

Exhibit 2

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 07-CV-00347-RPM-MEH

EDWARD J. KLEN,
STEPHEN J. KLEN,
MARJORIE E. KLEN
DIVERSE CONSTRUCTION, INC. (A Colorado Corporation), and
HOLSTEIN SELF-SERVICE STORAGE, LLC (Organized under Colorado Law)

Plaintiffs,

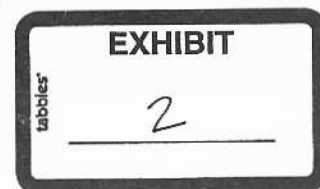
v.

CITY OF LOVELAND, COLORADO (A Colorado Municipal Corporation),
THOMAS HAWKINSON, CITY OF LOVELAND BUILDING OFFICIAL, in his
individual and official capacities,
GREG GEORGE, CITY OF LOVELAND COMMUNITY SERVICES DIRECTOR, in
his individual and official capacities,
DONALD WILLIAMS, CITY OF LOVELAND MANAGER, in his official capacity,
RICHARD HOSKINSON, CITY OF LOVELAND BUILDING INSPECTOR, in his
individual and official capacities,
JOHN R. DUVAL, CITY OF LOVELAND ATTORNEY, in his individual and official
capacities,
KRISTINE BURNS, CITY OF LOVELAND BUILDING PERMIT COORDINATOR, in
her individual and official capacities,
DAVID SPRAGUE, CITY OF LOVELAND PLANS REVIEWER, in his individual and
official capacities,
JEFF McKEE, CITY OF LOVELAND PLANNING TECHNICIAN, in his official
capacity,
CINDY WORAYETH, CITY OF LOVELAND EMPLOYEE, in her individual and
official capacities,
JOHN DOE, and/or JANE DOE, in their individual and official capacities.

Defendants.

AFFIDAVIT OF JAMES COOK

James Cook, the affiant, after being duly sworn states that the following is true and accurate to the best of his knowledge:



1. My name is James Cook. I am over the age of eighteen, a resident of the county of Weld, state of Colorado. I am a citizen of the United States of America.
2. I have personal knowledge of and am competent to testify concerning the matters addressed in this affidavit.
3. I worked for the City of Loveland from September 2000 to March of 2004. My position with the City of Loveland before I left was Senior Inspector. From March of 2004 to the present, I have been employed as a Building Inspector for the State of Colorado.
4. While I was working as a Building Inspector and Senior Building Inspector for the City of Loveland, I met Ed and Steve Klen, in my professional capacity, on some of their job sites. I found the Klens to be average in reasonability, professionalism and compliancy when compared with other builder/contractors I dealt with on the job.
5. I did not authorize the issuance of Stop Work Orders in my official capacity. The practice in Loveland was that such orders were authorized by the Building Official, Tom Hawkinson or by other City staff overseen by the City Manager, Don Williams. I served those Stop Work Orders that were assigned to me. If I observed a builder working without a permit, I did not immediately pursue a Stop Work Order because doing so might violate a verbal agreement the builder had with superiors under which the builder was permitted to work without a permit.
6. In regard to the Stop Work Orders that I was personally involved with, it was my experience that once they were issued to the builders, they were in some cases rescinded by the City of Loveland relatively quickly, either by Hawkinson, Williams or some other City employee. In some cases, Stop Work Orders were rescinded within minutes after a telephone call by the contractor or builder to the City. In many cases, they were rescinded without any change in the circumstances under which they issued. In at least one case, a Stop Work Order was issued to a builder at Tri City Cycles, who did not seek to have the order rescinded, yet the City, aware of this fact, permitted the builder to continue to work. I know that Mr. Hawkinson was aware of this because I reported it to him.
7. In the City of Loveland, during the period of my employment, builders frequently went forward with work on the building site without a permit. This occurred often enough that when I observed it, I did not begin to pursue a Stop Work Order until I first called the City to check if there was a verbal agreement permitting the builder to work without a permit. It was part of the practice and policy of Loveland that verbal agreements were made between builders and superiors to permit building to proceed before a permit was issued.

8. I am not aware of any Stop Work Orders that resulted in the builder receiving a citation, ticket, or summons to court. I am not aware of any Stop Work Order resulting in multiple citations or tickets.

9. Footing and Foundation permits are granted quickly. I have never heard of it taking ten months to issue a footing and foundation permit. It was standard practice to have one issued within a month, maybe two months, but I am not sure I have even seen it take as long as two months to issue a footing and foundation permit.

10. Based on City of Loveland Code, unless there is an open permit, or prior notice and permission, a building inspector has no right to be on, or trespass on, the builder's property. When I had authority to go onto a builder's property, I always did so during normal working hours.

11. The practice in the City of Loveland was to not issue a Tenant Finish permit until the Core and Shell permit was finished and closed. This is based on safety concerns. In my experience, Tenant Finish Permits are not issued before the Core and Shell permit is finished and closed.

12. The City of Loveland did, with some frequency, lose builders' plans, temporarily or permanently.

13. The permissive approach to building without permits was part of City of Loveland's policies regarding city management. The speed and ease with which a builder's project and plans progressed through the permitting process at the City of Loveland often depended on whether the builder was part of an insider group which included members of the Construction Advisory Board, and the City Council. Builders who were members of this group tended to be given preference, better treatment, and have their problems and concerns resolved more quickly.

Further the Affiant Sayeth Not.

VERIFICATION

STATE OF COLORADO)
)
COUNTY OF Weld) ss.


I, James Cook, having first been duly sworn, hereby state that all facts contained in the forgoing affidavit are true and correct to the best of my knowledge, information and belief.

James Cook
James Cook

Subscribed and sworn to before me this 7th day of March, 2008, by James Cook.

Witness my hand and official seal.

Darin Lanckriet
Notary Public

A circular notary seal for Darin Lanckriet, Notary Public, State of Colorado. The seal features a rope-like border and contains the text "DARIN LANCKRIET", "NOTARY PUBLIC", and "STATE OF COLORADO".

4/5/2011
My Commission Expires