

ROBERTSON FIRE PROTECTION DISTRICT - CITY OF HAZELWOOD

FIRE SERVICE AGREEMENT

WHEREAS, pursuant to an election held on June 7, 1994, voters living in a portion of Robertson Fire Protection District commonly called the Northwest Area approved the annexation by the City of Hazelwood of that area;

WHEREAS, Robertson initiated a civil action in Circuit Court of St. Louis County, MO, Cause No. 665090, seeking to set aside this annexation election, *inter alia*, because no contemporaneous election was held allowing the voters to select whether Robertson would continue to provide fire, emergency and ambulance service in the portion of Robertson Hazelwood sought to annex;

WHEREAS, Cause No. 665090 was consolidated with other causes challenging the June 7, 1994, annexation election and was further litigated under the docket number 664631;

WHEREAS, the City of Hazelwood instituted a Sawyer Act declaratory judgment action under Section 71.015.1(5) RSMo, which cause was docketed as Cause No. 667811;

WHEREAS, the Circuit Court in Cause No. 667811, *inter alia*, found at Section III of its February 2, 1995, Order, Judgment and Decree on Annexation that Section 321.670.2 RSMo. is in full force and effect and that the evidence adduced at trial established that the exclusion of the area of Robertson the City of Hazelwood sought to annex would substantially affect Robertson's ability to provide adequate services in the remaining portion of Robertson to the extent that the Court would disapprove the annexation, and further, that Robertson was to provide fire, emergency and ambulance services in the portion of the annexed area Robertson previously served;

WHEREAS, the Circuit Court in Cause No. 667811 ordered that the City of Hazelwood pay Robertson fees for the services provided in the amount and in the manner specified in Sections 321.660 and 321.675 RSMo. and that the methods of computing fees specified in said sections shall also be applied to the computing of fees for the emergency and ambulance services provided by Robertson;

WHEREAS, the Circuit Court in Cause Nos. 665090 and 664631 found that it was not necessary for the City of Hazelwood to submit the fire service selection issue to the voters as a part of the June 7, 1994, annexation election and conditioned annexation on the City of Hazelwood's compliance with the Court's Order, Decree and Judgment in Cause No. 667811;

WHEREAS, in March 1993, Robertson Fire Protection District and the City of Hazelwood previously entered into a Memorandum of Understanding regarding the implementation of the provisions of Sections 321.660 and 321.675 RSMo. and said agreement resulted in cooperative and constructive relationship between the parties---

NOW THEREFORE, in order to implement the Circuit Court's Order, Decree and Judgment in Cause Nos. 667811 and 665090, Robertson and Hazelwood through their respective authorized officers agree that fire protection service, emergency service and ambulance service in the annexed area previously in Robertson shall be provided by Robertson and payment therefore shall be made by Hazelwood upon the terms set forth below:

A. Robertson shall continue to provide fire protection service, emergency service and ambulance service to that certain territory in Robertson annexed by Hazelwood in the June 7, 1994, annexation election the extent and degree mandated by §321.680 R.S.Mo.

B. Hazelwood shall pay an annual fee to Robertson for the services provided by Robertson pursuant to ¶ A. above. The amount of the annual fee Hazelwood shall pay Robertson shall be computed using the formula specified in §321.675 R.S.Mo. provided, however, notwithstanding the statutory exclusion, the tax rate which shall be used to compute the total fee payable by Hazelwood for all services provided shall include those portions of Robertson's tax rate designated for emergency service and ambulance service. The Merchants and Manufactures Inventory Tax was eliminated by Section 139.600, R.S.Mo. (1984, Cum. Supp.). To replace this tax St. Louis County collects a St. Louis County-Wide Surtax and remits to political subdivisions their share of the Surtax. Robertson shall continue to receive its share of this Surtax. St. Louis County has stated that Robertson's continued entitlement to this County Wide Surtax will be paid by St. Louis County directly to Robertson. A fourth type of tax which Robertson customarily collects and to which it is entitled is the Manufacturers Equipment Tax. Hazelwood shall also pay to Robertson the amount of the Manufacturers Equipment Tax attributable to the territory in Robertson annexed by Hazelwood. Hazelwood and Robertson agree that Hazelwood shall have no obligation to pay such portion of the real property tax levy Robertson would have imposed on the real property in the area of Robertson annexed by Hazelwood until the amount levied by Hazelwood, at its tax rate for real proper, is actually paid by the taxpayer and remitted to Hazelwood by St. Louis County, as described more fully in ¶C.2., below.

C. Hazelwood shall pay the annual fee computed pursuant to ¶B. above to Robertson using the following schedule ---

1. On or before January 15 of each year:
 - (a) Hazelwood shall pay to Robertson an amount equal to 99% (the parties having agreed to reduce Hazelwood's obligation by 1%, which experience shows is the amount of the personal property tax levied by Robertson which is not collectable) of the tax Robertson would have levied on personal property in that portion of Robertson annexed by Hazelwood, pursuant to the June 7, 1994, election, and
 - (b) Hazelwood shall pay to Robertson an amount equal to the Manufacturers Equipment Tax Robertson would have levied in the territory in question, absent annexation.
2. Within five (5) banking days after its receipt from St. Louis County of any real property tax distribution attributable to that portion of Robertson annexed by Hazelwood pursuant to the June 7, 1994, election, Hazelwood shall remit to Robertson a sum equal to the tax Robertson would have levied on the real property for which taxes were paid and included in the tax distribution from St. Louis County to Hazelwood. To illustrate, Hazelwood receives a tax distribution from St. Louis County covering particular real property which formerly was in Robertson. Within five (5) banking days after its receipt of such tax revenue, Hazelwood shall pay to Robertson a sum equal to the tax Robertson would have levied on the particular real property included in the St. Louis County distribution.
3. If Hazelwood hereafter decides to levy a personal property tax, the distribution schedule described in ¶C.2. shall apply to Hazelwood's payment of the personal property tax component

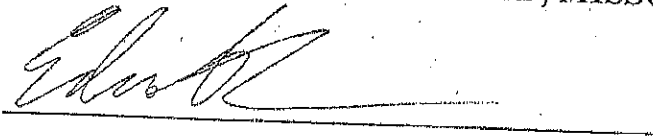
of Robertson's fees.

D. Hazelwood shall grant Robertson's duly designated representatives access during normal business hours to all books and records relating to taxes levied, collected, withheld, protested and remitted to Hazelwood by taxpayers in the Robertson territory annexed by Hazelwood. Hazelwood shall render regular statements to Robertson showing the source, date and amount of all fees payments made by Hazelwood to Robertson.

E. The agreements, obligations and undertakings set forth above shall become binding on the parties when the City Council of the City of Hazelwood and the Board of Directors of Robertson Fire Protection District by the passage of an appropriate ordinance or other legislation have adopted and ratified this Settlement Agreement and Memorandum of Understanding.

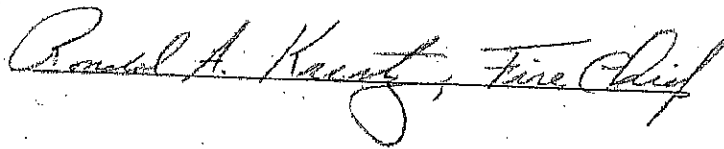
1. The effective date of Hazelwood's annexation of the Northwest Area in Robertson is June 7, 1995.
2. The payment of fees by Hazelwood to Robertson as specified herein shall commence on January 1, 1996.

FOR THE CITY OF HAZELWOOD, MISSOURI



Date: 4/6/95

FOR ROBERTSON FIRE PROTECTION DISTRICT



Date: 03/29/95