

EXHIBIT 3
ANNEXATION AGREEMENT
TO THE CITY OF CAÑON CITY, COLORADO

The undersigned owner (hereinafter referred to as "OWNER") of the property, more particularly described on Attachment "A," attached hereto has filed an application with Fremont County under the terms of the INTERGOVERNMENTAL AGREEMENT FOR THE CAÑON CITY URBAN GROWTH BOUNDARY AREA between Fremont and the City of Cañon City (hereinafter referred to as "CITY"). It is expressly understood and agreed by the undersigned OWNER that, if granted, the development approval shall be in consideration of and upon the following terms and conditions to-wit:

1. If the property shall ever be included within the boundaries of a territory which is sought to be annexed to the CITY itself, than and in that event, the undersigned OWNER specifically agrees to consent to and join in the annexation of such territory by the CITY; and that the undersigned OWNER will comply with all of the legal requirements and conditions pertaining to the annexation of territory to the CITY. It is understood by the undersigned OWNER that the primary consideration for granting of development approval according to the terms of the INTERGOVERNMENTAL AGREEMENT FOR THE CAÑON CITY URBAN GROWTH BOUNDARY AREA is the undersigned OWNER'S covenant and the promise to consent to the annexation of said territory to the CITY, comply with all requirements and conditions as aforesaid and sign all petitions and maps pertaining thereto. Furthermore, the undersigned does hereby empower and irrevocably authorize and appoint the City Clerk of Cañon City, Colorado, as lawful attorney-in-fact, on behalf of the undersigned, to sign any such annexation petitions and maps thereby binding the undersigned, to all of the terms and provisions of said petitions and maps for all intents and purposes as if the undersigned had signed said petitions and maps. This power of attorney shall not be affected by the disability of the principal. This appointment shall not preclude the City from undertaking any other available action, which may be necessary to enforce the provisions of this Agreement. Notwithstanding the limitation set forth in Section 31-12-107(8) C.R.S. 1973, OWNER hereby waives the five (5) year limitation of such power of attorney as contained therein and agrees that this power of attorney shall be valid for a term of twenty (20) years from the date of this Agreement, unless a court of competent jurisdiction determines that the provision of Section 31-12-107(8) C.R.S. 1973 cannot be waived or modified by the OWNER, in which event this power of attorney shall be valid for a term of five (5) years from the date of this Agreement.
2. That all terms and conditions herein set forth shall extend to and be binding upon the heirs, assigns or successors in interest of the undersigned OWNER and considered as a covenant, running with the land described in Attachment "A." Further, it is agreed that, in accepting title to the property described in Attachment "A," or in part thereof, any grantee, heir, assignee or successor in interest to the undersigned OWNER expressly agrees to be bound by the terms hereof, including, but not limited to, the appointment of the city Clerk as attorney-in-fact for the purposes set forth in Paragraph 1 above.

