THE CHARTER OF THE CITY OF LONG BEACH, STATE OF CALIFORNIA.

State of California
County of Los Angeles } ss.
City of Long Beach

We, Edwin W. Wade, Mayor of the City of Long Beach, and Margaret L. Heartwell, City Clerk of the City of Long Beach, do hereby certify as follows:

That said City of Long Beach, in the County of Los Angeles, State of California, is now, and was at all of the times herein mentioned, a city containing a population of more than fifty thousand inhabitants as ascertained by the last preceding census taken under the authority of the Congress of the United States; and

That said City of Long Beach is now, and was at all of the times herein mentioned, organized and existing under a freeholders' charter adopted under the provisions of Section 8, Article XI, of the Constitution of the State of California, which charter was duly ratified by a majority of the electors of said City at a special election held therein on the 14th day of April, 1921, and approved by the Legislature of the State of California and filed with the Secretary of State of the State of California on the 26th day of April, 1921, (Statutes of 1921, page 2054); and

That the legislative body of said City, namely, the City Council thereof, did, by motions duly adopted and pursuant to the provisions of Section 8, Article XI, of the Constitution of the State of California, duly vote to submit to the qualified electors of said City of Long Beach three amendments to the Charter of said City and ordered that said proposed amendments be submitted to said qualified electors of said City at a Special Municipal Election to be held in said City on the 3rd day of November, 1964; and

That said three proposed amendments to be so submitted November 3, 1964 were designated as Propositions J, K, and L, and were duly published the 11th day of September, 1964, in the Long Beach Independent and in each edition thereof during said date of publication; and

That said Long Beach Independent was, upon the date of said publication, and at all times since has been, and now is, a daily newspaper of general circulation within said City of Long Beach, and was, upon the date of the publication of said proposed amendments, and at all times since has been and now is, published in said City and said newspaper was, upon the date of the publication of said proposed amendments, and at all times since has been and now is, the official newspaper of said City, and was the newspaper designated by said City Council for the publication of said proposed amendments; and

That said proposed amendments were duly and regularly printed in convenient pamphlet form and, at and during the

time and in the manner provided by law, a notice was published in said Long Beach Independent that such copies of said proposed amendments could be had upon application therefor in the office of the City Clerk of said City, and said proposed amendments so printed in convenient pamphlet form were duly and regularly distributed in the manner provided by law; and

That said City Council did, by an ordinance designated as Ordinance No. C-4467, order the holding of said municipal election in said City of Long Beach on November 3, 1964, which date was not less than forty nor more than sixty days after the completion of the publication of said proposed amendments, as aforesaid, and that said ordinance was published at least three times in said Long Beach Independent ten days prior to the date of said election, to wit: October 21, 1964, October 22, 1964 and October 23, 1964; and

That said municipal election was held in said City of Long Beach on November 3, 1964, which day was not less than forty days nor more than sixty days after the completion of the publication of said proposed amendments once in said Long Beach Independent as aforesaid; and

That the City Council did, by resolution adopted on the 15th day of December, 1964, duly declare the results of said municipal election and did duly find, determine and declare that a majority of the qualified voters of said City of Long Beach voting thereon had voted in favor of and had ratified all three of said proposed amendments; and

That said proposed amendments to the Charter of the City of Long Beach, so ratified by the voters of said City as aforesaid, are respectively in words and figures as follows, to wit:

Proposition J

That the Charter of the City of Long Beach be amended by amending subsection (9) of Section 217, subsections (3) and (4) of Section 228, Sections 229d and 260.7 thereof, by adding Sections 229i, 260.1, 260.2, 260.3, 260.4 and a new article designated Article XXVIII consisting of Sections 315, 316, 317 and 318, said sections to read, respectively, as hereinafter set forth, and by repealing Sections 229x, 260 6 and 298.5 thereof:

[Sec. 217] (9) To lease, sell or dispose of any property, or any interest therein, belonging to the Water Department whenever in the judgment of said Board said property, or any interest therein or part thereof, is no longer required for the purposes of said department; said property may be leased for any purpose which does not interfere with the use of the same for the purposes of said department. Any compensation received from the sale or lease of said property shall be paid into the Water Revenue Fund or such other fund of the Water Department as may be designated by the Board, and shall be used for the purposes of said department; provided, however, that except as otherwise provided in this article, nothing herein

shall authorize the Board of Water Commissioners to sell, lease or dispose of any water, water rights, reservoir space or storage capacity, or any interest or space therein. Provided, further, the Board shall not have authority to make any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from, under, across or through any land under the control and jurisdiction of said Board, and any such lease, contract or other agreement shall be made upon authorization of the City Council as provided in Section 317 of this charter.

[Sec. 228] (3) To take charge of, control, and supervise the Port of Long Beach, including all the waterfront properties, and lands adjacent thereto, or under water, structures thereon, and approaches thereto, storage facilities and other utilities, and all rights and interests belonging thereto, which are now or may hereafter be owned or possessed by the City of Long Beach, except such lands or parts thereof, for so long as the same may be used for or in connection with the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas and other hydrocarbon substances by the City of Long Beach, provided that with respect to such portions of said lands used therefor as are tide and submerged lands, whether filled or unfilled, or that are held subject to the tideland trust, that the Board of Harbor Commissioners has determined, by resolution, that said lands, or parts thereof, are not required, and with reasonable certainty will not be required, for a period of thirty-five (35) years, for the promotion or development of commerce, navigation or fishery.

(4) To have control and jurisdiction of that part of the City of Long Beach, hereinafter defined as the "Harbor District", as said district was bounded and described on the first day of April, 1956, except as to those lands, or parts thereof, within said district as may be used for or in connection with the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas and other hydrocarbon substances by the City of Long Beach as provided herein; and to make and enforce in said Harbor District general rules and regulations, to the extent that may be necessary or requisite for port purposes and harbor development, and in carrying out the powers elsewhere vested in said Board; provided, however, that with the approval of the City Council, said Board may, with the prior approval of the electors, relinquish to the Council control of portions of said Harbor District, and likewise, upon request of the Board, the Council may, by ordinance, also with the prior approval of the electors, change the boundaries of the Harbor District.

Sec. 229d. (a) All money received or collected from or arising out of the use or operation of any harbor or port improvement, work, appliance, facility or utility, or water craft, owned, controlled or operated by the City of Long Beach in

or upon or pertaining to the water front or navigable waters of said city; all tolls, charges and rentals collected by the Harbor Department, and all compensations or fees required to be paid for services, franchises or licenses, or otherwise by law or ordinance or order, to the city for the operation of any public service utility upon lands and waters under the control and management of the Harbor Department, shall be deposited in the city treasury to the credit of the "Harbor Revenue Fund", which fund has been heretofore created and established and is hereby continued, and shall be kept separate and apart from other moneys of the city. Said fund shall be a continuing fund not subject to transfer at the close of the fiscal year.

(b) The money deposited in the Harbor Revenue Fund may, from time to time, be invested in accordance with the provisions of applicable legislation of the State of California providing for the investment and reinvestment of any moneys in any sinking fund, or any surplus moneys in the treasury of cities in the State. All interest, earnings, income or profits from the investment of said money shall likewise be deposited to the credit of said fund.

(c) Money credited to the Harbor Revenue Fund may be appropriated and used only for the following purposes:

(1) For the necessary expenses of promoting and conducting the Harbor Department, including the operation, repair and maintenance of all harbor or port improvements, works, utilities, appliances, facilities and water craft, owned, controlled or operated by the city for the promotion and accommodation of commerce, navigation and fishery, or used in connection therewith;

(2) For the acquisition, construction, completion and maintenance, to the extent and in the manner permitted by all applicable law, of harbor and port improvements, buildings, work, utilities, appliances, facilities, and water craft, for the promotion and accommodation of commerce, navigation and fishery, or used in connection therewith, and for all other improvements and betterments authorized by law to lands and property under the control, supervision and management of the department, including the purchase or condemnation of necessary lands and other property and property rights;

(3) For the payment of the principal or interest, or both, of harbor improvement bonds;

(4) To return and pay into the general fund of the city, from any surplus money in said Harbor Revenue Fund, which in the judgment of the Board may not be needed for port purposes, any sums paid by the city from funds raised by taxation for the payment of the principal or interest of any municipal bonds issued by the city for or on account of the harbor improvement works to which such revenue fund pertains.

(d) All reimbursements, repayments, and approved reimbursement transfers from other established funds may be used for the same purposes as specified in subsection (c) above. All such reimbursement transfers shall be made by journal entry

on the books of the city in the manner determined by the City Manager.

(e) All money remaining in the Harbor Reserve Fund, including all interest and earnings credited thereto, as of the effective date of this amendment, and without the necessity of any further action, shall be transferred and paid into the Harbor Revenue Fund. Said Harbor Reserve Fund shall thereupon cease to exist.

Sec. 260.7 (a) The net proceeds received by the City of Long Beach from the sale or disposition of oil, gas and other hydrocarbon substances derived from, or allocated or assigned to all lands acquired by the city by purchase, tax deed, exchange, trade or gift, located in the Harbor District of the City of Long Beach, other than lands which were purchased or acquired, in whole or in part, by use of tideland trust moneys, to the extent provided in Chapter 138, Statutes of 1964, First Extraordinary Session, and other than tide and submerged lands which were acquired by the city by grant from the State of California pursuant to the provisions of Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, and Chapter 158, Statutes of 1935, together with all money derived from cash bonuses paid by oil companies or individuals for oil leases on said lands, other than any tideland-trust-money-acquired lands or said tide and submerged lands (including all money paid for permits for drilling oil wells or for the erection of oil well derricks or other buildings in connection with oil development, and irrespective of whether or not such wells, derricks or buildings are located on any tideland-trust-money-acquired lands or on said tide and submerged lands) shall be paid into the General Bond Redemption and Interest Fund, which fund has been heretofore created and established and is hereby continued, so long as any such money shall be required for payment of any unpaid principal or interest on any and all outstanding general obligation bonds of the City of Long Beach other than those issued for Harbor, Water or Gas Department purposes, regardless of when such principal or interest shall be due or payable.

(b) The net proceeds received by the City of Long Beach from the sale or disposition of oil, gas or other hydrocarbon substances derived from, or allocated or assigned to all lands belonging to the city and located outside the Harbor District, other than lands classified as tideland-trust-money-acquired lands or tide and submerged lands, as referred to in subsection (a) above, shall likewise be paid into the General Bond Redemption and Interest Fund so long as any such money shall be required for payment of any unpaid principal or interest on any and all outstanding general obligation bonds of the City of Long Beach other than those issued for Harbor, Water or Gas Department purposes, regardless of when such principal or interest shall be due or payable

(c) When there shall have been deposited in said fund sufficient moneys to pay the principal and interest on any and all

such outstanding bonds, thereafter, and until there may be other such bonds outstanding, such money shall be paid into the Public Improvement Reserve Fund, so long as the amount of money therein shall be not more than the authorized maximum for said fund. Thereafter, whenever said funds shall be filled, and until such money shall be further required for, first, the General Bond Redemption and Interest Fund, such money, as received, shall be paid into the General Purpose Fund.

(d) The money deposited in the General Bond Redemption and Interest Fund may, from time to time, be invested in accordance with the provisions of applicable legislation of the State of California providing for the investment and reinvestment of any moneys in any sinking fund, or any surplus moneys in the treasury of cities in the State. All interest, earnings, income or profits from the investment of said money shall likewise, to the extent required, be deposited to the credit of said fund.

Sec. 229i. All money deposited in the city treasury to the credit of the "Harbor Bond Redemption and Interest Fund", which fund has been heretofore created and established and is hereby continued, shall be used solely and exclusively to pay the principal and interest on all bonds issued by the City of Long Beach for harbor purposes. Said fund shall be a continuing fund not subject to transfer at the close of the fiscal year. When there shall have been deposited in such fund sufficient money to pay the principal and interest on any and all outstanding bonds, thereafter, and until there may be other such bonds outstanding, no further deposits shall be made into said fund, and all money which would otherwise be deposited therein, including interest increments, shall be paid into the Harbor Revenue Fund. The money deposited in the Harbor Bond Redemption and Interest Fund may be invested in accordance with the provisions of applicable legislation of the State of California providing for the investment and reinvestment of any moneys in any sinking fund, or any surplus moneys in the treasury of cities in the State.

Sec. 260.1 (a) There is hereby created and established a special fund, to be designated as the "Tideland Oil Revenue Fund", which shall be a continuing fund not subject to transfer at the close of the fiscal year. Revenue from the following sources shall be deposited in the city treasury to the credit of said fund:

(1) The net proceeds received by the City of Long Beach from the sale or disposition of oil, gas and other hydrocarbon substances (other than dry gas), including advance payments, derived from, or allocated or assigned to, the "Long Beach tidelands", as defined in Chapter 138, Statutes of California, 1964, First Extraordinary Session.

(2) The net receipts from the sale of property used in the extraction, sale or disposition of oil, gas and other hydrocarbon substances from the Long Beach tidelands, the cost of

which has been or may be defrayed from proceeds from such hydrocarbon substances.

(3) The net proceeds received by the City of Long Beach from the sale or disposition of oil, gas and other hydrocarbon substances (other than dry gas) derived from, or allocated or assigned to, or attributable to production from or allocated or assigned to any lands lying seaward of the northerly boundary of the Long Beach tidelands, as defined in Chapter 138 aforesaid, and westerly of the easterly boundary of the undeveloped portion of the Long Beach tidelands.

(4) The net proceeds received by the City of Long Beach from the sale or disposition of oil, gas and other hydrocarbon substances (other than dry gas) derived from, or allocated or assigned to, or attributable to production from or allocated or assigned to any lands owned by the city, including lands under the control and jurisdiction of the Harbor Department, and which were purchased or acquired, in whole or in part, by use of tideland trust moneys, to the extent provided in Chapter 138 aforesaid.

(5) The net receipts to the City of Long Beach from the sale of dry gas as such derived from, or allocated or assigned to, or attributable to production from, or allocated or assigned to, the Long Beach tidelands, and which said dry gas is not received into the system of the city's municipal gas department.

(6) The repayment of all sums of money advanced from said fund for the purpose of financing participants in unit agreements and unit operating agreements.

(b) The money deposited in the Tideland Oil Revenue Fund may, from time to time, be invested in accordance with the provisions of applicable legislation of the State of California providing for the investment and reinvestment of any moneys in any sinking fund, or any surplus moneys in the treasury of cities in the State.

(c) Money credited to the Tideland Oil Revenue Fund may be used only for the following purposes:

(1) The payment of all reasonable and necessary expenses, whether incurred in conjunction with unitized or non-unitized operations, incident to the development, production, extraction, processing, sale or other disposition of the oil, gas and other hydrocarbon substances derived from, or allocated or assigned to, the Long Beach tidelands, as defined in Chapter 138 aforesaid, the conducting of repressuring and pressure maintenance operations, and the satisfaction of all obligations arising out of or attributable to the conduct of any of the aforegoing activities.

(2) The payment to the State of California, for and in compliance with the purposes and formula stated, and for the benefit and reimbursement of the respective State agencies therein designated, whether or not included in the official city budget, such amounts as shall be presently or hereafter required by reason of the enactment by the State Legis-

lature of Chapter 29, Statutes of 1956, First Extraordinary Session, as amended by Chapter 1398, Statutes of 1963, and Chapter 138, Statutes of 1964, First Extraordinary Session, as such legislation is, has been and may hereafter be construed by the courts having jurisdiction thereof.

(3) The payment of all costs and expenses incurred by the City of Long Beach, and not included in paragraph (1) above, incident to the supervision and administration of oil and gas operations. To the extent that any non-tideland costs and expenses with respect to such supervision and administration may be initially paid from the Tideland Oil Revenue Fund, such fund shall be reimbursed therefor by appropriate journal entry on the books of the city in the manner determined by the City Manager.

(4) The payment of the City of Long Beach and Harbor District subsidence costs.

(5) To finance participants in unit agreements and unit operating agreements, including any contractor or lessee of city-controlled lands qualifying as a participant therein, in the manner provided by law, in such amounts, whether or not included in the official budget, as shall be determined by the City Council to be necessary in order to encourage the initiation and conduct of repressuring operations with the greatest possible speed in a subsidence area.

(6) With prior approval of a majority of all members of the City Council, moneys may be expended from said fund for all other projects and purposes authorized by Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, Chapter 158, Statutes of 1935, Chapter 29, Statutes of 1956, First Extraordinary Session, and Chapter 138, Statutes of 1964, First Extraordinary Session.

(7) To the extent moneys are at any time expended from other established funds, including those providing for the operation and maintenance of the Harbor Department, in payment of costs, expenses, departmental charges, or any other obligation incurred, which said costs, expenses, departmental charges or obligation could properly be charged to and paid from said Tideland Oil Revenue Fund, such fund incurring such expenditure may, with the approval of the City Manager, be reimbursed therefor. All such reimbursement transfers shall be made by journal entry on the books of the city in the manner determined by the City Manager.

Sec. 260.2 (a) There is hereby created and established a special fund, to be designated as the "Tideland Operating Fund", which shall be a continuing fund not subject to transfer at the close of the fiscal year. Revenue from the following sources shall be deposited in the city treasury to the credit of said fund:

(1) All net proceeds and revenues, exclusive of net proceeds and revenues attributable to oil and gas operations, derived from the conduct and maintenance of operations, facilities, and

other improvements situated on the Long Beach tidelands outside of the Harbor District, and from operations, facilities and other improvements situated on other lands outside of the Harbor District owned by the city to the proportionate extent that such lands were acquired with, or such operations, facilities and improvements were constructed or implemented with, tideland trust moneys.

(2) Interest, earnings, income or profits from the investment of money deposited to the credit of the Tideland Oil Revenue Fund.

(3) Approved reimbursement transfers from other established funds All such reimbursement transfers shall be made by journal entry on the books of the city in the manner determined by the City Manager.

(b) The money deposited in the Tideland Operating Fund may, from time to time, be invested in accordance with the provisions of applicable legislation of the State of California providing for the investment and reinvestment of any moneys in any sinking fund, or any surplus moneys in the treasury of cities in the State. All interest, earnings, income or profits from the investment of said money shall likewise be deposited to the credit of said fund.

(c) With prior approval of a majority of all members of the City Council, money credited to the Tideland Operating Fund may be expended for the purpose of performing services, defraying operating and maintenance costs, making repairs, additions and betterments, making land acquisitions, constructing improvements, and for other related purposes, all as authorized by Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, Chapter 158, Statutes of 1935, Chapter 29, Statutes of 1956, First Extraordinary Session, and Chapter 138, Statutes of 1964, First Extraordinary Session.

(d) All money attributable to oil revenue remaining in the Tideland Oil Fund as of the effective date of this amendment, and without the necessity of any further action, shall be transferred and paid into the Tideland Oil Revenue Fund. The balance of all other moneys in said fund shall, without further action, be transferred and paid into the Tideland Operating Fund. Said Tideland Oil Fund shall thereupon cease to exist. Those portions of the money in said fund which are transferred and paid into the Tideland Oil Revenue Fund and the Tideland Operating Fund, respectively, shall be expended for purposes in accordance with the currently adopted appropriation ordinance.

Sec. 260.3. The expenditures of any money heretofore made from the General Bond Redemption and Interest Fund, with the prior approval of a majority of all members of the City Council, and from the Harbor Revenue Fund, with the prior approval of a majority of all members of the Board of Harbor Commissioners, for the purpose of paying and satisfying that certain financial obligation incurred by the City of Long Beach and owing to the State of California, resulting

from an accounting for the net proceeds received by the City of Long Beach on and after February 1, 1956, from the sale and disposition of certain oil, gas and other hydrocarbon substances produced and saved in the Harbor District of said city, said accounting being rendered in accordance with the requirements of Chapter 138, Statutes of California, 1964, First Extraordinary Session, are hereby approved, ratified and confirmed.

Sec. 260.4. There is hereby created and established a special fund, to be designated as the "Reserve Fund for Subsidence Contingencies", which shall be a continuing fund not subject to transfer at the close of the fiscal year.

There shall be deposited in the city treasury to the credit of said fund all moneys payable to the City of Long Beach in accordance with any provision for a "reserve for subsidence contingencies" as contained in the "Contractors' agreement", as defined and referred to in Chapter 138, Statutes of 1964, First Extraordinary Session. All of said amounts, together with interest, shall be invested in bonds issued by the State of California or, if such bonds are unavailable, then in securities of the United States.

There shall be expended from such fund, whether or not included in the official city budget, sufficient moneys to indemnify and hold harmless the City of Long Beach, the State of California, and any and all contractors under the aforesaid Contractors' agreement from claims, judgments and costs of defense, arising from subsidence alleged to have occurred as a result of operations under said agreement.

There shall also be expended from such fund moneys to pay subsidence costs or the costs of conducting repressuring operations in the event there is no oil revenue, as defined in Chapter 138 aforesaid, or the oil revenue is insufficient to pay such costs.

Moneys in said fund shall not be otherwise expended, nor shall any distribution be made therefrom, except in accordance with the provisions of Chapter 138, Statutes of 1964, First Extraordinary Session.

Article XXVIII

Department of Oil Properties
Administration—Oil Contracts

Sec. 315. (a) There is hereby created a department of the City of Long Beach to be known as the Department of Oil Properties. This department shall consist of a Director of Oil Properties and such assistants, deputies, clerks, attaches and other employees that the City Council may from time to time prescribe and authorize. The Director of Oil Properties shall be appointed, with the confirmation of the City Council, by the City Manager, and shall serve during the pleasure of the City Manager. The Director of Oil Properties shall appoint, with the

approval of the City Manager, all assistants, deputies, clerks, attaches and other employees of said department, who shall serve during the pleasure of the City Manager, subject to the provisions of Article XI of this charter.

(b) Subject to the supervision and control of the City Manager in all matters, the Director of Oil Properties shall have charge of and be responsible for the administration of the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas and other hydrocarbon substances by the City of Long Beach to the extent reserved to said City in any and all leases, contracts or other agreements between said City and other persons, firms, corporations or associations pursuant to the provisions of this charter. The Director of Oil Properties shall also have charge of and be responsible for the administration of all subsidence control and pressure maintenance programs, and shall perform such other duties as may be required of him by this charter, by the City Manager, or by ordinance adopted by the City Council.

Sec 316. The power of the City to drill for, develop, produce, extract, process, take or remove, store and dispose of oil, gas and other hydrocarbon substances, of whatsoever kind, from, under, across or through any and all lands, including all tide and submerged lands, whether filled or unfilled, and whether such lands belong to the City of Long Beach, or whether such lands be those in or from which the City may now or hereafter have the right so to drill for, develop, produce, extract, process, take or remove, store and dispose of oil, gas and other hydrocarbon substances, shall be exercised by such means, or methods, or in such manner as the City Council may authorize, including, but not limited to, the following:

(1) By agreements permitting other persons, firms, corporations or associations to drill for, develop, produce, extract, process, take or remove, store or dispose of oil, gas or other hydrocarbon substances for and in consideration of a division of the proceeds, if any, of such operations.

(2) By agreements with other persons, firms, corporations or associations whereby the City of Long Beach shall pay a cash consideration for the performance of such agreements; and

(3) Directly by employees of the City under the supervision and direction of the City Manager.

Provided, that any and all agreements referred to in subsections (1) and (2) of this section shall be subject to the provisions of section 317 of this charter; and provided that any and all agreements referred to in subsection (1) of this section shall be for a term or period as the City Council may determine, however, not to exceed such as shall be provided by law, if any, and an adequate portion of the proceeds shall at all times be reserved to the City of Long Beach and the full and sole consideration to the respective parties to such agreements shall

be the apportionment to such parties of the proceeds, if any, from the operations provided for by such agreements.

Provided, further, that before such power may be exercised as to tide and submerged lands, whether filled or unfilled, or as to such lands as are held subject to the tideland trust, said City Council, as to such lands outside the Harbor District, and the Board of Harbor Commissioners, as to such lands within the Harbor District, shall first determine, by resolution, that such lands, or parts thereof, intended to be so used are not required, and with reasonable certainty will not be required, for a period of thirty-five (35) years or for such term or period of the lease, contract or other agreement between the City of Long Beach and other persons, firms, corporations or associations pursuant to which such powers may be exercised and relating to such lands or parts thereof, for the promotion or development of commerce, navigation or fishery.

With respect to tide and submerged lands, whether filled or unfilled, if the City Council shall elect to drill for, develop, produce, extract, process, take or remove, store and dispose of oil, gas and other hydrocarbon substances directly by its own employees and under its own supervision and direction, or by agreements with other persons, firms, corporations or associations, whereby the City of Long Beach shall pay a cash consideration for the performance of such agreements, said City Council may commence and prosecute such operations by using moneys derived from, or allocated or assigned to, or attributable to production from or allocated or assigned to all tide and submerged lands granted to the City by the State of California and to any lands within the city limits of the City of Long Beach belonging to the City and which were purchased or acquired, in whole or in part, by use of tideland trust moneys.

Sec. 317. (a) The City Council may authorize and direct the execution of leases, contracts or other agreements between the City of Long Beach and other persons, firms, corporations or associations to drill for, develop, produce, extract, process, take or remove, store and dispose of oil, gas and other hydrocarbon substances from, under, across or through any and all lands including tide and submerged lands, whether filled or unfilled, belonging to the City of Long Beach, or such lands in or from which the City may now or hereafter have the right so to drill for, develop, produce, extract, process, take or remove, store and dispose of oil, gas and other hydrocarbon substances for the term or period in each instance not to exceed such as provided by law; provided, any such lease, contract or other agreement shall be made and entered into with the highest responsible bidder upon competitive bidding in the manner and form as shall be approved by said City Council, after publication of notice calling for bids in the official newspaper of the City; provided, further, that with respect to such leases, contracts or other agreements relating to such tide and submerged lands, whether filled or unfilled,

that all specifications and forms for the purpose of inviting bids in connection therewith shall be approved by the State Lands Commission prior to publication of notice to bidders, that such leases, contracts or other agreements shall be of no effect unless and until approved by said State Lands Commission, that such leases, contracts or other agreements shall include all provisions necessary to assure compliance with the requirements of applicable laws of the State of California, including Chapter 29, Statutes of 1956, First Extraordinary Session, and Chapter 138, Statutes of 1964, First Extraordinary Session, or such as may be lawfully required by subsequently enacted legislation, as such legislation is, has been or may hereafter be construed by the courts having jurisdiction thereof; nor shall such leases, contracts or other agreements be modified or amended in any respect without the advance consent of said State Lands Commission thereto; provided, further, said City Council may authorize the execution of any such lease, contract or other agreement between the City and other persons, firms, corporations or associations, including such lands, other than tide and submerged lands granted to the City by the State of California, in a community lease embracing adjoining lands not belonging to the City without such competitive bidding.

Notwithstanding the competitive bidding requirement hereinabove provided, the City Council may, by negotiation and without resort to competitive bidding, extend the term of any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances, and, in connection therewith, amend and modify the provisions, conditions and limitations thereof, including any provision for the division of the proceeds from oil and gas operations conducted thereunder, concerning the lands above referred to, except as to those leases, contracts or other agreements relating to the exploration and development of the tide and submerged lands granted to the City by the State of California as hereinafter in this subdivision (a) referred to; provided, however, that any such extension of term, including the existing unexpired term of any such lease, contract or other agreement, shall not exceed twenty-five (25) years.

The City Council shall not have the power, by negotiation, to extend the term, as the same is presently provided, in either or both of the following tide and submerged lands drilling and operating contracts:

(1) Richfield Oil Corporation Parcel "A", dated March 12, 1947, and recorded August 15, 1947, in Book 24847 at page 252, Official Records in the Office of the County Recorder of Los Angeles County, California;

(2) Drilling and Operating Contract (Long Beach Harbor Department Tidelands Parcel) entered into as of the 21st day of March, 1964, by and between Signal Oil and Gas Company,

Standard Oil Company of California, Humble Oil & Refining Company, Continental Oil Company, CM Oil Company, and Long Beach Oil Development Company, therein collectively referred to as the "Contractor", and Board of Harbor Commissioners of the City of Long Beach, for and on behalf of the City of Long Beach, and on its own behalf in its official capacity, therein referred to as the "City", or in any other lease, contract or other agreement providing for the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from the tide and submerged lands granted to the City by the State of California.

The power of extension hereby conferred is in addition to all other powers possessed by the City Council with respect to any such lease, contract or other agreement heretofore entered into and this subdivision is not intended, nor should it be construed, as divesting or in any manner diminishing any power which the City Council now has, with respect to matters not involving an extension of term, to amend or modify any such lease, contract or other agreement for the remainder of the term thereof.

(b) Notwithstanding the determination requirement contained in the second unnumbered paragraph of section 316, or the limitation as to term contained in subdivision (a) of this section, the City Council may enter into cooperative or unit agreements with respect to the lands or any interest in lands referred to in subdivision (a) of this section, all as more particularly hereinafter provided.

Whenever the City Council may determine it is in the interest of safeguarding life, health, welfare or property, or that the subsidence or sinking of any of said lands or abutting lands may possibly be arrested or ameliorated thereby, or that it is in the interest of increasing the ultimate recovery of oil or gas from such lands or of the protection of the oil or gas in said lands from unreasonable waste, provision may be made in any lease, contract or other agreement so as to provide, and any existing lease, contract or other agreement may be amended so as to provide, that any such lands may, at the direction of the City Council, be included in a cooperative or unit agreement with other lands belonging to the City, or with other lands not belonging to the City, for the purpose of bringing about the cooperative development or operation of all or a part or parts of the oil and gas field in which such lands are located, or for the purpose of bringing about the development or operation of all or a part or parts of such field as a unit, or for the purpose of fixing the time, location and manner of drilling and operating of wells for the production of oil or gas, or providing for the return or injection of gas, water or other substances into the subsurface of the earth. In the event the City Council determines that any such lands, including lands not subject to any lease, contract or other agreement, should be included in such a cooperative

or unit agreement, the City Council shall have the power to negotiate and authorize the execution of all agreements necessary to effectuate, implement or modify such arrangement, including the power to bind and commit any such lands to a cooperative or unit agreement for the full term thereof and irrespective of the termination date of any lease, contract or other agreement then in effect as to such lands. The term of any such cooperative or unit agreement may be for such period or periods, including indefinite periods, as the City Council shall determine, and the competitive bidding provisions in this charter prescribed shall not apply to the making, implementation or modification of any such cooperative or unit agreement. The provisions of any existing lease, contract or other agreement between the City Council, the Board of Harbor Commissioners or the Board of Water Commissioners and any other person, firm, corporation or association relating to the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances derived from the lands which are subject to such agreement may be amended, by negotiation and without resort to competitive bidding, to the extent the City Council shall determine is necessary or desirable in order to institute or effectuate such a cooperative or unit agreement; provided, however, no such amendment and no such cooperative or unit agreement nor any subsequent modification or amendment thereof, shall ever be construed as having the effect, either directly or indirectly, of extending the term of any lease, contract or other agreement then in effect as to such lands beyond the termination date therein expressly provided, but the foregoing shall not prevent the City Council from extending the term of any such lease, contract or other agreement as permitted by this charter or applicable law.

Before any tide or submerged lands, whether filled or unfilled, may be included in or committed to any cooperative or unit agreement, or before any modification or amendment of any cooperative or unit agreement which includes such lands may be made

1. The City Council, as to such lands outside the Harbor District, and the Board of Harbor Commissioners, as to such lands within the Harbor District, shall first determine, by resolution, that the surface of such lands, or that portion of the surface intended to be utilized, is not required, and with reasonable certainty will not be required, during the term of the proposed cooperative or unit agreement for the promotion or development of commerce, navigation or fishery; and

2. The State Lands Commission shall approve of any such agreement or any amendments thereto or modifications thereof.

Notwithstanding any other subdivision or section in this charter, the power of the City Council to enter into unit or cooperative agreements as hereinabove granted shall include the power to do such acts or things and to incur such commitments and obligations as are customary in unit or cooperative

agreements. Without limiting the generality of the foregoing, the City Council shall have the right and power, anything to the contrary in section 254 of this charter notwithstanding, to give customary indemnities, liens on production, and other rights to the operator and other parties to the cooperative or unit agreement, and to share in the expenses of any such cooperative or unit agreement.

No agreement providing for a cooperative or unit development plan shall be authorized, the effect of which would permit the construction or installation of derricks, machinery or apparatus on the surface of any land for the purpose of drilling for, pumping or producing oil, gas or other hydrocarbon substances in any area of the City in which such operations shall then be prohibited by regulatory or initiative ordinance.

Sec 318. With respect to any and all leases, contracts or other agreements, including cooperative or unit agreements, relating to the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances, heretofore entered into pursuant to the provisions of this charter, wherein the Board of Harbor Commissioners or the Board of Water Commissioners shall be a party thereto, the City Council shall be deemed to be, and shall constitute, the Board of Harbor Commissioners and the Board of Water Commissioners and shall act in the place and stead thereof, and the City Manager shall be deemed to be, and shall constitute, the General Manager of the Harbor Department or the General Manager of the Water Department and all powers and duties therein conferred or imposed upon said respective general managers are hereby conferred and imposed upon the City Manager, who may delegate the exercise of such powers and duties to the Director of Oil Properties.

With respect to the aforementioned leases, contracts and other agreements wherein the Board of Harbor Commissioners or the Board of Water Commissioners are parties thereto, the duties and functions pertaining thereto as shall devolve upon the City Council by reason of the provisions of this section may be delegated by the City Council to the City Manager or his designated representative from time to time, by ordinance, resolution or minute order. With respect to the duties and functions of the City Council relating to any other leases, contracts or other agreements, including cooperative or unit agreements, pertaining to the drilling for, developing, producing, extracting, processing, taking or removing, storing or disposing of oil, gas or other hydrocarbon substances entered into by the City of Long Beach pursuant to the provisions of this charter, such duties and functions may also be delegated by the City Council to the City Manager or his designated representative from time to time, by ordinance, resolution or minute order. A report of any action taken by the City Manager or his designated representative in accordance with such delegation by the City Council shall be submitted by the City Manager to the

City Council at its next regular meeting thereafter, and such action taken shall be deemed approved, confirmed and ratified, in the absence of action contrary thereto, by said City Council at said meeting.

Proposition K

That the Charter of the City of Long Beach be amended by amending Section 37b and adding thereto a new section to be designated as Section 37c to read as set forth hereinafter:

Sec. 37b. The City shall have the power, with the approval, authorization and consent of two-thirds ($\frac{2}{3}$) of the members of the City Council:

(a) To co-operate or join by contract with other cities, counties, districts, the state, the Federal Government, or agencies thereof, or other governmental agency, singly, jointly, or in districts or associations, for promoting or carrying out any of the powers of the City or for the acquisition, construction or operation of any works, plants or structures, or for the exercise of any common power, convenient or necessary for carrying out any of the purposes or objects authorized by this Charter.

(b) To contract with the County of Los Angeles for performance by officers and employees of the City of any or all of the functions or duties required or authorized to be performed by the County, or any County officer, within the territorial limits of the City.

(c) To contract with other cities or districts, the Federal Government, or agencies thereof, for the performance by officers and employees of the City of the functions and duties required or authorized to be performed by such cities or districts within their territorial limits, or the Federal Government or agencies thereof.

Sec. 37c. In addition to the other powers or duties conferred upon officers and employees of the City by this Charter, such officers and employees shall also be empowered to perform any and all functions imposed upon such officers or employees by any contract executed pursuant to authority conferred under agreements entered into pursuant to Sec. 37b.

Proposition L

That the Charter of the City of Long Beach be amended by adding Section 241 to Article XXIII thereof to read:

Sec. 241. The City Council of Long Beach is hereby authorized to establish a fund to be known as the "Park Improvement Fund." The City Council may annually levy and collect a special tax on the taxable property in the City of Long Beach for the purposes of depositing in said fund an amount not to exceed ten cents (10¢) on each One Hundred Dollars ($100 00) of the assessed value of all real and personal property in the City assessed for City purposes. Said fund shall be used to acquire, construct, develop and improve

parks, playgrounds, play lots and related facilities in the City, including the acquisition and installation of apparatus, equipment and furnishings necessary therefor. The City Council's right to levy this special tax for the "Park Improvement Fund" shall terminate with the levy for the City's fiscal year 1972–73. This section shall not constitute a limitation on other funds established in this Charter or the power of the City Council to appropriate additional funds for the purposes set forth herein.

That the foregoing is a full, true and correct copy of said proposed amendments to the Charter of the City of Long Beach, ratified by the electors of said City, as aforesaid, on file in the office of the City Clerk of said City of Long Beach.

In witness whereof, Edwin W. Wade, Mayor, as aforesaid, and Margaret L. Heartwell, City Clerk, as aforesaid, have hereunto set their hands and caused the corporate seal of the City of Long Beach to be thereunto duly affixed on this 17th day of December, 1964.

EDWIN W. WADE
(SEAL) Mayor of the City of Long Beach
MARGARET L HEARTWELL
City Clerk of the City of Long Beach

WHEREAS, Said proposed amendments to the Charter of the City of Long Beach, ratified by the electors of said city, as aforesaid, have been, and are now, submitted to the Legislature of the State of California, for approval or rejection without power of alteration or amendment, in accordance with Section 8, Article XI, of the Constitution of the State of California; now, therefore, be it

Resolved by the Assembly of the State of California, the Senate thereof concurring, a majority of all the members elected to each house voting therefor and concurring therein, That said amendments to the Charter of the City of Long Beach, as proposed to, adopted and ratified by the qualified electors of said City of Long Beach, as hereinabove fully set forth, be and the same are hereby approved as a whole without amendment or alteration, for and as amendments to and as parts of the Charter of the City of Long Beach.