED: December 8, 2003

By *Patricia A. Thatcher*  
James R. Case #10153  
Patricia A. Thatcher #23414

**CERTIFICATE OF SERVICE**

I hereby certify that on this 8<sup>th</sup> day of December 2003, a true and correct copy of the foregoing NOTICE OF FILING OF RECEIVER'S FIRST REPORT was placed in the United States mail, first-class postage, prepaid, addressed to the following :

Kenneth R. Bennington, Esq.  
Deanna L. Westfall  
Bernnington Johnson Biermann & Craigmile, LLC  
370 17<sup>th</sup> Street, Suite 3500  
Denver, CO 80202

James L. Baillie, Esq.  
Fredrikson & Byron, P.A.  
4000 Pillsbury Ctr  
200 So. 6<sup>th</sup> St.  
Minneapolis, MN 55402

*Patricia A. Thatcher*

# RECEIVERSHIP REPORT

PLANTIFF: WELLS FARGO BANK MINNESOTA, N.A.,  
AS SUCCESSOR IN INTEREST TO NORWEST BANK MINNESOTA, N.A.,  
AS TRUSTEE FOR THE REGISTERED CERTIFICATEHOLDERS OF J.P. MORGAN  
COMMERCIAL MORTGAGE FINANCE CORP, MORTGAGE PASS-THROUGH  
CERTIFICATES, SERIES 2000-C9

DEFENDANT: SHELDAHL COLORADO, L.L.C. A MINNESOTA LIMITED  
LIABILITY COMPANY; SHELDAHL, INC., A MINNESOTA CORPORATION

DISTRICT COURT, BOULDER COUNTY, COLORADO  
CASE NUMBER: 030V0740  
DIVISION 1

PROPERTY: 1285 FORDHAM STREET, LONGMONT, COLORADO

PERIOD: SEPTEMBER 5, 2003 - NOVEMBER 30, 2003

## FINANCIAL

When the Receivership began, this property was and remains a vacant industrial/office type of property. Therefore, there is no income to be derived from the operations. Per the order, the Receiver has received \$75,000 from the Plaintiff through the Plaintiff's servicer, ARCap Servicing, Inc. for payment of expenses related to the building and the Receivership. The Receiver issued a Receiver's Certificate for the \$75,000 and this has been recorded.

The total expenses paid for this reporting period was \$20,577.23. These are further broken down as follows:

<u>VENDOR</u>	<u>AMOUNT</u>	<u>DISCRETION</u>
Securus	\$319.09	inspect security system
Longmont Lock	\$200.00	re-key
Cage Williams	\$3,603.90	legal
Donna Peterson	\$100.00	bond
The Green Plan	\$5,258.10	perimeter clean up/fence repair/irrigation
Fuller Maint.	\$61.06	lock box
Colorado Lighting	\$82.50	parking lot lighting
Qwest	\$102.27	alarm phone
Xcel Energy	\$28.76	gas
Jeff Smith, Receiver	\$7,574.50	hours/expense/copies/faxes
Fuller and Co.	\$1,200.00	opinion of value

Fuller Mgt. Svc.

\$2,007.05

prop. mgt fees/postage

Taxes -As of this date all property taxes have been paid and are current. The Receiver will be receiving the 2004 property tax bill at the end of this month. These taxes will be due either one-half by February 28 and one-half by June 30 or the entire amount by April 30.

Receiver's Bond-Per the court order a Receiver's bond has been issued to the Receiver for \$10,000.

### OPERATIONS

**Security**-Once the Order was issued the Receiver immediately secured the building and had all the locks, access codes and passwords changed. Additionally, all exterior lighting was inspected and repaired. The internal fire protection system is being inspected. This process needs to be coordinated with the HVAC contractor.

**Exterior**-The exterior of the building/landscaping had not been maintained for some time and was in need of maintenance and clean up. The conditions gave the appearance of an abandoned building and there was evidence of minor vandalism. This has been completed and there will be additional irrigation system repairs due to damage done prior to Receivership.

**Heating, Ventilation, Air-conditioning (HVAC)**-These systems have been inspected and repairs are being completed in order to properly heat and cool the building. These systems have not been maintained since the tenant vacated the building. Please note, that a large roof top chiller was removed which provided cooling to the main warehouse area.

**Vendor notification**-The Receiver is notifying vendors as needed regarding the change in billing and responsible party.

**Building Insurance**-The Receiver has confirmed that full building insurance is in place and has been issued in the proper Insured's name.

### BANKRUPTCY

Although this Receivership has been stayed out of the existing bankruptcy, the Receiver is working with a group of unsecured creditors on the removal and disposition of all of the equipment as it relates to the prior operation of the facility. The Receiver has been in contact with the legal counsel for this group on numerous occasions. The Receiver has given notice to all interested parties on two different occasions as it relates to the identification and removal of this equipment.

At this time the Receiver is moving forward with the dismantling and removal of all of the equipment. Most recently all interested parties have been contacted and informed that should they have an interest in some or all of the equipment they need to notify the Receiver and make arrangements to pick up the equipment after paying for the dismantling and crating charges.

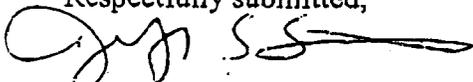
At this time the Receiver has obtained a bid for this dismantling and crating from a company which has a history in the installation of this equipment. They have also worked with the Defendant in the removal of equipment from this facility when it was closed. The Receiver intends to move forward with this contract once the approval of the court is obtained. At this time, through the Receiver's attorney, notification has been given to all interested parties to contact the Receiver should they want any of the equipment. Prior to them obtaining the equipment they will need to reimburse the Receiver for his expenses in the removal and crating. The preliminary bid for these costs is approximately \$379,000. There are some areas which the contractor could not give a firm number and will have to be decided after further evaluation. The contractor will be working with an environmental engineering company in order to fully comply with all governmental agencies. The Receiver has not yet selected this environmental firm.

The funding for this expense will need to come from the lender and Receiver's Certificates will be issued. The Receiver has been contacted by an interested party who would be willing to pay for all of the removal and crating costs for the majority of this equipment. It still is unclear if this party is working with the unsecured creditors group or not. That issue will remain between the interested party and the creditors.

The Receiver has visited and inspected the property six times since the appointment. Additionally, the property management services of Fuller Management Services have been retained to assist the Receiver with daily operational issues and the oversight and implementation of the removal of the equipment.

Should any party to this Receivership have any questions please do not hesitate in contacting the Receiver at 303-312-4279.

Respectfully submitted,



Jeff Smith, Receiver

DISTRICT COURT, BOULDER COUNTY, COLORADO  
Boulder Justice Center  
1777 6<sup>th</sup> Street  
Boulder, Colorado 80302

**PLAINTIFF: WELLS FARGO BANK MINNESOTA, N.A., as successor in interest to Norwest Bank Minnesota, N.A., as trustee for the Registered Certificateholders of J.P. Morgan Commercial Mortgage Finance Corp. Mortgage Pass-Through Certificates, Series 2000-C-9**

v.

**DEFENDANTS: SHELDAHL COLORADO, LLC, a Minnesota limited liability company; SHELDAHL, INC., a Minnesota corporation**

v.

James R. Cage (Reg. #10153)  
Patricia A. Thatcher (Reg. #23414)  
*Attorneys for Jeffrey Smith, as Receiver*  
CAGE, WILLIAMS, ABELMAN & LAYDEN, P.C.  
1433 17<sup>th</sup> Street  
Denver, Colorado 80202  
Phone Number: (303) 295-0202  
Fax Number: (303) 297-2220

▲ COURT USE ONLY ▲

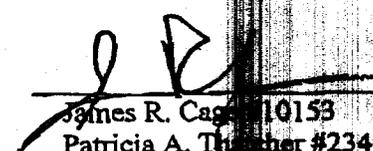
Case Number: 03-CV-1740

Div: I

**NOTICE OF FILING OF RECEIVERSHIP REPORT**

Receiver, Jeffrey S. Smith, by and through his attorneys, Cage Williams Abelman & Layden, P.C. and pursuant to Order for Appointment of Receiver dated September 5, 2003, hereby files his Receivership Report for the receivership property for the period ending January 31, 2004.

DATED: February 13, 2004

  
James R. Cagle #10153  
Patricia A. Tupper #23414

**CERTIFICATE OF SERVICE**

I hereby certify that on this 13<sup>th</sup> day of February 2004, a true and correct copy of the foregoing NOTICE OF FILING OF RECEIVERSHIP REPORT was placed in the United States mail, first-class postage, prepaid, addressed to the following:

Kenneth R. Bennington, Esq.  
Deanna L. Westfall  
Bennington Johnson Biermann & Craigmile, LLC  
370 17<sup>th</sup> Street, Suite 3500  
Denver, CO 80202

James L. Baillie, Esq.  
Fredrikson & Byron, P.A.  
4000 Pillsbury Ctr  
200 So. 6<sup>th</sup> St.  
Minneapolis, MN 55402

  
M. Sue DeSigh

## RECEIVERSHIP REPORT

PLANTIFF: WELLS FARGO BANK MINNESOTA, N.A.,  
AS SUCCESSOR IN INTEREST TO NORWEST BANK MINNESOTA, N.A.,  
AS TRUSTEE FOR THE REGISTERED CERTIFICATE HOLDERS OF J.P. MORGAN  
COMMERCIAL MORTGAGE FINANCE CORP, MORTGAGE PASS-THROUGH  
CERTIFICATES, SERIES 2003-C9

DEFENDANT: SHELDAHL COLORADO, LLC, A MINNESOTA LIMITED  
LIABILITY COMPANY; SHELDAHL, INC., A MINNESOTA CORPORATION

DISTRICT COURT, BOULDER COUNTY, COLORADO  
CASE NUMBER: 030V1740  
DIVISION 1

PROPERTY: 1285 FORDHAM STREET, LONGMONT, COLORADO

PERIOD: DECEMBER 1, 2003 - JANUARY 31, 2004

### FINANCIAL

The Receiver has requested an additional \$78,500 for general operations and Receivership expenses for a four month period. This is based upon the current operations and anticipated operating expenses. This amount does not include any expenses associated with the removal and clean up of the property. That project is estimated to be between \$450,000-500,000.

The total expenses paid for this reporting period, two months was \$55,068.64. The major areas of expense were as follows:

Utilities-\$25,104. This covers a four month period for electric, gas, water and sewer.

HVAC-\$4,420. This is for the inspections and repairs to the heating and cooling systems.

Fire and Life Safety-\$5,117. This is the inspections, repairs and set-up of the fire and burglar systems.

Legal-\$4,222.

Receivership-\$8,741.

The remaining expenses are smaller and for the general operations.

Taxes -As of this date all property taxes have been paid and are current. The Receiver will be receiving the 2004 property tax bill at the end of this month. These taxes will be due either one-half by February 28 and one-half by June 30 or the entire amount by April 30. At this time the Receiver is recommending that the taxes not be paid and handle this amount at the end of the redemption period.

## OPERATIONS

Nothing unusual to report in the normal day-to-day operations of the property. The utility costs are very expensive due to the type of systems. Some of these systems will be shut down as the equipment removal process continues.

## BANKRUPTCY

Although this Receivership has been stayed out of the existing bankruptcy, the Receiver is working with a group of unsecured creditors on the removal and disposition of all of the equipment as it relates to the prior operation of the facility. The Receiver has been in contact with the legal counsel for this group on numerous occasions. The Receiver has given notice to all interested parties on four different occasions as it relates to the identification and removal of this equipment.

At this time the Receiver is moving forward with the dismantling and removal of all of the equipment. Most recently all interested parties have been contacted and informed that should they have an interest in some or all of the equipment they need to notify the Receiver and make arrangements to pick up the equipment after paying for the dismantling and crating charges.

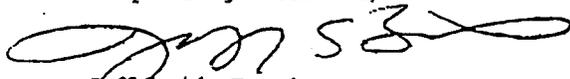
## EQUIPMENT REMOVAL

Per the previous report, the Receiver has obtained this Court's approval to move forward with the Receiver's contractor for the removal, crating and packaging of the abandoned equipment. These contracts have been executed and the process has already begun. Additionally, the Receiver has contracted for the services of an environmental engineering firm to oversee the removal and clean up process. The equipment should be removed within the next 60 days and the final clean up should be completed 30 days later.

An interested party has contacted the Receiver and for the cost associated with the removal of certain pieces of the equipment this party has agreed to pick up said equipment from the property once it has been properly dismantled, cleaned and crated. Should any other interested parties contact the Receiver regarding obtaining any of the equipment, the Receiver will recoup the removal costs of the remaining equipment.

Should any party to this Receivership have any questions please do not hesitate in contacting the Receiver at 303-312-4279.

Respectfully submitted,



Jeff Smith, Receiver

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

In re:

Bky Case No. 02-31674  
Chapter 11

Sheldahl, Inc.,

Debtor.

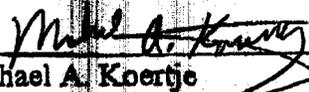
**AFFIDAVIT OF MICHAEL A. KOERTJE**

STATE OF COLORADO    )  
                                  )SS.  
COUNTY OF BOULDER    )

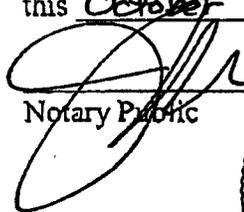
I, Michael A. Koertje, first duly sworn on oath, deposes and state as follows:

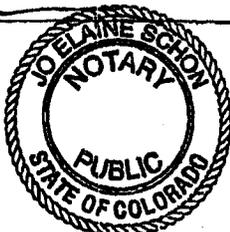
1. I am an Assistant County Attorney with the Boulder County Attorney's Office.
2. I am legally competent to testify and am personally familiar with the above-referenced bankruptcy case and the objections of the Steering Committee to the Boulder County Treasurer's Claim No. 668 and Claim No. 691.
3. In June of 2002, the Boulder County Treasurer's Office and the Boulder County Assessor's Office conducted an audit of Sheldahl's ("Debtor") personal property located on 1285 South Fordham Street, Longmont, Colorado ("Longmont Property").
4. As required by the Colorado Tax Statutes, the Debtor filed with the Boulder County Assessor's Office its 2002 declaration of personal property on the Longmont Property. A true and correct copy of the 2002 declaration is attached hereto as Exhibit "A".
5. The 2002 personal property taxes assessed to the Debtor was based on the 2002 declaration of personal property filed by the Debtor and the audits of the personal property conducted by the Boulder County Treasurer's Office and the Boulder County Assessor's Office. A true and correct copy of Personal Property Tax Notice sent to the Debtor is attached hereto as Exhibit "B".
6. Debtor has not filed an appeal of its 2002 personal property tax assessment. Nor has the Debtor requested an abatement of its 2002 personal property tax assessment pursuant to the Colorado Tax Statutes.

7. On April 22, 2004, the Boulder County Attorney's Office received a letter from James A. Rubenstein, offering certain collateral located at the Longmont Property in satisfaction of Treasurer's Claim No. 668. A true and correct copy of the letter, which is a business record, kept in the ordinary course of business of the Boulder County Attorney's Office, is attached hereto as Exhibit "C".
8. In a May 13, 2004 letter to James A. Rubenstein, the Boulder County Attorney's Office demanded return of funds in the amount of \$147,085.40 placed in escrow in August of 2002 as partial satisfaction of the 2002 personal property tax. A true and correct copy of the letter, which is a business record, kept in the ordinary course of business of the Boulder County Attorney's Office, is attached hereto as Exhibit "D".
9. On September 9, 2004, a representative of the Boulder County Treasurer's Office inspected the entire building located on the Longmont Property and found no personal property on the premises.
10. As of October 7, 2004, the outstanding amount of the 2002 personal property tax is \$162,345.40, plus interest accrued thereon since May 1, 2003.
11. Attached hereto are true and correct copies of the following Exhibits:
  - a. Letter dated August 1, 2002 from Robert R. Gunning, Assistant County Attorney, to Heather B. Thayer, attorney for Debtor, is a business record, kept in the ordinary course of business of the Boulder County Attorney's Office and is attached hereto as Exhibit "E".
  - b. Letter dated August 23, 2002, from Heather B. Thayer, attorney for Debtor, to Robert R. Gunning, Assistant County Attorney, is a business record, kept in the ordinary course of business of the Boulder County Attorney's Office and is attached hereto as Exhibit "F".

  
\_\_\_\_\_  
Michael A. Koertje  
Assistant Boulder County Attorney

Subscribed and sworn to before me  
this October 8, 2004

  
Notary Public



My Commission Expires 04/22/07

*Final 2002 listing record 6/11/02 - Big Gulch / Callaghan Tract*

06/19/2002 03:41P  
 Account # P0270405  
 Parcel: 0  
 Area ID: 0684  
 BA\_Code: 33760  
 Name: SHELDahl INC  
 Address: C/O TIM SHEPARD / OPERATIONS MANAGER  
 1285 S FORDHAM ST  
 LONGMONT, CO 80503-0000  
 Boulder County Personal Property Worksheet For Tax Year 2002  
 Page: 1

Line #	Description	Qty	Eff Yr	Abst	Ref	Life	Con	Ovr	Cost	Costfactor	Depreciation	Rollback	Assd Val				
000001	PEEL TESTER	0	1989	3410	01	3	A	N	1906	103%	= 1963.18	15%	= 294.48	100%	= 294.48	29%	= 85.4
000003	FACTORY LAYOUT	0	1994	3410	03	10	A	N	332890	110%	= 366179	36%	= 131824.4	99%	= 130506.2	29%	= 37846.8
000004	FURNISHINGS 10001	0	1994	3410	03	10	A	N	20446	110%	= 22490.6	36%	= 8096.62	99%	= 8015.65	29%	= 2324.54
000006	FORKLIFT 10015	0	1995	3410	01	10	A	N	10300	107%	= 11021	44%	= 4849.24	100%	= 4849.24	29%	= 1406.28
000008	FURNITURE	0	1995	3410	03	10	A	N	96572	107%	= 103332.0	44%	= 45466.1	99%	= 45011.44	29%	= 13053.32
000009	INSTRON 10022	0	1995	3410	01	3	A	N	62636	103%	= 64515.08	15%	= 9677.26	100%	= 9677.26	29%	= 2806.41
000010	OPS 10013	0	1995	3410	01	3	A	N	3000	103%	= 3090	15%	= 463.5	100%	= 463.5	29%	= 134.42
000012	FIN WINDOW INSP M	0	1995	3410	01	3	A	N	65662	103%	= 67631.86	15%	= 10144.78	100%	= 5072.39	29%	= 1470.99
000014	RR VACUUM LAM	0	1995	3410	01	3	A	N	516619	103%	= 532117.5	15%	= 79817.64	100%	= 39908.82	29%	= 11573.56
000015	YBM PCS 62096	0	1995	3410	13	3	A	N	13200	100%	= 13200	7%	= 924	100%	= 924	29%	= 267.96
000017	MATERIAL HANDLING	0	1995	3410	01	3	A	N	6439	103%	= 6625.99	15%	= 993.9	100%	= 993.9	29%	= 288.23
000018	AU PLAYER PH I	0	1997	3410	01	3	A	N	1900434	103%	= 1957447	15%	= 293617.05	100%	= 293617.05	29%	= 85148.94
000019	BRUSH MODULE ELECTRI	0	1997	3410	01	5	A	N	76377	104%	= 79432.0	19%	= 15092.1	100%	= 15092.1	29%	= 4376.71
000022	CLEAN ROOM 10051	0	1997	3410	01	3	A	N	194267	103%	= 200095.0	15%	= 30014.25	100%	= 30014.25	29%	= 8704.13
000023	COMPRESSOR 10102	0	1997	3410	01	3	A	N	207577	103%	= 213804.3	15%	= 32070.65	100%	= 32070.65	29%	= 9300.49
000024	DEVELOPER CONV 10	0	1997	3410	01	3	A	N	47256	103%	= 48673.6	15%	= 7301.05	100%	= 7301.05	29%	= 2117.3
000025	DEVELOPER 10039	0	1997	3410	01	3	A	N	5673	103%	= 5843.19	15%	= 876.48	100%	= 876.48	29%	= 254.18
000026	DRY FILM RESIST	0	1997	3410	01	3	A	N	142030	103%	= 146290.9	15%	= 21943.64	100%	= 21943.64	29%	= 6363.66
000027	DRY FLM RESIST LI	0	1997	3410	01	3	A	N	22852	103%	= 23537.56	15%	= 3530.63	100%	= 3530.63	29%	= 1023.88
000029	ETCHER 10041	0	1997	3410	01	3	A	N	215819	103%	= 222293.5	15%	= 33344.04	100%	= 33344.04	29%	= 9669.77
000031	FINAL BGA STRIP	0	1997	3410	01	3	A	N	163277	103%	= 168175.3	15%	= 25226.3	100%	= 25226.3	29%	= 7315.63
000032	FURN/PHONE PH II	0	1997	3410	03	10	A	N	36786	103%	= 37889.58	15%	= 5683.44	100%	= 5683.44	29%	= 1648.2
000033	FURNITURE 10068	0	1997	3410	03	10	A	N	2513	104%	= 2613.52	61%	= 1594.25	99%	= 1578.31	29%	= 457.71
000034	FURNITURE/PHONES	0	1997	3410	03	10	A	N	144363	104%	= 150137.5	61%	= 91583.89	99%	= 90668.05	29%	= 26293.73
000035	HUMIDITY TESTER	0	1997	3410	03	10	A	N	121247	104%	= 126096.8	61%	= 76919.1	99%	= 76149.91	29%	= 22083.47
000036	LAB/SUPPORT 10029	0	1997	3410	01	3	A	N	52687	103%	= 54267.61	15%	= 8140.14	100%	= 8140.14	29%	= 2360.64
000037	LAB/SUPPORT 10029	0	1997	3410	01	3	A	N	19487	103%	= 20071.61	15%	= 3010.74	100%	= 3010.74	29%	= 873.11
000039	MATERIAL HANDLING	0	1997	3410	01	3	A	N	776272	103%	= 799560.1	15%	= 119934.02	100%	= 119934.02	29%	= 34780.87
000040	METALIZER PH I	0	1997	3410	01	3	A	N	7162	103%	= 7376.86	15%	= 1106.53	100%	= 1106.53	29%	= 320.89
000041	METALIZER PH II	0	1997	3410	01	3	A	N	5509945	103%	= 5675243	15%	= 851286.5	100%	= 851286.5	29%	= 246873.0
000042	MEZZANINE 10103	0	1997	3410	01	3	A	N	8423	103%	= 8675.69	15%	= 1301.35	100%	= 1301.35	29%	= 377.39
000043	MICROPLATE REBUIL	0	1997	3410	01	3	A	N	17645	103%	= 181748.6	15%	= 27262.3	100%	= 27262.3	29%	= 7906.07
000044	MICROSCOPES 10067	0	1997	3410	01	3	A	N	6217	103%	= 6403.51	15%	= 960.53	100%	= 960.53	29%	= 278.55
000045	MILL LATHE EQUI	0	1997	3410	01	3	A	N	84506	103%	= 87041.18	15%	= 13056.18	100%	= 6528.09	29%	= 1893.15
									6648	103%	= 6847.44	15%	= 1027.12	100%	= 1027.12	29%	= 297.86



Account # P0270405  
 Parcel: 0  
 Area ID: 0684  
 BA\_Code: 33760

Name: SHELDahl INC  
 Address: C/O TIM SHEPARD/ OPERATIONS MANAGER  
 1285 S FORDHAM ST  
 LONGMONT, CO 80503-0000

Line #	Description	Qty	Eff Yr	Abst	Ref	Life	Con	Ovr	Cost	Costfactor	Depreciation	Rollback	Assd Val				
000046	MULTILATER PH I	0	1997	3410	01	3	A	N	2022822	103%	= 2083506.15%	= 312526	100%	= 312526	29%	= 90632.54	
000047	NC VIA GEN 10021	0	1997	3410	01	3	A	N	527912	103%	= 543749.15%	= 81562.4	100%	= 81562.4	29%	= 23653.1	
000048	NCVIA GEN PH I	0	1997	3410	01	3	A	N	796357	103%	= 820247.7	15%	= 123037.16	100%	= 123037.16	29%	= 35680.78
000049	NOVACLAD DRYER	0	1997	3410	01	3	A	N	371250	103%	= 382387.5	15%	= 57358.13	100%	= 57358.13	29%	= 16633.86
000050	PATTERN PLATER 13	0	1997	3410	01	3	A	N	240771	103%	= 247994.15%	= 37199.12	100%	= 37199.12	29%	= 10787.74	
000051	PATTERN PLATER 13	0	1997	3410	01	3	A	N	2452662	103%	= 2526241.15%	= 378936.2	100%	= 378936.2	29%	= 109891.52	
000052	PHOTO EXP PH 1	0	1997	3410	01	3	A	N	657580	103%	= 677307.4	15%	= 101596.11	100%	= 101596.11	29%	= 29462.87
000053	PILOT NI AU PLATE	0	1997	3410	01	3	A	N	22609	103%	= 23287.27	15%	= 3493.09	100%	= 3493.09	29%	= 1013
000054	PLASMA SYS 10027	0	1997	3410	01	3	A	N	98074	103%	= 101016.2	15%	= 15152.43	100%	= 15152.43	29%	= 4394.2
000055	R/R CONT WEB CLEA	0	1997	3410	01	3	A	N	16945	103%	= 17453.35	15%	= 2618	100%	= 2618	29%	= 759.22
000056	SHIPPING/REC ERGO	0	1997	3410	01	3	A	N	12301	103%	= 12670.03	15%	= 1900.5	100%	= 1900.5	29%	= 551.15
000061	SLITTER/REWINDER 1	0	1997	3410	01	3	A	N	89365	103%	= 92045.95	15%	= 13806.89	100%	= 13806.89	29%	= 4004
000062	STRIPPER PH 1	0	1997	3410	01	3	A	N	382104	103%	= 393567.1	15%	= 59035.07	100%	= 59035.07	29%	= 17120.17
000063	THERM ANAL EQUIP	0	1997	3410	01	5	A	N	7224	104%	= 7512.96	19%	= 1427.46	100%	= 1427.46	29%	= 413.96
000064	THERMAL SHOCK TES	0	1997	3410	01	3	A	N	80494	103%	= 82908.82	15%	= 12436.32	100%	= 12436.32	29%	= 3606.53
000066	VIA RELIABILITY	0	1997	3410	01	5	A	N	52644	104%	= 54749.7	19%	= 10402.45	100%	= 10402.45	29%	= 3016.71
000067	WASTE MGM PH II	0	1997	3410	01	10	A	N	208749	104%	= 217098.9	61%	= 132430.37	100%	= 132430.37	29%	= 38404.81
000068	WASTE TREATMENT	0	1997	3410	01	10	A	N	3009213	104%	= 3129581.61%	= 1909044.7	100%	= 1909044.7	29%	= 553622.9	
000069	WW PARTICLE COUNT	0	1997	3410	01	3	A	N	11196	103%	= 11531.88	15%	= 1729.78	100%	= 1729.78	29%	= 501.64
000070	WW SCRUBBER 10054	0	1997	3410	01	3	A	N	569136	103%	= 586210.0	15%	= 87931.51	100%	= 87931.51	29%	= 25500.14
000071	20" PLATER 10058	0	1997	3410	01	3	A	N	85742	103%	= 88314.26	15%	= 13247.14	100%	= 13247.14	29%	= 3841.67
000072	20" TEST CELL 100	0	1997	3410	01	3	A	N	29669	103%	= 30559.07	15%	= 4583.86	100%	= 4583.86	29%	= 1329.32
000073	BFE COMPRESSOR SP	0	1998	3410	01	3	A	N	15514	103%	= 15979.42	15%	= 2396.91	100%	= 2396.91	29%	= 695.1
000074	DEVELOPER IN LINE	0	1998	3410	01	3	A	N	21835	103%	= 22490.05	15%	= 3373.51	100%	= 3373.51	29%	= 978.32
000075	ETCHER CELL REPL	0	1998	3410	01	3	A	N	68085	103%	= 70127.55	15%	= 10519.13	100%	= 10519.13	29%	= 3050.55
000076	FILTRATION SYS	0	1998	3410	01	3	A	N	10642	103%	= 10961.26	15%	= 1644.19	100%	= 1644.19	29%	= 476.82
000077	FILE R/R EXPOSER	0	1998	3410	01	3	A	N	807033	103%	= 831243.9	15%	= 124686.6	100%	= 124686.6	29%	= 36159.11
000080	MATERIAL HANDLING	0	1998	3410	01	3	A	N	76647	103%	= 78946.4	15%	= 11841.96	100%	= 11841.96	29%	= 3434.17
000081	METALIZER POWER	0	1998	3410	01	3	A	N	12092	103%	= 12454.7	15%	= 1868.21	100%	= 1868.21	29%	= 541.78
000082	METALIZER SPUTTER	0	1998	3410	01	3	A	N	76875	103%	= 79181.25	15%	= 11877.19	100%	= 11877.19	29%	= 3444.39
000085	NC VIA GEN PH 2	0	1998	3410	01	3	A	N	59505	103%	= 61290.15	15%	= 9193.52	100%	= 9193.52	29%	= 2666.12
000087	PLASMA CLEAN R/R	0	1998	3410	01	3	A	N	117031	103%	= 120541.9	15%	= 18081.29	100%	= 18081.29	29%	= 5243.57
000088	PLOTTER CLEANRM	0	1998	3410	01	3	A	N	158873	103%	= 163639.1	15%	= 24545.88	100%	= 24545.88	29%	= 7118.31
000090	PRESSURE COOKER T	0	1998	3410	01	3	A	N	8438	103%	= 8691.14	15%	= 1303.67	100%	= 1303.67	29%	= 378.06
000091	SEED PLATER PH	0	1998	3410	01	3	A	N	159459	103%	= 164242.15%	= 24636.42	100%	= 24636.42	29%	= 7144.56	

Account # P0270405 Name: SHEILDahl INC  
 Parcel: 0 Address: C/O TIM SHEPARD / OPERATIONS MANAGER  
 Area ID: 0684 1285 S FORDHAM ST  
 BA\_Code: 33760 LONGMONT, CO 80503-0000

Line #	Description	Qty	Eff Yr	Abst	Ref	Life	Con	Ovr	Cost	Costfactor	Depreciation	Rollback	Assd Val				
000092	SOLDER BALL PROCE	0	1998	3410	01	3	A	N	14063	103%	= 14484.8	15%	= 2172.73	100%	= 2172.73	29%	= 630.09
000094	TOOL & DIE MAINT	0	1998	3410	01	3	A	N	46130	103%	= 47513.9	15%	= 7127.09	100%	= 7127.09	29%	= 2066.86
000095	WT DRYER UP 10122	0	1998	3410	01	3	A	N	21725	103%	= 22376.75	15%	= 3356.51	100%	= 3356.51	29%	= 973.39
000096	ALKALINE ETCH	0	1999	3410	01	3	A	N	580898	103%	= 598324.	17%	= 101715.24	100%	= 50857.62	29%	= 14748.71
000098	CH 13 BOAT VOLTAG	0	1999	3410	01	3	A	N	5025	103%	= 5175.75	17%	= 879.88	100%	= 879.88	29%	= 255.16
000099	METALIZER DEC/DAT	0	1999	3410	01	3	A	N	87076	103%	= 89688.28	17%	= 15247.01	100%	= 15247.01	29%	= 4421.63
000100	METALIZER POWER S	0	1999	3410	01	3	A	N	8318	103%	= 8567.54	17%	= 1456.48	100%	= 1456.48	29%	= 422.38
000101	REGISTRATION PUNC	0	1999	3410	01	3	A	N	728748	103%	= 750610.4	17%	= 127603.77	100%	= 127603.7	29%	= 37005.09
000102	WET ROOM DECKING	0	1999	3410	01	10	A	N	230662	103%	= 237581.8	77%	= 182938.03	100%	= 182938.0	29%	= 53052.03
000103	WIDE FORMAT SEED	0	1999	3410	01	3	A	N	3650184	103%	= 3759689.	17%	= 639147.2	100%	= 639147.2	29%	= 185352.6
000104	WIRE BONDER	0	1999	3410	01	5	A	N	115095	103%	= 118547.8	47%	= 55717.49	100%	= 55717.49	29%	= 16118.87
000105	HORIZONTAL PLATER	0	1999	3410	01	3	A	N	348129	103%	= 355466.2	17%	= 604292.6	100%	= 302146.3	29%	= 87622.44
000106	NC VIA GEN UPG	0	2000	3410	01	3	A	N	19678	101%	= 19874.78	39%	= 7751.16	100%	= 7751.16	29%	= 2247.84
000107	WIDE FOR SEED PL UPG	0	2000	3410	01	3	A	N	139398	101%	= 140791.9	39%	= 54908.87	100%	= 54908.87	29%	= 15923.57
000108	WIDE FOR SEED PL UPG	0	2000	3410	01	3	A	N	28688	101%	= 28974.88	39%	= 11300.2	100%	= 11300.2	29%	= 3277.06

TOTALS: Orig Cost: 35963984.00 RCN: 37103983.94 RCNLD: 7758819.91 BRCNLD: 7350751.8 ASSESSED: 2131718.

ACCOUNT # P0270405  
 PARCEL # 0  
 TAX DISTRICT 0684  
 duplicate

PERSONAL PROPERTY TAX NOTICE  
 2002 TAXES DUE IN 2003

BOB HULLINGHORST  
 Boulder County Treasurer  
 303-441-3520

TAX AUTHORITY	MIL LEVY	TEMP MIL CREDIT	GENERAL TAX	SALES TAX	ACTUAL	ASSESSED
COUNTY	23.745	3.658	42,819.81	PERS PROPERTY	7,350,752	2,131,720
SCHOOL RE-1J	41.025		87,453.81			
CITY OF LONGMONT	13.420		28,607.68			
NCWD	1.000		2,131.72			
ST VRAIN LEFT HAND WATER	0.245		522.23			
MTN VIEW FIRE BOND	0.380		810.44			
TOTAL		NET LEVY --> 76.157	162,345.44			

DECLARATION PENALTY 50.00  
 GRAND TOTAL 162,395.44

MESSAGES

THIS IS YOUR 2004 NOTICE OF VALUATION, IF THE VALUE CHANGES WE WILL NOTIFY YOU 5/04. SEE WWW.CO.Boulder.CO.US/ASSESSOR FOR DETAILS. CINDY DOMENICO, ASSESSOR

SB No.25...in absence of State Legislative Funding, your School General Fund mill levy would have been 81.643

LEGAL DESCRIPTION OF PROPERTY PRIOR YEAR TAXES DUE

PERSONAL PROPERTY ADDRESS: 001285 FORDHAM ST LONGMONT

BANKRUPTCY  
 DCLPEN

PAYMENT	DUE DATE	AMOUNT
FIRST HALF	FEB 28, 2003	81,197.70
SECOND HALF	JUN 15, 2003	81,197.70
FULL PAYMENT	APR 30, 2003	162,395.40

PROPERTY LOCATION: 001285 FORDHAM ST LONGMONT

SHELDAHL INC  
 C/O TIM SHEPARD/ OPERATIONS MANAGER  
 1285 S FORDHAM ST  
 LONGMONT, CO 80503

SEE IMPORTANT INFORMATION ON BACK FOR:

- Note 3: Tax payments by mortgage companies
- Note 4: If you sold or refinanced your property
- Note 7: Delinquent tax interest, late fees, bad check fees
- Note 8: If you have taxes due from prior years
- Note 10: For information on using credit cards to pay taxes
- Note 12: Special information for senior citizens

RETAIN TOP PORTION FOR YOUR RECORDS

2002 TAXES DUE IN 2003

TO OBTAIN A RECEIPT, CHECK HERE

IS YOUR ADDRESS CORRECT?  
 Check this box for change of address and complete back of form

RETURN THIS COUPON FOR SECOND HALF PAYMENTS DUE BY JUNE 15.

2nd Half Coupon

2

Make Checks Payable to: Boulder County Treasurer  
 POST DATED CHECKS ARE NOT ACCEPTED

THE TREASURER'S OFFICE IS REQUIRED BY LAW TO SEND THE TAX NOTICE TO THE OWNER OF RECORD. IF YOUR TAXES ARE PAID BY A MORTGAGE COMPANY, KEEP THIS NOTICE FOR YOUR RECORDS.

MAIL TO:  
 Bob Hullinghorst, Treasurer  
 P.O. Box 1000  
 Boulder, CO 80306

ACCOUNT NUMBER

P0270405

SHELDAHL INC  
 C/O TIM SHEPARD/ OPERATIONS MANAGER  
 1285 S FORDHAM ST  
 LONGMONT, CO 80503

SECOND HALF DUE BY JUNE 15, 2004

81,197.70

800 270405 8119770

2002 TAXES DUE IN 2003

TO OBTAIN A RECEIPT, CHECK HERE

IS YOUR ADDRESS CORRECT?  
 Check this box for change of address and complete back of form

RETURN THIS COUPON WITH FIRST HALF OR FULL PAYMENT

1st Half or Full Payment Coupon

1

Make Checks Payable to: Boulder County Treasurer  
 POST DATED CHECKS ARE NOT ACCEPTED

THE TREASURER'S OFFICE IS REQUIRED BY LAW TO SEND THE TAX NOTICE TO THE OWNER OF RECORD. IF YOUR TAXES ARE PAID BY A MORTGAGE COMPANY, KEEP THIS NOTICE FOR YOUR RECORDS.

MAIL TO:  
 Bob Hullinghorst, Treasurer  
 P.O. Box 1000  
 Boulder, CO 80306

ACCOUNT NUMBER

P0270405

SHELDAHL INC  
 C/O TIM SHEPARD/ OPERATIONS MANAGER  
 1285 S FORDHAM ST  
 LONGMONT, CO 80503

FIRST HALF DUE BY FEB. 28, 2004

81,197.70

FULL AMOUNT DUE BY APRIL 30, 2004

162,395.40

800 270405 16239540 8119770

# MOSS & BARNETT

A Professional Association

4800 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-4129  
Telephone 612.347.0300  
Facsimile 612.339.6686  
www.moss-barnett.com

**JAMES A. RUBENSTEIN**  
612.347.0363  
Rubenstein@moss-barnett.com

April 22, 2004

Office of the Boulder County Attorney  
Post Office Box 471  
Boulder, CO 80306

Re: Secured Claim for Personal Property Taxes  
Sheldahl, Inc. Bankruptcy  
Our File No. 43710.5

To Whom it May Concern:

This letter is sent on behalf of the Steering Committee for Sheldahl, Inc.

I have dealt with Robert Gunning on this matter in the past. I understand he is no longer with the County Attorney's Office.

The Voluntary Petition commencing this case was filed on April 30, 2002. The Debtor's and Committee's Joint Plan of Liquidation dated May 8, 2003, as modified July 9, 2003 (the "Plan") was confirmed by an Order of the Bankruptcy Court dated February 6, 2004. A copy of the Plan is enclosed for your reference.

Under the Plan, the Steering Committee was appointed as a representative of the estate with the duty, among other things, to object to claims against the estate. We have now had an opportunity to review in detail the secured claim of Boulder County for unpaid personal property taxes for 2002. Your claim represents Proof of Claim No. 668 in the amount of \$168,891.22.

Note that Article 4.1 of the Plan governs the treatment of secured claims. Pursuant to the Plan, secured claims shall be satisfied, settled and discharged in full either by cash or return of collateral up to a value of the Allowed Amount of the Secured Claims.

As I understand it, the Boulder County Treasurer claims a secured lien on the personal property upon which the tax is imposed. Our records show that some of that property is still on the premises located at 1285 South Fordham Street, Longmont, Colorado 80503, and a list of that property is enclosed with this letter. Additional detail is available on some of this equipment, which we could furnish to you on request.

RECEIVED  
APR 26 2004  
BOULDER COUNTY ATTORNEY

THOMAS A. KELLER III  
JAMES E. O'BRIEN  
EDWARD L. WINER  
WILLIAM A. HAUG

CHARLES A. PARSONS, JR.  
RICHARD J. JOHNSON  
ROBERT J. LUKES  
JAMES A. RUBENSTEIN

THOMAS R. SHERAN  
EDWARD J. BLOMME  
JEFFREY L. WATSON  
THOMAS J. SHROYER  
DAVID P. JENDRZEJEK

CURTIS D. SMITH  
DAVE F. SENER  
MITCHELL H. COX  
MICHAEL J. BRADLEY

PETER A. KOLLER  
RICHARD J. KELBER  
KEVIN M. BUSCH  
SUSAN C. RHODE  
THOMAS A. JUDD

DEANNE M. GRECO  
CASS S. WEIL  
GLEN E. SCHUMANN

JANNA R. SEVERANCE  
M. CECILIA RAY  
NANCY M. KISKIS

BARRY LAZARUS  
RONALD A. EISENBERG  
PAUL B. ZISLA

BRIAN T. GROGAN  
J. MICHAEL COLLOTON  
ERIC J. OLSEN

JOSEPH G. MATERNOWSKI  
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JAYMES D. LITTLEJOHN

MICHAEL R. NIXT  
JAMES F. BALDWIN  
DAVID S. JOHNSON

PHILIP J. YOUNG  
ARTHUR W. DICKINSON  
BEN M. HENSCHEL

DAN LIPSCHULTZ  
JOHN K. ROSSMAN  
MARK B. PETERSON

MARCY R. FROST  
MATHEW M. MEYER  
GREGORY J. WILEY

TIMOTHY L. GUSTIN  
YURI B. BERNDT  
JERRIE M. HAYES

KELLI A. ENDERS  
ELIZABETH H. KIERNAT  
MELISSA A. BAER

JAMES J. VEDDER  
MICHAEL S. PONCIN  
JANA AUNE DEACH

CINDY J. ACKERMAN  
ANTHONY A. DORLAND  
LORIE A. KLEIN

TERESE A. WEST  
ANDREA R. SCOTT  
EFFREY L. BODENSTEINER

LISA A. HASTER

OF COUNSEL  
THOMAS E. HARMS  
ARTHUR J. GLASSMAN

The value of certain of the items listed, especially the Lauffer Multi-Layer Vacuum Laminating Press (309), the Mass VIA Generator (326), the Micro-Plate Systems Copper Seed Palter (367) and the Vertical Etcher (382), may individually or collectively exceed the amount of your claim.

While reserving our rights to object to Claim No. 668 on any other grounds, we are willing to discuss satisfying the secured claim in the manner set forth in the Plan on behalf of the estate. To do so, we can tender to you one or more pieces of the equipment with a value equal to your secured claim.

Unfortunately, I am unable to match up the equipment on the enclosed list with the list of equipment upon which Sheldahl's 2002 tax assessment appears to have been based. Perhaps the information we have provided will allow you to do that so that we can better discuss the relative value of each item of equipment.

I look forward to hearing from you.

Very truly yours,



James A. Rubenstein

JAR/mam  
Enclosures  
672670v1



# Office of the County Attorney

Post Office Box 471 • Boulder, Colorado 80306  
Phone: (303) 441-3190 • Fax: (303) 441-4794 • E-Mail: ca@co.boulder.co.us

May 13, 2004

James A. Rubenstein  
Moss & Barnett  
4800 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-4129

Re: Claim for Personal Property Taxes  
Sheldahl, Inc. Bankruptcy  
Your file No. 43710.5

Dear Mr. Rubenstein:

Thank you for your April 22, 2004, letter related to the Steering Committee's willingness to discuss settling Boulder County's Claim No. 688. Boulder County is, of course, interested in settling its claim. However, Boulder County will not accept title to equipment in satisfaction of its claim. Although Boulder County has numerous concerns with such a proposal, its chief concern is that the proposal is contrary to an agreement that Boulder County previously reached with Debtor's counsel and the Committee concerning payment of the 2002 taxes.

As you may recall, the Debtor filed a Motion on May 29, 2002, for an Order authorizing the sale of assets free and clear of liens, claims, and encumbrances ("Motion"), which covered a large portion of the Debtor's personal property located in Longmont, Colorado. The Boulder County Treasurer agreed not to object to the Motion provided that, among other conditions, "an amount equal to the estimated 2002 personal property taxes on the subject property is placed in an escrow account, to which the Treasurer's statutory lien will attach." I have attached a copy of Mr. Gunning's August 1, 2002, letter confirming this agreement. On August 23, 2002, Debtor's counsel, Heather B. Thayer, confirmed the agreement and indicated that \$147,085.40 would be set aside for the 2002 property taxes. I have attached a copy of that letter as well. Furthermore, in an e-mail dated December 2, 2003, from Faye Knowles to Mr. Gunning, Sheldahl and the Committee confirmed that \$147,085.40 had been placed in an escrow account pending the amount of the claim. It appears that you were copied on these e-mails. I have included copies of those e-mails as well.

As shown by the attached tax statement, the current balance due is \$183,506.80. Based on the prior agreement, Boulder County demands that the first \$147,085 of its claim be paid from the escrow account created specifically for the purpose of payment of the 2002 taxes. The remainder of the claim to be paid out of other cash funds.

Very truly yours,

  
David Hughes  
Deputy County Attorney

/Attachments

Paul Danish  
County Commissioner

Ronald K. Stewart  
County Commissioner

Tom Mayer  
County Commissioner





# Office of the County Attorney

Post Office Box 471 • Boulder, Colorado 80306  
Phone: (303) 441-3190 • Fax: (303) 441-4794 • E-Mail: [ca@co.boulder.co.us](mailto:ca@co.boulder.co.us)

August 1, 2002

Heather Thayer, Esq.  
Fredrikson & Byron, P.A.  
4000 Pillsbury Center  
200 S. 6th Street  
Minneapolis, MN 55402

Re: Delinquent personal property taxes for Sheldahl, Inc. (Account # P270405)  
U.S. Bankruptcy Court (D. Minn.), Case No. 02-31674

Dear Heather:

This letter is to confirm our agreement regarding the payment of a portion of the personal property taxes on the above-referenced account. If my interpretation of our agreement is inconsistent with your understanding of the agreement, please let me know immediately.

On or about May 29, 2002, the Debtor filed a Motion for an Order authorizing the sale of assets free and clear of liens, claims, and encumbrances ("Motion"). It is my understanding that the Motion covers about 50 - 60% of the Debtor's personal property ("subject property") located in Longmont, Colorado, and that a hearing regarding the Motion has been rescheduled for August 15, 2002. To date, neither you nor I have received the list of the subject property from Northfield Acquisition, a prospective bidder.

The Boulder County Treasurer ("Treasurer") will not object to the Motion provided that (1) the delinquent 2000 and 2001 personal property taxes on the subject property are paid in full at the closing of the sale, and (2) an amount equal to the estimated 2002 personal property taxes on the subject property is placed in an escrow account, to which the Treasurer's statutory lien will attach. In order for the Treasurer to determine the appropriate amount of taxes to collect, the Treasurer will require a detailed listing of the subject property. This listing must be sent promptly, because the Treasurer will have to determine the actual value placed on the subject property in order to make the appropriate pro-ration. It is my understanding that the balance of the Debtor's personal property located in Longmont is not subject to the Motion, and that a separate sale motion will be filed in the future regarding this equipment.

Thank you for your time and cooperation in this matter. If you have any questions or concerns regarding this letter agreement, please let me know immediately.

Jana L. Mendez  
County Commissioner

Ronald K. Stewart  
County Commissioner

Paul Danish  
County Commissioner

Very truly yours,

*Robert R. Gunning*  
Robert R. Gunning  
Assistant County Attorney

cc: Boulder County Treasurer's Office

RECEIVED  
AUG 27 2002

BOULDER COUNTY ATTORNEY

**Fredrikson**  
& BYRON

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August 23, 2002

Robert R. Gunning  
Assistant County Attorney  
Office of the Boulder County Attorney  
P.O. Box 471  
Boulder, Colorado 80306

Re: Sheldahl, Inc. - Bankruptcy Case No. 02-31674  
Boulder County Account No. P270405

Dear Rob:

This is to confirm our conversation and understanding regarding payment of the Boulder County personal property taxes upon the sale of substantially all of the assets of Sheldahl, Inc. We currently anticipate that that sale will occur on or about August 30, 2002. As we had previously discussed, the Debtor will pay the personal property taxes assessed in 2000 and 2001 along with penalties and interest on those amounts. The Debtor will set aside \$147,085.40 for the 2002 property taxes.

It is the Debtor's intention to bring an action objecting to the amount of the personal property taxes based on the value of the equipment. I understand from you that payment of the 2000 and 2001 taxes does not in itself affect our right to object to those taxes. I anticipate that the funds for payment of the 2002 taxes will be set aside until any abatement petition is resolved and the 2002 mill levy is determined.

It has been a pleasure working with you on this matter. If you have any questions, please do not hesitate to contact me.

Very truly yours,



Heather B. Thayer

HBT:lea  
cc: Jim Geiser  
#269156211-4398S.0888

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200 South Sixth Street  
Minneapolis, Minnesota  
55402-1425

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

In re:

Chapter 11

Sheldahl, Inc.

Case No. 02-31674

**CERTIFICATE OF SERVICE**

Ellen Cha, an agent of Stewart, Zliven & Jungers, attorney(s) licensed to practice law in this court, with office address of 430 Oak Grove Street, Ste. 200, Minneapolis, Minnesota 55403, declares that on the date set forth below, I served the annexed **Response of the Boulder County Treasurer to the Second Omnibus Objection to Claims and Affidavit of Michael A. Koertje** upon each of the entities named below by mailing to each of them a copy thereof by enclosing same in an envelope with first class mail postage prepaid and depositing same in the post office at Minneapolis, Minnesota addressed to each of them as follows:

Sheldahl, Inc. Steering Committee  
c/o James Rubenstein, Esq.  
Moss & Barnett, P.A.  
4800 Wells Fargo Center  
90 South 7th Street  
Minneapolis, MN 55402-4129

Unsecured Creditors Committee  
Alan D. Halperin and Robert  
Raicht  
Halperin Battaglia Raicht  
555 Madison Avenue, 9th Floor  
New York NY 10022

United States Trustee  
Sarah Wencil, Esq.  
1015 US Courthouse  
300 South Fourth Street  
Minneapolis, MN 55415

Sheldahl, Inc.  
c/o James L. Baillie, Esq.  
900 2nd Avenue South, Room  
1100  
Minneapolis, MN 55402

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

Date: October 8, 2004

Signed: /e/ Ellen Cha