

When recorded, return to:
City Clerk
City of Douglas
425 E. 10th Street
Douglas, AZ 85607

**CITY OF DOUGLAS
AGREEMENT TO EXTEND UTILITY SERVICE
OUTSIDE CITY LIMITS**

THIS AGREEMENT ("Agreement") is made this ____ day of _____, 2025, by and between the City of Douglas ("City") and _____ ("Owner") to extend certain utility services to real property located at _____.

RECITALS

A. City is an Arizona municipal corporation located in Cochise County, Arizona, charged with the responsibility for preserving the peace, health and safety of its citizens and authorized to provide the following utility services where adequate service is not available: water service and sewer service.

B. Owner owns fees title to that certain real property whose general location or address is stated above and which is legally described in Exhibit A, attached hereto and incorporated herein by this reference ("Property"). The Property is situated beyond City's territorial limits, but is within the limits of City's service area for the utility service to be provided pursuant to this Agreement.

C. Owner has made a request of City for an extension of the following utility services to the Property (check services to be provided):

☐ Water

☐ Sewer

AGREEMENT

NOW THEREFORE, in consideration of the Recitals and mutual obligations contained herein, City and Owner hereby covenant and agree as follows:

1. Provision of Utility Services: City shall provide to the Property those utility services checked off above, subject to all of the terms and conditions stated herein.

2. Improvements & Dedications: Owner shall be responsible for the installation of the improvements deemed necessary by City for delivery of the utility services to the Property (the “offsite improvements”). Owner shall be responsible for dedicating or causing to be dedicated to City all rights-of-way in fee and/or easements deemed necessary by City for delivery of the utility serves.

2.1. As used in this Agreement, “installation” includes all designing, planning, engineering, constructing, inspecting and testing activities related to the improvements or facilities for which installation is required.

2.2. The offsite improvements shall be designed and improvement plans prepared by a professional engineer.

2.3. The offsite improvements shall be installed in accordance with City standards in effect at the time building permits for the offsite improvements are obtained from City.

2.4. Dedications of rights-of-way and/or easements are not effective until formally accepted by City. Prior to any dedication being accepted, Owner shall provide to City a current preliminary title report and an environmental site assessment report. Both must be in form and substance acceptable to City. **A legible copy of the vesting deed and all underlying documents for all exceptions of record shall accompany the title report.** All costs for the dedication, including but not limited to the aforementioned reports, shall be Owner’s obligation.

2.5. Installation of the offsite improvements shall be deemed completed when accepted by the City Engineer, and, when so accepted, all lines, pipes, mains and other appurtenances that are part of the offsite improvements and which are situated in rights-of-way or easements dedicated to or otherwise owned by City (the “facilities”) shall be deemed to be owned by City. Thereafter, City shall have exclusive control, supervision and management of the facilities and shall be responsible for the maintenance of the facilities.

2.6. Dedication of required rights-of-way and/or easements, the design of the offsite improvements and the preparation of the improvement plans are **not** subject to deferral. However, the City, in the City's sole discretion, may defer the construction and other installation activities for some or all of the offsite improvements, but only upon Owner executed an offsite deferral agreement and posting adequate assurance for completion of the work.

2.7. In lieu of Owner doing the actual installation of the offsite improvements, Owner may request City to do so. If City elects to do so, then, in such event, Owner shall pay the full costs incurred by City for the installation, including without limitation any inspection and testing of the facilities. Owner shall make payment of City’s estimated cost for doing the installation of the offsite improvements at the time a building permit is issued for construction of the offsite improvements. Owner shall make final payment of the full cost incurred by City for the

installation of offsite improvements prior to delivery of the utility services by City. If the estimated cost exceeds the actual cost incurred, City shall give a credit to Owner against the monthly service charges billed to the Owner for the utility services.

2.8 The required offsite improvements are as follows (list all):

1.	_____
2.	_____
3.	_____

3. Charges, Fees & Assessments Payable At Permitting. In addition to the estimated costs to be paid pursuant to Subsection 2.7 above, Owner shall pay all of the following fees, charges and assessments at the time a building permit is issued for construction of the offsite improvements:

3.1 Fees and charges directly related to the installation of the improvement, the facilities and/or the establishment of the utility services. They include, but are not limited to, charges for turnouts, meters, service lines, and buy-ins.

3.2. An “out-of-city” assessment for the purpose of reducing the burden put on City in extending the utility services to new properties outside City’s territorial limits. This assessment shall be applied toward the capital costs incurred in extending the utility services to properties outside the City’s territorial limits. This assessment is intended solely as a contractual obligation of the Owner for the utility services provide by City pursuant to this Agreement. The amount of the assessment is intended to be equal to the amount of the development fees related to the utility services provided herein that would normally be charged by City for new development within the City’s territorial limits. For this Agreement, the amount of the assessment is _____.

4. Charges & Fees Payable With Utility Services. In addition to the final costs to be paid pursuant to Subsection 2.7 above, Owner shall pay services charges and fees, usually paid on a monthly basis, pursuant to rates established by City from time to time.

5. No Diversion of Services. Owner acknowledges and agrees that the utility services provided by City under this Agreement are solely intended to serve the Property and no other real property. Owner shall not and is expressly prohibited from diverting, conveying, transferring or otherwise allowing any of the utility services, or any part of any of the utility services, to serve any other real property. In the event the Property is split, divided or subdivided into separate parcels, utility services will continue to be provided under this Agreement only for the benefit of the parcel of real property on which is situated the principal or mail building that existed on the Property prior to such split, division or subdivision.

6. Compliance with City Requirements. Owner shall comply with all applicable provisions of the Code concerning delivery of utility services outside city limits and concerning City utility services generally. Without limiting the previous general requirements of compliance

stated in this Section 6, Owner shall cause the Property to meet the same development standards required by City of properties within the limits of the City to the maximum extent reasonably possible as determined by the City.

7. Consent to Future Annexation. At the present time it may be impractical or not feasible for City to annex the Property. Therefore, Owner hereby consents to join in, and be signer of, any future annexation petition that encompasses the Property.

8. Discontinuance of Utility Services: A utility service provided to the Property under this Agreement may be discontinued in accordance with the procedures and for the reasons stated in Sections of the Douglas City Code, as applicable to the utility service provided.

9. Statement of Public Policy: This Agreement shall not be construed as limiting the right of Owner, or any successor in interest of Owner to all or any portion of the Property, to appear and testify in support of or in opposition to zoning changes, building permits, or any other official act affecting the Property before a governmental body or officials considering such matters, including, but not limited to, the ability to file such protests and objections as may be permitted by law considering the formation of an improvement district, the extent of the district or any assessment or contract related thereto.

10. Entire Agreement: This Agreement contains the entire agreement between the parties and no statement, promise or inducement made by either party, or agent of either party, this is not contained in this written contract shall be valid or binding, and this Agreement may not be enlarged, modified, or altered, except in writing, signed by the parties and endorsed hereon.

11. Binding Effect: This Agreement shall be recorded, shall run with the land, and inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representative, successors and assigns.

12. Interpretation: This Agreement shall be construed in accordance with the laws of the State of Arizona. Any action at law or in equity brought by either party for the purpose of enforcing a right or rights provided for in this Agreement, shall be tried in a court of competent jurisdiction in Cochise County, State of Arizona. If any part, term or provision of this Agreement shall be held illegal, unenforceable or in conflict with any law, the validity of the remaining portions and provisions hereof shall not be affected.

13. Enforcement: Either party may enforce this Agreement in a court of law or equity, and the prevailing party shall be entitled to recover the reasonable costs and expenses, including reasonable attorney fees, that the party incurs.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement the date and year first above written.

OWNER(S):

STATE OF ARIZONA)
) ss.
County of Cochise)

On this ____ day of _____, 20__, before me, the undersigned Notary Public, personally appeared _____, known to me or proven to me to be the person(s) whose name(s) is/are subscribed within the instrument and acknowledged that he/she/they executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:

[If the Property is owned by a legal entity] OWNER: _____

By: _____

Its: _____

STATE OF ARIZONA)
) ss.
County of Cochise)

On this ____ day of _____, 20__, before me, the undersigned Notary Public, personally appeared _____, known to me or proven to me to be the person(s) whose name(s) is/are subscribed within the instrument and acknowledged that he/she/they executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

My Commission Expires:

Notary Public

CITY OF DOUGLAS,
an Arizona municipal corporation

By: _____
Ana Urquijo
City Manager

Attest:

City Clerk

Approved as to form:

City Attorney

EXHIBIT "A"