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City of Menlo Park
Attn: City Clerk
701 Laurel Street
Menlo Park, CA 94025

1601 WILLOW ROAD DEVELOPMENT AGREEMENT

SEPARATE PAGE, PURSUANT TO GOVT. CODE 27361.6

1601 WILLOW ROAD
DEVELOPMENT AGREEMENT

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1601 WILLOW ROAD
DEVELOPMENT AGREEMENT

THIS 1601 WILLOW ROAD DEVELOPMENT AGREEMENT ("Agreement") is made and entered into as of this ___ day of _____, 2012, by and among the City of Menlo Park, a municipal corporation of the State of California ("City"), Facebook, Inc., a Delaware corporation ("Facebook"), and Wilson Menlo Park Campus, LLC, a Wisconsin limited liability company ("Owner"), pursuant to the authority of California Government Code Sections 65864-65869.5 and City Resolution No. 4159.

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the City, Facebook and Owner:

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864-65869.5 authorizing the City to enter into development agreements in connection with the development of real property within its jurisdiction by qualified applicants with a requisite legal or equitable interest in the real property which is the subject of such development agreements.

B. As authorized by Government Code Section 65865(c), the City has adopted Resolution No. 4159 establishing the procedures and requirements for the consideration of development agreements within the City.

C. Owner owns those certain parcels of real property collectively and commonly known as 1601 Willow Road, in the City of Menlo Park, California ("Property") as shown on Exhibit A attached hereto and being more particularly described in Exhibit B attached hereto.

D. Facebook is currently the sole tenant of the Property pursuant to the Lease between Owner and Facebook dated as of February 7, 2011 ("Lease"). As the sole tenant of the Property, Facebook would have the right to occupy the Property in accordance with the Project Approvals and any other Approvals.

E. Facebook, with the acknowledgement and consent of Owner, proposes to amend and restate the Sun Conditional Development Permit (as defined in this Agreement) and secure the right to occupy the Property in accordance with the Project Approvals and any other Approvals (as such terms are defined in this Agreement).

F. The City examined the environmental effects of the Project (as defined in this Agreement) in an Environmental Impact Report ("EIR") prepared pursuant to the California Environmental Quality Act ("CEQA"). On May 29, 2012, the City Council of the City reviewed and certified the EIR.

G. The City has determined that the Project is a development for which a development agreement is appropriate. A development agreement will eliminate uncertainty in the City's land use planning for, and secure orderly development of, the Project and otherwise achieve the goals and purposes for which Resolution No. 4159 was enacted by City. The Project will generate the public benefits described in this Agreement, along with other fees for the City. Facebook and Owner will incur substantial costs in order to comply with the conditions of the Approvals and otherwise in connection with the development of the Project. In exchange for the public benefits and other benefits to the City and the public, Facebook and Owner desire to receive vested rights, including, without limitation, legal assurances that the City will grant permits and approvals required for the development, occupancy and use of the Project in accordance with the Existing City Laws (as defined in this Agreement), subject to the terms and conditions contained in this Agreement. In order to effectuate these purposes, the City, Facebook and Owner desire to enter into this Agreement.

H. On May 7, 2012, after conducting a duly noticed public hearing pursuant to Resolution No. 4159, the Planning Commission of the City recommended that the City Council approve this Agreement, based on the following findings and determinations: that this Agreement (1) is consistent with the objectives, policies, general land uses and programs specified in the General Plan (as defined in this Agreement); (2) is compatible with the uses authorized in and the regulations prescribed for the land use district in which the Property is located; (3) conforms with public convenience, general welfare and good land use practices; (4) will not be detrimental to the health, safety and general welfare of the City or the region surrounding the City; (5) will not adversely affect the orderly development of property or the preservation of property values within the City; and (6) will promote and encourage the development of the Project by providing a greater degree of certainty with respect thereto.

I. Thereafter, on May 29, 2012, the City Council held a duly noticed public hearing on this Agreement pursuant to Resolution No. 4159. The City Council made the same findings and determinations as the Planning Commission. On that same date, the City Council made the decision to approve this Agreement by introducing Ordinance No. ____ ("Enacting Ordinance"). A second reading was conducted on the Enacting Ordinance on June 5, 2012, at which the City Council adopted the Enacting Ordinance, making the Enacting Ordinance effective on July 5, 2012.

NOW, THEREFORE, pursuant to the authority contained in Government Code Sections 65864-65869.5 and Resolution No. 4159, and in consideration of the mutual covenants and promises of the City, Facebook and Owner herein contained, the City, Facebook and Owner agree as follows:

1. Definitions. Each reference in this Agreement to any of the following terms shall have the meaning set forth below for each such term. Certain other terms shall have the meaning set forth for such term in this Agreement.

1.1. Amended and Restated Conditional Development Permit. The Amended and Restated Conditional Development Permit that, subject to the terms and conditions of this Agreement, permits the Property to be occupied pursuant to the Density Condition or the Density Increase.

1.2. Approvals. Any and all permits or approvals of any kind or character required under the City Laws in order to authorize and entitle Facebook and/or Owner to develop and occupy the Property in accordance with the terms of the Project including, but not limited to, the Amended and Restated Conditional Development Permit and the heritage tree removal permits.

1.3. City Laws. The ordinances, resolutions, codes, rules, regulations and official policies of the City governing the permitted uses of land, density, design, and improvement applicable to the development of the Property. Specifically, but without limiting the generality of the foregoing, the City Laws shall include the General Plan and the City's Zoning Ordinance.

1.4. City Manager. The City Manager or his or her designee as designated in writing from time to time. Facebook and Owner may rely on the authority of the designee of the City Manager.

1.5. City Wide. Any City Law, Fee or other matter that is generally applicable to one or more kinds or types of development or use of property wherever located in the City. A City Law, Fee or other matter shall not be City Wide if, despite its stated scope, it applies only to the Property or to one or more parcels located within the Property, or if the relevant requirements are stated in such a way that they apply only to all or a portion of the Project.

1.6. Conditions. All Fees, conditions, dedications, reservation requirements, obligations for on- or off-site improvements, services, other monetary or non-monetary requirements and other conditions of approval imposed, charged by or called for by the City in connection with the development of or construction on real property under the Existing City Laws, whether such conditions constitute public improvements, mitigation measures in connection with environmental review of any project or impositions made under applicable City Laws.

1.7. Community Development Director. The City's Community Development Director or his or her designee.

1.8. Default. As to Facebook, the failure of Facebook to comply substantially and in good faith with any obligations of Facebook under this Agreement; as to Owner, the failure of Owner to comply substantially and in good faith with any obligations of Owner under this Agreement; and as to the City, the failure of the City to comply substantially and in good faith with any obligations of City under this Agreement; any such failure by Facebook, Owner or the City shall be subject to cure as provided in this Agreement.

1.9. Density Condition. Pursuant to the Sun Conditional Development Permit, the density limitation of 3,600 employees with a required 25 percent reduction in single vehicle occupancy trips through the implementation of a transportation demand management program.

1.10. Density Increase. The Project Approvals allowing increased employee density on the Property above the Density Condition, subject to the Trip Cap.

1.11. Effective Date. The effective date of the Enacting Ordinance pursuant to Government Code Section 65867.5, as specified in Recital I of this Agreement.

1.12. Existing City Laws. The City Laws in effect as of the Effective Date.

1.13. Fees. All exactions, costs, fees, in-lieu fees, payments, charges and other monetary amounts imposed or charged by the City in connection with the development of or construction on real property under Existing City Laws. Fees shall not include Processing Fees.

1.14. General Plan. Collectively, the General Plan for the City adopted by the City Council on November 30 and December 1, 1994, as previously amended and in effect as of the Effective Date.

1.15. Laws. The laws and Constitution of the State of California, the laws and Constitution of the United States and any state or federal codes, statutes, executive mandates or court decisions thereunder. The term "Laws" shall exclude City Laws.

1.16. Mitigation Measures. The mitigation measures applicable to the Project, developed as part of the EIR process and required to be implemented through the MMRP and the Amended and Restated Conditional Development Permit.

1.17. MMRP. The Mitigation Monitoring and Reporting Plan adopted as part of the Project Approvals and applicable to the Project.

1.18. Mortgage. Any mortgage, deed of trust or similar security instrument encumbering the Property, any portion thereof or any interest therein.

1.19. Mortgagee. With respect to any Mortgage, any mortgagee or beneficiary thereunder.

1.20. Party. Each of the City, Facebook, and Owner and their respective successors, assigns and transferees (collectively, "Parties"). Facebook will cease being a Party on the earlier of its vacating of the Property or the expiration or earlier termination of the Lease unless Facebook is then the "Owner", in which case Facebook shall retain the rights and obligations of the "Owner" subject, however, to the terms of Section 34.3.

1.21. Processing Fee. A fee imposed by the City upon the submission of an application or request for a permit or Approval, which is intended to cover only the estimated cost to the City of processing such application or request and/or issuing such permit or Approval and which is applicable to similar projects on a City Wide basis, including but not limited to building permit plan check and inspection fees, public works, engineering and transportation plan check and inspection fees, subdivision map application, review and processing fees, fees related to the review, processing and enforcement of MMRP, and fees related to other staff time and attorney's time incurred to review and process applications, permits and/or Approvals; provided such fees are not duplicative of or assessed on the same basis as any Fees.

1.22. Project. The uses of the Property, the site plan for the Property and the Vested Elements, as authorized by or embodied within the Project Approvals and the actions that are required pursuant to the Project Approvals. Specifically, the Project includes the option to occupy the Property with the Density Increase subject to this Agreement and the making of certain improvements to the undercrossing.

1.23. Project Approvals. The following approvals for the Project granted, issued and/or enacted by the City as of the date of this Agreement, as amended, modified or updated from time to time: (a) this Agreement; (b) certification of the EIR and adoption of the MMRP and other actions in connection with environmental review of the Project; (c) the Amended and Restated Conditional Development Permit; and (d) the heritage tree removal permits.

1.24. Public Works Director. The City's Public Works Director or his or her designee.

1.25. Resolution No. 4159. City Resolution No. 4159 entitled "Resolution of the City Council of the City of Menlo Park Adopting Regulations Establishing Procedures and Requirements for Development Agreements" adopted by the City Council of the City of Menlo Park on January 9, 1990.

1.26. Sun Conditional Development Permit. The conditional development permit approved by the City on May 19, 1992 and issued to Sun Microsystems for the Property.

1.27. Trip Cap. The Trip Cap setting a maximum allowable number of vehicle trips associated with the Property on non-holiday weekdays, and which is as follows: 2,600 trips during the AM peak period from 7:00 a.m. to 9:00 a.m.; 2,600 trips during the PM peak period from 4:00 p.m. to 6:00 p.m.; and 15,000 total daily trips.

2. Effective Date; Term.

2.1. Effective Date. This Agreement shall be dated and the rights and obligations of the Parties hereunder shall be effective as of the Effective Date. Not later than 10 days after the Effective Date, the City, Facebook and Owner shall execute and acknowledge this Agreement, and the City shall cause this Agreement to be recorded in the Official Records of the County of San Mateo, State of California as provided for in Government Code Section 65868.5. However, the failure to record this Agreement within the time period provided for in Government Code Section 65868.5 shall not affect its validity or enforceability among the Parties.

2.2. Term.

2.2.1. This Agreement shall continue until the earlier of: (a) the termination of the Project Approvals or (b) the termination of this Agreement in accordance with its terms.

2.2.2. Notwithstanding Section 2.2.1 above, all commitments and obligations under the following sections of this Agreement shall terminate on the earliest of (a) Facebook vacating the Property, (b) the expiration or earlier termination of the Lease, or (c) February 6, 2026: Housing (Section 9), Local Community Fund (Section 10), Bay Trail Gap (Section 11), Utility Undergrounding (Section 12), Jobs (Section 13), City of East Palo Alto Benefits (Section 14), Environmental Education (Section 16), Local Purchasing (Section 17), Transportation Demand Management Information Sharing (Section 19) and Volunteerism (Section 20).

2.2.3. Unless otherwise expressly provided in this Agreement, all of Facebook's rights and obligations under this Agreement shall terminate on the earlier of the date Facebook vacates the Property or the expiration or earlier termination of the Lease unless Facebook is then the "Owner", in which case, Facebook shall retain the rights and obligations of the "Owner" subject, however, to the terms of Section 34.3.

2.2.4. The terms of this Agreement other than those specifically listed in Section 2.2.2 shall continue until this Agreement is terminated in accordance with its terms.

2.3. Expiration of Term. Except as otherwise provided in this Agreement or any of the Approvals, upon the expiration of the term of this Agreement, (a) this Agreement, and the rights and obligations of the Parties under this Agreement, shall terminate; (b) the Property shall remain subject to the Amended and Restated Conditional Development Permit; (c) the Property shall be subject to the Density Condition and the right to elect to have the Property subject to the Density Increase will terminate; and (d) Owner shall thereafter comply with the provisions of the City Laws then in effect or thereafter enacted and applicable to the Property and/or the Project, except that the expiration of the term of this Agreement shall not affect any rights of Owner that are or would be vested under City Laws in the absence of this Agreement and the Amended and Restated Conditional Development Permit.

3. General Development of the Project.

3.1. Project. Facebook and Owner shall have the vested right to develop and occupy the Property in accordance with the terms and conditions of this Agreement and the Project Approvals, and any additional Approvals for the Project and/or the Property obtained by Facebook and/or Owner, as the same may be amended from time to time upon application by Facebook and/or Owner; and City shall have the right to control development of the Property in accordance with the provisions of this Agreement, so long as this Agreement remains effective, and the Approvals for the Project and/or the Property. Except as otherwise specified herein, until the expiration or earlier termination of this Agreement, this Agreement, the Approvals and the Existing City Laws shall control the overall development, use and occupancy of the Property, and all improvements and appurtenances in connection therewith, including, without limitation, the density and intensity of use ("Vested Elements"), and all Mitigation Measures and Conditions required or imposed in connection with the Project Approvals in order to minimize or eliminate environmental impacts of the Project.

3.2. Subsequent Projects. The City agrees that as long as Facebook and Owner develop and occupy the Project in accordance with the terms of this Agreement, Facebook's and Owner's right to develop and occupy the Property shall not be diminished despite the impact of future development in the City on public facilities, including, without limitation, City streets, water systems, sewer systems, utilities, traffic signals, sidewalks, curbs, gutters, parks and other City owned public facilities that may benefit the Property and other properties in the City.

3.3. Other Governmental Permits. Facebook, Owner or City (whichever is appropriate) shall apply for such other permits and approvals from governmental or quasi-governmental agencies other than the City having jurisdiction over the Project (e.g. the California Department of Transportation) as may be required for the development of or provision of services to the Project; provided, however, that City shall not apply for any such permits or approvals without Facebook's and/or Owner's prior written approval. The City shall promptly and diligently cooperate, at no cost to the City, with Facebook and/or Owner in its/their endeavors to obtain such permits and approvals and, from time to time at the request of Facebook and/or Owner, shall proceed with due diligence and in good faith to negotiate and/or enter into binding agreements with any such entity in order to assure the availability of such permits and approvals or services. All such applications, approvals, agreements, and permits shall be obtained at Facebook's and/or Owner's cost and expense, including payment of City staff time in accordance with standard practices, and Facebook and/or Owner shall indemnify City for any liabilities imposed on City arising out of or resulting from such applications, permits, agreements and/or approvals. The indemnifications set forth in this Section 3.3 shall survive the termination or expiration of this Agreement. To the extent allowed by law, Facebook and/or Owner shall be a party or third party beneficiary to any such agreement between City and such agencies and shall be entitled to enforce the rights of Facebook and/or Owner or the City thereunder and/or the duties and obligations of the parties thereto.

3.4. Additional Fees. Except as set forth in this Agreement and the Project Approvals, the City shall not impose any further or additional fees (including, without limitation, any fees, taxes or assessments not in existence as of the Effective Date or not applicable to the Project in accordance with the Existing City Laws, the Project Approvals and this Agreement), whether through the exercise of the police power, the taxing power, or any other means, other than those set forth in the Project Approvals, the Existing City Laws and this Agreement. In addition, except as set forth in this Agreement, the base or methodology for calculating all such Fees applicable to the construction and development of the Project shall remain the same for such Fees as in effect as of the Effective Date. Notwithstanding the foregoing, the following provisions shall apply:

3.4.1. If the City forms an assessment district including the Property, and the assessment district is City Wide or applies to all M-2 Zoned properties and is not duplicative of or intended to fund any matter that is covered by any Fee payable by Facebook and/or Owner, the Property may be legally assessed through such assessment district based on the benefit to the Property (or the methodology applicable to similarly situated properties), which assessment shall be consistent with the assessments of other properties in the district similarly situated. In no event,

however, shall Facebook's and/or Owner's obligation to pay such assessment result in a cessation or postponement of development and occupancy of the Property or affect in any way Facebook's and/or Owner's development rights for the Project.

3.4.2. The City may charge Processing Fees to Facebook and/or Owner for land use approvals, building permits, encroachment permits, subdivision maps, and other similar permits and approvals which are in force and effect on a City Wide basis or applicable to all M-2 Zoned properties at the time Facebook and/or Owner submits an application for those permits.

3.4.3. If the City exercises its taxing power in a manner which will not change any of the Conditions applicable to the Project, and so long as any new taxes or increased taxes are uniformly applied on a City Wide basis or applied uniformly to M-2 Zoned properties, the Property may be so taxed, which tax shall be consistent with the taxation of other properties in the City similarly situated.

3.4.4. If, as of the Effective Date, the Existing City Laws under which the Fees applicable to the Project have been imposed provide for automatic increases in Fees based upon the consumer price index or other method, then the Project shall be subject to any such increases in such Fees resulting solely from the application of any such index or method in effect on the Effective Date.

3.4.5. If state or federal laws are adopted which impose fees on new or existing projects, such fees shall be applicable to the Project.

3.5. Effect of Agreement. This Agreement, the Project Approvals and all plans and specifications upon which such Project Approvals are based, including but not limited to the Amended and Restated Conditional Development Permit, shall constitute a part of the Enacting Ordinance, as if incorporated by reference therein in full.

3.6. Review and Processing of Approvals. The City shall accept, review and expeditiously process Facebook's and/or Owner's applications and requests for Approvals in connection with the Project in good faith and in a manner which complies with and is consistent with the Project Approvals and this Agreement. The City shall approve any application or request for an Approval which complies and is consistent with the Project Approvals and this Agreement. Facebook and/or Owner shall provide the City with the Processing Fees, applications, documents, plans, materials and other information necessary for the City to carry out its review and processing obligations. Facebook and/or Owner shall submit all applications and requests for Approvals in the manner required under applicable City Laws in effect as of the time of such submittal. The Parties shall cooperate with each other and shall use diligent, good faith efforts to cause the expeditious review, processing and issuance of the approvals and permits for

the development and occupation of the Project in accordance with the Project Approvals and this Agreement.

4. Specific Criteria Applicable to the Project.

4.1. Applicable Laws and Standards. Notwithstanding any change in any Existing City Law, including, but not limited to any change by means of ordinance, resolution, initiative, referendum, policy or moratorium, and except as otherwise expressly provided in this Agreement, the laws and policies applicable to the Property are and shall be as set forth in Existing City Laws (regardless of future changes in Existing City Laws by the City), this Agreement and the Approvals. Facebook's and Owner's vested rights to develop and occupy or to cause the Property to be occupied in accordance with the Vested Elements, provided that City may apply and enforce the California Building Code as amended and adopted by the City (including the Mechanical Code, Electrical Code and Plumbing Code) and California Fire Code as amended and adopted by the City and/or the Menlo Park Fire Protection District, as such codes may be in effect at the time Facebook and/or Owner applies for building permits for any aspect of the Project. Without limiting the generality of the foregoing, except as otherwise expressly provided in this Agreement, during the term of this Agreement, the City shall not, without the prior written consent of Facebook and/or Owner: (a) apply to the Project any new or amended ordinance, resolution, rule, regulation, requirement or official policy that is inconsistent with any Existing City Laws or Approvals and that would have the effect of delaying, preventing, adversely affecting or imposing any new or additional Condition with respect to the Project; or (b) apply to the Project or any portion thereof any new or amended ordinance, resolution, rule, regulation, requirement or official policy that requires additional discretionary review or approval for the proposed development, use and/or occupancy of the Project.

4.2. Application of New City Laws. Nothing herein shall prevent the City from applying to the Property new City Laws that are not inconsistent or in conflict with the Existing City Laws or the intent, purposes or any of the terms, standards or conditions of this Agreement, and which do not affect the Vested Elements, impose any further or additional fees or impose any other conditions on the Project, including, without limitation, those requiring additional traffic improvements/requirements or additional off-site improvements, that are inconsistent with this Agreement or the intent of this Agreement. Any action or proceeding of the City that has any of the following effects on the Project shall be considered in conflict with this Agreement and the Existing City Laws:

4.2.1. Limiting or reducing the density or intensity of use of the Property;

4.2.2. Limiting grading or other improvements on the Property in a manner that is inconsistent with or more restrictive than the limitations included in the Approvals or this Agreement; or

4.2.3. Applying to the Project or the Property any law, regulation, or rule restricting or affecting a use or activity otherwise allowed by this Agreement.

The above list of actions is not intended to be comprehensive, but is illustrative of the types of actions that would conflict with this Agreement and the Existing City Laws.

4.3. Timing. Without limiting the foregoing, no moratorium or other limitation affecting the development and occupancy of the Project or the rate, timing or sequencing thereof shall apply to the Project.

4.4. Subsequent Environmental Review. The Parties acknowledge and agree that the EIR contains a thorough environmental analysis of the Project and the Project alternatives, and specifies the feasible Mitigation Measures available to eliminate or reduce to an acceptable level the environmental impacts of the Project. The Parties further acknowledge and agree that the EIR provides an adequate environmental analysis for the City's decisions to authorize Facebook and Owner to proceed with the Project as embodied in the Project Approvals and this Agreement and subsequent development of the Project during the term of this Agreement. The Mitigation Measures imposed are appropriate for the implementation of proper planning goals and objectives and the formulation of Project conditions of approval. In view of the foregoing, the City agrees that the City will not require another or additional environmental impact report or environmental review for any subsequent Approvals implementing the Project. Facebook and Owner shall defend, indemnify and hold the City harmless from any costs or liabilities incurred by the City in connection with any litigation seeking to compel the City to perform additional environmental review of any subsequent Approvals.

4.5. Easements; Improvements. The City shall cooperate with Facebook and Owner in connection with any arrangements for abandoning existing easements and facilities and the relocation thereof or creation of any new easements within the Property or the undercrossing necessary or appropriate in connection with the development of the Project. If any such easement is owned by the City or an agency of the City, the City or such agency shall, at the request of Facebook and/or Owner, take such action and execute such documents as may be reasonably necessary in order to abandon and relocate such easement(s) as necessary or appropriate in connection with the development of the Project in accordance with the Project Approvals. All on-site and off-site improvements required to be constructed by Facebook and/or Owner

pursuant to this Agreement, including those set forth in the Project Approvals, shall be constructed by Facebook and/or Owner (as applicable).

5. Trip Cap. If the Density Increase is elected and has not been suspended in accordance with the terms of Section 8.2, Facebook and/or Owner shall adhere to the Trip Cap, the details of which are included in the Project Approvals, and incorporated herein by this reference. To ensure compliance, the Trip Cap includes monitoring with periodic reporting and monetary penalties for violations of the Trip Cap that shall be paid by Facebook and/or Owner to the City. Facebook agrees that so long as it has not vacated the Property and the Lease is effective, it shall be solely responsible for complying with the Trip Cap and paying any monetary penalties payable thereunder.

6. Conditions Precedent. Facebook's obligations and Owner's obligations (if any) under Sections 7, 9-20 and 22 are expressly conditioned on the resolution of all legal challenges, if any, to the EIR, the Project Approvals and the Project. If no litigation or referendum is commenced challenging the EIR, the Project Approvals and/or the Project, Facebook's and Owner's obligations will vest 90 days after the Effective Date. If litigation or a referendum is commenced challenging the EIR, the Project Approvals and/or the Project, then Facebook's and Owner's obligations will vest on the date of final, non-appealable resolution of all litigation in a manner that is reasonably acceptable to Facebook and Owner or resolution of the referendum in a manner that is reasonably acceptable to Facebook and Owner. The conditions described in this Section 6 shall, collectively, be referred to as the "Conditions Precedent".

7. One Time Public Benefits; Conditions.

7.1. Capital Improvement. Within 45 days of the satisfaction of the Conditions Precedent, Facebook shall make a one-time payment of One Million One Hundred Thousand Dollars ($1,100,000) to the City for the City's unrestricted use toward capital improvement projects.

7.2. Bicycle/Pedestrian. Within 240 days of the satisfaction of the Conditions Precedent, Facebook shall, subject to the approval of the applicable regulatory agencies, take the actions described in this Section 7.2.

7.2.1. Facebook shall perform one-time improvements to the undercrossing above and beyond those described in the Project. The specific improvements shall be designated by Facebook in its sole and absolute discretion, but shall be subject to review, approval and permitting by the City. Conceptually, these improvements include landscape embellishments and a self-service bicycle tool station. Also, as a key feature, Facebook proposes to improve the undercrossing by, to the extent appropriate, preserving existing art and/or providing wall surfaces for invited

artists to create mural art with the intent to create an "art gallery" experience for the pedestrians/bicyclists using the undercrossing.

7.2.2. Facebook shall perform restriping improvements for bicycle lanes to the following streets on a one-time basis:

(a) Willow Road and Middlefield Road intersection;
(b) Willow Road and U.S. 101 bridge;
(c) Willow Road between Hamilton Avenue and Bayfront Expressway;
(d) Willow Road between Newbridge Street and Ivy Drive; and
(e) Willow Road between O'Keefe and U.S. 101 (shared lane marking).

7.2.3. Facebook shall have a one-time obligation to investigate the possibility of making crosswalk improvements, including, but not limited to the installation of in-pavement warning lights, to the pedestrian crossings at the U.S. 101 and Willow Road interchange, and, subject to the consent of the applicable regulatory agencies, shall make or pay for such improvements. Facebook shall not, however, be obligated to spend more than One Hundred Thousand Dollars ($100,000) on these crosswalk improvements. If Facebook determines, as reasonably confirmed by the City's Public Works Director, that the cost of these crosswalk improvements will exceed One Hundred Thousand Dollars ($100,000), the City may perform such improvements and Facebook shall reimburse the City for its reasonable costs to perform such improvements, but not to exceed One Hundred Thousand Dollars ($100,000). If the City performs the crosswalk improvements, the City shall provide evidence of the cost to complete the crosswalk improvements to Facebook, which evidence shall be subject to Facebook's reasonable review and approval.

7.2.4. Facebook shall perform one-time improvements to publicly accessible walking paths, trails and levees in the immediate vicinity of the Property, subject to approval by the San Francisco Bay Conservation and Development Commission ("BCDC"). The intent of these improvements would be to make the area surrounding the Property more pedestrian friendly and enable the community, visitors and Facebook employees to learn about and enjoy the surrounding bay-lands in an ecologically sensitive manner. The specific improvements shall be determined by Facebook in its sole and absolute discretion, but may include planting bay friendly native shrubs and trees, providing additional destination viewing points and seating and creating a renovated, environmentally friendly walking path and shall include adding interpretive signage. In performing these improvements, Facebook shall work with an environmental consultant to ensure that human interactions with the ecosystem are appropriate.

7.3. Business District. Within three years of the satisfaction of the Conditions Precedent, Facebook will have a one-time obligation to investigate the possibility of creating a business improvement district in the Willow Road corridor between U.S. 101 and Bayfront Expressway that includes the Property. If the business improvement district is feasible and the adjacent property owners are likewise interested in creating the business improvement district, Facebook shall initiate the process for creating the business improvement district; provided, however, that Facebook shall not be obligated to spend more than Fifty Thousand Dollars ($50,000) on this effort. The adequacy of Facebook's investigation and verification of the amount spent in diligently pursuing this condition is subject to the review and approval of the City's Community Development Director.

7.4. In-Lieu Mitigation Payment. Facebook agrees that if the City (a) secures grant funds to pay for mitigations that Facebook is obligated to perform pursuant to the MMRP, (b) notifies Facebook that it wishes to perform such mitigations in lieu of Facebook, and (c) completes those mitigations, then Facebook shall make an in lieu of payment to the City equal to the cost of the mitigations (which payment shall fully satisfy Facebook's obligation to perform such mitigations); provided, however, that (i) the City and Facebook shall agree on a not-to-exceed budget for the mitigations the City wishes to perform; and (ii) if the City notifies Facebook that it wishes to perform such mitigations in lieu of Facebook after Facebook has commenced planning for and/or performing such mitigations, then Facebook shall be entitled to a credit (to be offset against the in lieu of payment to the City) equal to Facebook's reasonable costs incurred in planning and/or performing such mitigations. The City shall provide evidence of the cost to complete the mitigations to Facebook, which evidence shall be subject to Facebook's reasonable review and approval. With respect to any particular mitigation, Facebook will not be obligated to pay the City any amounts incurred in excess of the not-to-exceed budget for that mitigation. If the City notifies Facebook that it wishes to perform a mitigation(s) in lieu of Facebook pursuant to this Section 7.4, then Facebook's only obligation with respect to such mitigation(s) will be to pay the City the applicable amounts described herein. In addition, Facebook also agrees that if the City secures grant funds to pay for mitigations that Facebook is obligated to perform pursuant to the MMRP and notifies Facebook that it wishes to use those funds to pay for mitigations that Facebook itself performs, then Facebook shall make an in lieu of payment to the City equal to the grant funds used by the City to pay for mitigations performed by Facebook.

8. On-Going Public Benefits, Conditions.

8.1. Annual Payment. During the term of this Agreement, Facebook and/or Owner shall make an annual payment ("Annual Payment") to the City in lieu of sales tax or other revenue that might otherwise accrue to the City if the Property was

occupied by a sales tax producer. The first payment of the Annual Payment will be for the City's July 1, 2012 to June 30, 2013 fiscal year, and will be due and payable in full to the City on January 1, 2013. Subsequent payments of the Annual Payment will be due and payable in full to the City on July 1 of each fiscal year for which the Annual Payment is payable (commencing July 1, 2013). The Annual Payment will be payable for the 10 year period commencing on July 1, 2012 and ending on June 30, 2022 ("Minimum Payment Period") with no proration, reduction or suspension (except as set forth in Sections 8.2.5 and 8.2.8). After the Minimum Payment Period has expired, however, the Annual Payment may be adjusted as set forth below in Section 8.2. If the City changes its fiscal year, then the date for payment of the Annual Payment shall, likewise, be changed.

8.1.1. In each of the first five years beginning with the first payment on January 1, 2013, the amount of the Annual Payment shall be Eight Hundred Thousand ($800,000).

8.1.2. For each of the five years beginning with the payment on July 1, 2017, the Annual Payment shall be Nine Hundred Thousand ($900,000).

8.1.3. For each of the five years beginning with the payment on July 1, 2022, the Annual Payment shall be One Million Dollars ($1,000,000).

8.1.4. Beginning on July 1, 2027 and on each anniversary thereof (each an "Index Date"), the Annual Payment amount will be increased to the product of the Annual Payment amount in effect immediately prior to the applicable Index Date times a fraction, the numerator of which is the "Index" (defined below) for the third (3rd) month preceding the applicable Index Date, and the denominator of which is the Index for the third (3rd) month preceding the last Index Date or, in case of the first Index Date, the Index for April 1, 2026. "Index" means the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers (all items for the SF-Oakland-San Jose Metropolitan Area on the basis of 1982-1984 = 100). If the format or components of the Index are materially changed after the execution of this Agreement, the City will reasonably select an index which is published by the Bureau of Labor Statistics or similar agency and which is a reasonable equivalent to the Index in effect on the Effective Date.

8.2. <u>Adjustments</u>.

8.2.1. Following expiration of the Minimum Payment Period on June 30, 2022 and on each five-year anniversary thereof (each an "Adjustment Date"), Facebook and/or Owner shall have the option to temporarily suspend or decrease the Density Increase or, if the Density Increase is then suspended or decreased, to un-suspend or increase the Density Increase ("Adjustment Option"). Notwithstanding the

foregoing, any increase shall not exceed the Density Increase permitted by the Project Approvals. Increases or decreases in the Density Increase shall be measured in terms of daily vehicle trips and Facebook and/or Owner may only elect to increase or decrease the Density Increase in increments of 1,000 daily vehicle trips. The Density Increase would decrease by reducing the maximum number of daily vehicle trips in the Trip Cap, for example from 15,000 to 14,000 total daily trips. There will be no corresponding reduction in the peak period trips unless the daily trips are reduced below 11,000 per day. For reductions in daily trips below 11,000 trips per day, there will be a corresponding reduction in the peak period trips at the ratio of 0.208 peak period trips per daily trip. To illustrate, if daily trips are reduced to 10,000 trips per day, then the peak period trips would each be reduced by 208 trips. For each 1,000 daily trips reduced, the Annual Payment would be reduced by an amount equal to 10 percent of the full amount of the Annual Payment and for each 1,000 daily trips increased the Annual Payment would increase by 10 percent of the full amount of the Annual Payment. If Facebook and/or Owner elects to suspend the Density Increase and provides timely notice of the same in accordance with Section 8.2.2, the obligation to make the Annual Payment will likewise be suspended (in its entirety).

8.2.2. Facebook and/or Owner may exercise its Adjustment Option by giving the City notice at least 180 days prior to an Adjustment Date. Such notice shall indicate whether Facebook and/or Owner is suspending, un-suspending, decreasing or increasing the Density Increase and, in the case of a decrease or increase, the amount (i.e. the decrease or increase to the maximum number of daily vehicle trips in the Trip Cap). On the first Adjustment Date, if Facebook and/or Owner does not exercise the Adjustment Option, the Annual Payment will be as described above in Section 8.1.3. Thereafter, if Facebook and/or Owner does not timely exercise its Adjustment Option, the Annual Payment (if any) for the succeeding five-year period will continue to remain as it was during the period preceding the Adjustment Date (subject to increases to account for changes in the Index as set forth in Section 8.1.4).

8.2.3. Following the expiration of the Minimum Payment Period, on the occurrence of a Triggering Event, as defined below, Facebook and/or Owner will have the option to suspend or decrease the Density Increase by giving the City notice of its exercise of its Adjustment Option, which notice must specify the Triggering Event. The suspension or decrease will become effective as of the commencement of the City's next fiscal year provided the City receives the notice at least 120 days prior to the commencement of such fiscal year. If the notice is given within 120 days of the City's next fiscal year, then the suspension or decrease will become effective as of the commencement of the City's succeeding fiscal year. The Triggering Event notice must indicate whether Facebook and/or Owner is suspending or decreasing the Density Increase and, in the case of a decrease to the Density Increase, the amount of such

decrease, in increments of 1,000 daily vehicle trips. If Facebook and/or Owner decreases the Density Increase pursuant to this Section 8.2.3, the Trip Cap shall be adjusted in the same manner as is set forth in Section 8.2.1. Following delivery of a Triggering Event notice, the Density Increase may be un-suspended and/or increased (as applicable) on the next Adjustment Date, in the manner set forth above.

8.2.4. A "Triggering Event" means either of the following: (a) vacation of four or more of Buildings 10, 12, 14, 15, 16, 17 and 18 as shown on the site plan attached hereto as Exhibit C and incorporated herein by this reference, or (b) the performance of building improvements that cause the average employee density of the Buildings 10, 12, 14, 15, 16, 17 and 18 to be less dense than the Density Condition, as determined in the reasonable discretion of the City's Community Development Director.

8.2.5. Upon the expiration of the Lease or Owner's termination of the Lease due to Facebook's default under the Lease, Owner shall have the one-time option to suspend the Density Increase by giving the City notice of its exercise of the Adjustment Option within 30 days of the expiration or termination of the Lease (as applicable). The suspension will become effective as of the commencement of the City's next fiscal year. If the Density Increase is suspended pursuant to this Section 8.2.5, the Density Increase may be un-suspended on the next Adjustment Date, in the manner set forth above. If Owner elects to suspend the Density Increase, the obligation to make the Annual Payment will likewise be suspended (in its entirety). Notwithstanding the foregoing, if Owner exercises the Adjustment Option pursuant to this Section 8.2.5 during the Minimum Payment Period, Facebook shall make a one-time payment to the City equal to the remaining unpaid Annual Payments due for the Minimum Payment Period discounted back to the present value. For purposes of the preceding, present value shall be computed by discounting at a rate equal to the "Prime Rate" as published in the Money Rates section of *The Wall Street Journal* on the date the Owner exercises the Adjustment Option. Facebook shall pay the City amounts due pursuant to this Section 8.2.5 within 60 days of the date the Owner delivers to the City notice of its exercise of the Adjustment Option provided for in this Section 8.2.5.

8.2.6. Facebook and/or Owner may elect to reduce the Density Increase by up to 8,000 daily trips or to suspend the Density Increase in its entirety. In no event, absent a suspension of the Density Increase, shall the Annual Payment due to the City fall below 20 percent of the Annual Payment. The Density Increase may be suspended for a maximum of ten consecutive years, after which time this Agreement may be terminated pursuant to Section 26.

8.2.7. Facebook and/or Owner will be entitled to a credit equal to all taxes paid to and received by the City and attributable to operations at the Property,

including, without limitation, sales taxes attributable to retail operations performed at the Property and any future taxes on any services provided from or attributable to the Property. That credit will be offset against the Annual Payment. Facebook and/or Owner will not be entitled to a credit for property taxes paid to the City.

8.2.8. Notwithstanding the above, if litigation or a referendum is commenced challenging the EIR, the Project Approvals and/or the Project and as a result of such litigation or referendum Facebook and/or Owner is prohibited from or elects not to occupy the Property in accordance with the Density Increase, the obligation to pay the Annual Payment will be stayed until the date of final, non-appealable resolution of all litigation in a manner that is reasonably acceptable to Facebook and/or Owner and final resolution of the referendum in a manner that is reasonably acceptable to Facebook and/or Owner.

8.2.9. Notwithstanding the above, so long as Facebook leases the Property pursuant to the Lease, (a) Facebook will be solely authorized to exercise Owner's rights under this Section 8 including, without limitation, the right to make an adjustment to the Density Increase on an Adjustment Date or following a Triggering Event and (b) Facebook and Owner shall be jointly and severally liable for any and all payment obligations related to the Annual Payment and penalties associated with violations of the Trip Cap, if any. Facebook's rights and obligations pursuant to this Section 8 shall terminate upon the expiration or earlier termination of the Lease (regardless of whether Facebook has vacated the Property) unless Facebook is then the "Owner", in which case, Facebook shall retain the rights and obligations of the "Owner" subject, however, to the terms of Section 34.3. This means, among other things, that unless Facebook is the "Owner", Facebook shall not be liable for any payment obligations related to the Annual Payment or penalties associated with violations of the Trip Cap following the expiration or earlier termination of the Lease, except as provided in Section 8.2.5.

9. Housing.

9.1. Facebook will explore opportunities to invest in low income tax credits for affordable housing projects in the City and the City of East Palo Alto, including partnering with a local non-profit housing developer(s) or contributing funds toward the creation of low, very-low or extremely-low income housing. Facebook shall report the results of its explorations to the City's Community Development Director upon the City's Community Development Director's written request. The decision of whether to make any investments will be in Facebook's sole and absolute discretion.

9.2. Facebook will contact a local real estate developer or local real estate developers interested in building housing projects in the City. Facebook in

concert with the real estate developer(s) will explore ways to support housing projects, including, but not limited to investing capital, committing to leasing units or offering marketing opportunities to Facebook employees. Facebook shall report the conclusions from this collaborative effort to the City's Community Development Director upon the City's Community Development Director's written request. The decision of whether to provide any support will be in Facebook's sole and absolute discretion.

10. Local Community Fund. Within one year of the satisfaction of the Conditions Precedent, Facebook shall create a Local Community Fund ("LCF") in partnership with a non-profit partner to manage and administer the LCF and Facebook shall contribute Five Hundred Thousand Dollars ($500,000) to the LCF. The purpose of the LCF will be to provide support for local community needs. A five-member Board of Advisors will be created to advise about criteria for eligibility and distribution of funding. The Board of Advisors will endeavor to spread the LCF's benefits equally between the City and the City of East Palo Alto. The City Manager and East Palo Alto's City Manager each will name one Advisory Board member to serve a two-year term. Facebook will name two Advisory Board members to each serve a two-year term, and a Facebook representative appointed by Facebook will serve on a continuing basis. Advisory Board members may serve more than one term (if re-appointed by the City Manager, the City of East Palo Alto's City Manager or Facebook, as applicable). If after the LCF's funding has been exhausted Facebook determines that the LCF is a success, is operating smoothly and is making a positive impact on the community, Facebook will consider making an additional contribution to LCF (however, the decision of whether to make an additional contribution will be in Facebook's sole and absolute discretion).

11. Bay Trail Gap. Facebook will work with Bay Trail stakeholders, including, but not limited to Midpeninsula Regional Open Space District, Association of Bay Area Governments (ABAG), the City of East Palo Alto and the City and County of San Francisco and appropriate members of the business community to close the Bay Trail Gap, commonly known as Gap No. 2092, which terminates at the railroad right-of-way on University Avenue. Facebook will also evaluate making a future financial contribution to the effort to close the Bay Trail Gap. Facebook shall report the results of its explorations to the City upon the City's Community Development Director's written request. The decision of whether to make any investments will be in Facebook's sole and absolute discretion.

12. Utility Undergrounding. Facebook agrees to cooperate with the City in the City's efforts to underground existing electric transmission lines located in the vicinity of the Property, however, neither the City nor Facebook will be obligated to provide funding for utility undergrounding.

13. Jobs.

13.1. Internship Program. Facebook will create a summer intern program for students residing within the geographic boundaries of the Ravenswood Elementary School District. The summer intern program will commence with an initial, pilot program, and then later, if successful, may be expanded, in Facebook's sole and absolute discretion, to include more participants and/or subject areas. Students participating in the pilot program will work in the Facebook IT Department alongside technology professionals. The summer intern program will include weekly training sessions covering topics such as the college application process, professional skills and business and interpersonal skills. The department in which the summer interns are placed, and the scope of and agenda for the program may change over time. Facebook anticipates that the summer intern program will be launched in partnership with an academic non-profit organization and that the non-profit organization will be responsible for selecting the participating students, processing work permits and managing other related administrative matters. The program will include the following elements: (a) the program will be open to at least 10 students per session, (b) all students must be in or entering their Junior year in high school (unless otherwise determined by Facebook in its reasonable discretion), and (c) the program will run for at least four weeks. Facebook will endeavor to launch the pilot program in June 2012, and in no case will the pilot program launch later than summer 2013. Facebook may also elect (in its sole and absolute discretion) to expand the program to include an after-school session during the school year in addition to the annual summer program.

13.2. Encourage Local Jobs. Facebook will work with a local training program to expand training services for residents of the City and the City of East Palo Alto. Facebook will also create an ongoing quarterly series of career development workshops to commence within one year of the satisfaction of the Conditions Precedent. The workshops will focus on topics such as resume writing, interviewing skills and how to find a job via social media, including Facebook. These workshops will take place in local community centers and/or other neighborhood sites. In addition, within one year of the satisfaction of the Conditions Precedent, Facebook will host a session, promoted in the Belle Haven neighborhood and East Palo Alto, on how to become a Facebook employee, including how to apply through www.facebook.com/careers. Because people who work at Facebook are comprised of both employees and contractors, to encourage contractors to hire City residents and residents of the City of East Palo Alto, Facebook will require future vendors to use reasonable efforts to notify residents of the City and the City of East Palo Alto when they are hiring new people to work at the Property in the facilities, culinary and construction trades. Reasonable efforts shall include, but not be limited to, using the existing East Palo Alto first source hiring jobs hotline/posting capabilities and any

equivalent program later developed by the City. Vendors with existing contracts will be encouraged to use reasonable efforts to promote local hiring as openings become available. Facebook will also encourage campus vendors to host sessions on how to become an employee of their organization.

14. City of East Palo Alto Benefits. On _____, 2012, the City of East Palo Alto and Facebook entered into the Memorandum of Agreement by and between the City of East Palo Alto and Facebook, Inc. Regarding the Menlo Park Facebook Campus Project ("MOA"). A copy of the MOA, including its "Exhibit A, Terms and Implementation" is attached hereto as Exhibit D. The specific terms listed in "Exhibit A, Terms and Implementation" are incorporated herein, except for the following terms which are specifically not incorporated herein:

(a) Paragraph 1.c) Traffic Improvements, the terms of which are included in Section 7.2.3 of this Agreement;
(b) Paragraph 3.a) Jobs/Local Hire, the terms of which are included in Sections 13.1 and 13.2 of this Agreement;
(c) Paragraph 3.b) Volunteerism, the terms of which are included in Section 20 of this Agreement;
(d) Paragraph 3.c) Community Fund, the terms of which are included in Section 10 of this Agreement;
(e) Paragraph 3.d) Housing, the terms of the second and third bullet points, which are included in Sections 9.1 and 9.2 of this Agreement; and
(f) Paragraph 3.e), the terms of which are included in Section 11 of this Agreement.

15. Adopt-a-Highway. Within 180 days of the satisfaction of the Conditions Precedent, Facebook will adopt a roadway segment in the vicinity of the Property pursuant to Caltrans' Adopt-A-Highway Program. This commitment will be for a period of five years. If there are no segments available for adoption in the vicinity of the Property, Facebook's obligation shall be tolled until a segment becomes available.

16. Environmental Education.

16.1. When performing work that might impact the San Francisco Bay, Facebook will hire an environmental consultant knowledgeable about the San Francisco Bay and associated marsh habitats to ensure that endangered species, particularly the Salt Marsh Harvest Mouse and Clapper Rail, are not harmed.

16.2. Facebook will cooperate with the Don Edwards San Francisco Bay National Wildlife Refuge ("Refuge") team and related nonprofit groups on habitat protection and restoration adjacent to the Property. Facebook will establish an ongoing,

in-house point of contact for the Refuge, nonprofit groups and related agencies to ensure collaborative success.

16.3. Facebook will educate employees and visitors about the unique species next to the Property and their habitat requirements. Such education may be by way of installing appropriate interpretive signage and/or hosting educational programs.

16.4. Facebook will engage in "wildlife-friendly" behavior, such as (a) adopting policies requiring the trapping and removal of feral cats and the leashing of dogs when using trails located on the Property, (b) employing wildlife-safe rodent control measures, and (c) encouraging beneficial species (through, for example, the installation of bat houses).

17. On-Going Environmental Commitments.

17.1. When performing landscape improvements, Facebook and/or Owner will minimize (or require the minimization of) potential stormwater runoff through the use of appropriate techniques, such as grassy swales, rain gardens and other Low Impact Development (LID) measures.

17.2. If Facebook and/or Owner installs at the Property new windows or new window treatments on windows facing the parking lot or the San Francisco Bay, Facebook and/or Owner will select (or require the selection of) windows and window treatments that minimize impacts of light pollution and risk of collision to birds. If Facebook and/or Owner installs new lighting in the parking lot at the Property, Facebook and/or Owner will use (or require the use of) then available best practices to design and shield that new lighting so as to confine direct rays to the Property and not out into the adjacent areas of the San Francisco Bay. The obligations in this Section 17.2 will not apply to windows or treatments to windows that face the courtyard and lighting that is located within the courtyard, except that if Facebook and/or Owner replaces upper (3rd floor) windows or window treatments that face the courtyard, Facebook and/or Owner will select (or require the selection of) windows or treatments that minimize the risk of bird collision.

17.3. Except for the existing basketball court, Facebook and/or Owner will not create (or permit the creation of) any lighted playing field on the perimeter of the site that abuts the San Francisco Bay. Facebook and/or Owner will require the lights on the existing basketball court to be controlled so that the court is dark except when in use.

17.4. If Facebook and/or Owner installs new building roofs, window ledges, parking lot light poles or landscaping changes, Facebook and/or Owner will use (or require use of) then available best practices to ensure that the new building roofs,

window ledges, parking lot light poles or landscaping changes do not create sites for predatory bird species to roost or nest.

17.5. When performing landscape improvements to those portions of the Property that abut the San Francisco Bay, Facebook and/or the Owner will consult with (or require consultation with) a qualified environmental consultant familiar with California native plant communities and select (or require the selection of) suitable native plants for landscaping.

17.6. Facebook shall comply with the terms of this Section 17 while it occupies the Property pursuant to the Lease. Owner shall require any future Future Tenant (as defined below) to comply with the terms of this Section 17.

18. Local Purchasing.

18.1. Facebook shall adopt a program to incentivize Facebook employees to frequent local businesses and continue such program for three years from the Effective Date. Facebook's continuation of the "Facebucks" program will satisfy this obligation.

18.2. When purchasing goods that can be sourced locally, Facebook shall endeavor to purchase goods from vendors located in the City if the quality, price, terms and conditions are competitive.

18.3. When engaging vendors to provide on-site services to employees (e.g., chiropractic services), Facebook shall endeavor to engage vendors that are located in the City if their services satisfy Facebook's needs and the quality, price, terms and conditions are competitive.

18.4. If the Menlo Gateway project is developed, Facebook will consider adding the hotel built as part of that project to its list of preferred hotels for visitors.

19. Transportation Demand Management Information Sharing. To help mitigate regional traffic, Facebook agrees to share its Transportation Demand Management best practices with other interested Silicon Valley companies that request such information from Facebook.

20. Volunteerism. Facebook will actively promote local volunteer opportunities in the City and the City of East Palo Alto to all its employees. Such promotion shall include the creation of an internal Facebook page for the posting of volunteer opportunities. Facebook will host a "Local Community Organization Fair" on the Property. This fair will launch in Summer 2012 and take place annually.

21. Assignment and Assumption.

21.1. If the Lease terminates or Facebook vacates the Property prior to February 6, 2026, then the right to continue to occupy the Property with the Density Increase shall be conditioned on the Owner or a subsequent tenant of the Property (each a "Future Tenant") assuming all of Facebook's remaining obligations under Sections 7, 9-11, 13, 15, 16, 18-20 and 22 (collectively "Remaining Facebook Obligations"). Continuation of the right to occupy the Property with the Density Increase is also subject to Owner's and Future Tenant's (if any) compliance with Section 8, On-Going Public Benefits, Conditions. If Owner or Future Tenant wishes to preserve the Density Increase and assume the Remaining Facebook Obligations, then as a condition precedent to continued occupancy subject to the Density Increase, the Owner, Future Tenant (if applicable) and the City shall enter into an assignment and assumption of this Agreement which shall be recorded in the Official Records of the County of San Mateo, State of California. If Owner or Future Tenant does not wish to assume the Remaining Facebook Obligations, this Agreement and the Density Increase shall terminate. Notwithstanding the foregoing, the City (as approved by the City Council), Owner and Future Tenant (if applicable) may negotiate an amendment to this Agreement that continues the right to occupy the Property with the Density Increase and terminates the Remaining Facebook Obligations, but provides for alternative, appropriate public benefits. The option to assume the Remaining Facebook Obligations may be made at any time within five years of Facebook's vacating the Property or the termination of the Lease (as applicable). If the Remaining Facebook Obligations are not assumed and an assignment and assumption of this Agreement has not been recorded within that five year period, this Agreement and the option to elect to occupy the property with the Density Increase shall terminate.

21.2. If Facebook vacates the Property on or after February 6, 2026, then the right to occupy the Property with the Density Increase shall continue regardless of whether Owner or a Future Tenant has assumed the Remaining Facebook Obligations. Notwithstanding the foregoing, the continuation of the right to occupy the Property with the Density Increase is subject to compliance with Section 8, On-Going Public Benefits, Conditions.

22. Sanitary Sewer System Upgrades. West Bay Sanitary District ("WBSD") is the main permitting agency for the sanitary sewer system upgrades discussed in this Section 22. Facebook shall provide a specific contact to WBSD for matters related to the sanitary sewer system upgrades and shall provide another contact for all other matters, should it be different than the contact for the sanitary sewer system upgrades.

22.1. Facebook shall upsize 114 feet of the existing 12-inch diameter pipeline that runs north along Hamilton Avenue, beginning at the Hamilton/Willow Road intersection, to a 15-inch diameter pipe. Within 90 days of the Effective Date of this Agreement, Facebook shall apply for a Class 3 permit from WBSD. Facebook shall

cause a cost estimate to be prepared and shall provide the cost estimate to WBSD for its review and to the City. Within 30 days of receiving approval from WBSD, Facebook shall apply for an encroachment permit from the City and Caltrans. Within 180 days of receiving approval of the respective encroachment permits, Facebook shall construct the improvements. To ensure that this work is timely completed to the reasonable satisfaction of the City's Community Development Director, Facebook shall post a bond equal to 200 percent of the estimated cost of the work within 30 days of the satisfaction of the Conditions Precedent. The City shall release the bond upon completion of the work.

22.2. Facebook shall purchase a third wastewater pump to be placed into reserve in case of pump failure at the Hamilton Henderson Pump Station. Within 120 days of the Effective Date of this Agreement, Facebook shall purchase a Flygt NP 3202.090, 35 Horsepower, 460 Volt, 60 Hertz, 3 Phase pump with the following options: (a) 8-inch Discharge, (b) 642 Impeller, (c) minimum 50 feet of cable, (d) soft start motor starter, (e) FM explosion proof rating, and (f) Float Level Sensor or similar pump as approved by WBSD. Facebook shall cause a cost estimate to be prepared and shall provide the cost estimate to WBSD for its review and to the City. To ensure that the pump is purchased, to the reasonable satisfaction of the City's Community Development Director, Facebook shall post a bond equal to and 120 percent of the cost of the wastewater pump within 30 days of the satisfaction of the Conditions Precedent. The City shall release the bond upon WBSD's receipt of the pump.

23. Indemnity.

23.1. Owner shall indemnify, defend and hold harmless City, and its elective and appointive boards, commissions, officers, agents, contractors, and employees (collectively, "City Indemnified Parties") from any and all claims, causes of action, damages, costs or expenses (including reasonable attorneys' fees) arising out of or in connection with, or caused on account of, the development and occupancy of the Project, any Approval with respect thereto, or claims for injury or death to persons, or damage to property, as a result of the operations of Owner or its employees, agents, contractors, representatives or tenants with respect to the Project (collectively, "Owner Claims"); provided, however, that Owner shall have no liability under this Section 23.1 for Owner Claims arising from the gross negligence or willful misconduct of any City Indemnified Party, or for Claims arising from, or are alleged to arise from, the repair or maintenance by the City of any improvements that have been offered for dedication by Facebook and/or Owner and accepted by the City.

23.2. Facebook shall indemnify, defend and hold harmless the City Indemnified Parties from any and all claims, causes of action, damages, costs or expenses (including reasonable attorneys' fees) arising out of or in connection with, or

caused on account of, the development and occupancy of the Project, any Approval with respect thereto, or claims for injury or death to persons, or damage to property, as a result of the operations of Facebook or its employees, agents, contractors, representatives or tenants with respect to the Project (collectively, "Facebook Claims"); provided, however, that Facebook shall have no liability under this Section 23.2 for Facebook Claims that (a) arise from the gross negligence or willful misconduct of any City Indemnified Party, or (b) arise from, or are alleged to arise from, the repair or maintenance by the City of any improvements that have been offered for dedication by Facebook and/or Owner and accepted by the City or (c) are attributable to events which occur after the earlier of Facebook's vacating the Property and the expiration or earlier termination of the Lease.

23.3. Facebook shall indemnify, defend and hold harmless Owner, and its officers, agents and employees (collectively, "Owner Indemnified Parties") from any and all claims, causes of action, damages, costs or expenses (including reasonable attorneys' fees) arising out of or in connection with this Agreement and/or the Approvals and attributable to events occurring during the period of time commencing with the Effective Date and ending with the earlier of Facebook's vacating of the Property or the expiration or earlier termination of the Lease; provided, however, that Facebook shall have no liability under this Section 23.3 for claims arising from the gross negligence or willful misconduct of any Owner Indemnified Party.

24. Periodic Review for Compliance.

24.1. Annual Review. The City shall, at least every 12 months during the term of this Agreement, review the extent of Facebook's and Owner's good faith compliance with the terms of this Agreement pursuant to Government Code § 65865.1 and Resolution No. 4159. Notice of such annual review shall be provided by the City's Community Development Director to Facebook and Owner not less than 30 days prior to the date of the hearing by the Planning Commission on Facebook's and Owner's good faith compliance with this Agreement and shall to the extent required by law include the statement that any review may result in amendment or termination of this Agreement. A finding by the City of good faith compliance with the terms of this Agreement shall conclusively determine the issue up to and including the date of such review.

24.2. Non-Compliance. If the City Council makes a finding that Facebook and/or Owner has not complied in good faith with the terms and conditions of this Agreement, the City shall provide written notice to Facebook and/or Owner (as applicable) describing (a) such failure and that such failure constitutes a Default, (b) the actions, if any, required by Facebook and/or Owner to cure such Default, and (c) the time period within which such Default must be cured. If the Default can be cured,

Facebook and/or Owner (as applicable) shall have a minimum of 30 days after the date of such notice to cure such Default, or in the event that such Default cannot be cured within such 30 day period, if Facebook and/or Owner (as applicable) shall commence within such 30 day time period the actions necessary to cure such Default and shall be diligently proceeding to complete such actions necessary to cure such Default, Facebook and/or Owner (as applicable) shall have such additional time period as may be required by Facebook and/or Owner (as applicable) within which to cure such Default.

24.3. Failure to Cure Default. If Facebook and/or Owner fails to cure a Default within the time periods set forth above, the City Council may amend or terminate this Agreement as provided below.

24.4. Proceeding Upon Amendment or Termination. If, upon a finding under Section 24.2 of this Agreement and the expiration of the cure period specified in such Section 24.2, the City determines to proceed with amendment or termination of this Agreement, the City shall give written notice to Facebook and/or Owner (as applicable) of its intention so to do. The notice shall be given at least 30 days before the scheduled hearing and shall contain:

24.4.1. The time and place of the hearing;

24.4.2. A statement that the City proposes to terminate or to amend this Agreement; and

24.4.3. Such other information as is reasonably necessary to inform Facebook and/or Owner (as applicable) of the nature of the proceeding.

24.5. Hearings on Amendment or Termination. At the time and place set for the hearing on amendment or termination, Facebook and/or Owner shall be given an opportunity to be heard, and Facebook and/or Owner (as applicable) shall be required to demonstrate good faith compliance with the terms and conditions of this Agreement. If the City Council finds, based upon substantial evidence, that Facebook and/or Owner (as applicable) has not complied in good faith with the terms or conditions of this Agreement, the City Council may terminate this Agreement or, with Facebook's and/or Owner's agreement to amend rather than terminate, amend this Agreement and impose such conditions as are reasonably necessary to protect the interests of the City. The decision of the City Council shall be final, subject to judicial review pursuant to Section 1094.5 of the California Code of Civil Procedure.

24.6. Effect on Transferees. If Owner has transferred a partial interest in the Property to another party so that title to the Property is held by Owner and additional parties or different parties, the City shall conduct one annual review applicable to all

parties with a partial interest in the Property and the entirety of the Property. If the City Council terminates or amends this Agreement based upon any such annual review and the determination that any party with a partial interest in the Property has not complied in good faith with the terms and conditions of this Agreement, such action shall be taken as to all parties with a partial interest in the Property and the entirerty of the Property.

24.7. Applicability to Facebook; Right to Cure. This Section 24 shall cease applying to Facebook upon Facebook's vacating of the Property, unless Facebook is then the "Owner" in which case Facebook shall retain the rights and obligations of the "Owner" subject, however, to the terms of Section 34.3. Until Facebook vacates the Property, it shall have the right, but not the obligation, to cure any default committed by Owner.

24.8. Cooperation. Owner acknowledges that Facebook is currently the sole occupant of the Property, and agrees on behalf of itself and future owners that so long as Facebook remains the sole tenant of the Property, Owner must reasonably cooperate with Facebook with respect to this Agreement and the Approvals and must take such actions under or with respect to this Agreement and/or the Approvals as Facebook reasonably requires.

25. Permitted Delays; Subsequent Laws.

25.1. Extension of Times of Performance. In addition to any specific provisions of this Agreement, performance by any Party of its obligations under this Agreement shall not be deemed to be in Default, and the time for performance of such obligation shall be extended, where delays or failures to perform are due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fire, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, restrictions imposed by governmental or quasi-governmental entities other than the City, unusually severe weather, acts of another Party (except that acts or the failure to act of Facebook shall not excuse Owner's performance and that acts or the failure to act of Owner shall not excuse Facebook's performance), acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of the City shall not excuse the City's performance) or any other causes beyond the reasonable control, or without the fault, of the Party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause of the delay. If a delay occurs, the Party asserting the delay shall use reasonable efforts to notify promptly the other Parties of the delay. If, however, notice by the Party claiming such extension is sent to the other Parties more than 30 days after the commencement of the cause of the delay, the period shall commence to run as of only 30 days prior to the giving of such notice. The time period for performance under this Agreement may

also be extended in writing by the joint agreement of the City, Facebook and Owner. Litigation attacking the validity of the EIR, the Project Approvals and/or the Project shall also be deemed to create an excusable delay under this Section 25.1, but only to the extent such litigation causes a delay and the Party asserting the delay complies with the notice and other provisions regarding delay set forth hereinabove. In no event shall the term of this Agreement be extended by any such delay without the mutual written agreement of the City, Facebook and Owner.

25.2. Superseded by Subsequent Laws. If any Law made or enacted after the date of this Agreement prevents or precludes compliance with one or more provisions of this Agreement, then the provisions of this Agreement shall, to the extent feasible, be modified or suspended as may be necessary to comply with such new Law. Immediately after enactment of any such new Law, the Parties shall meet and confer reasonably and in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement. If such modification or suspension is infeasible in Owner's reasonable business judgment, then Owner shall have the right to terminate this Agreement by written notice to the City. Owner shall also have the right to challenge the new Law preventing compliance with the terms of this Agreement, and in the event such challenge is successful, this Agreement shall remain unmodified and in full force and effect. Notwithstanding the preceding, so long as the Lease is effective, Owner shall not terminate this Agreement pursuant to this Section 25.2 without Facebook's prior written consent and Facebook shall likewise have the right to challenge the new Law preventing compliance with the terms of this Agreement.

26. Termination.

26.1. City's Right to Terminate. The City shall have the right to terminate this Agreement only under the following circumstances:

26.1.1. The City Council has determined that Facebook and/or Owner (as applicable) is not in good faith compliance with the terms of this Agreement, and this Default remains uncured, all as set forth in Section 24 of this Agreement.

26.1.2. The Lease is terminated or Facebook vacates the Property prior to February 6, 2026 and no assignment and assumption of this Agreement has been timely recorded in accordance with Section 21.

26.1.3. The Density Increase has been suspended for ten consecutive years.

26.2. Owner's Right to Terminate. Owner shall have the right to terminate this Agreement only under the following circumstances:

26.2.1. Owner has determined that the City is in Default, has given the City notice of such Default and the City has not cured such Default within 30 days following receipt of such notice, or if the Default cannot reasonably be cured within such 30 day period, the City has not commenced to cure such Default within 30 days following receipt of such notice and is not diligently proceeding to cure such Default.

26.2.2. Owner is unable to complete the Project because of supersedure by a subsequent Law or court action, as set forth in Sections 25.2 and 31 of this Agreement.

26.2.3. Owner determines in the first five years after the Effective Date, in its business judgment, that it is not practical, reasonable or economically advantageous to pursue occupancy of the Property with the Density Increase.

26.2.4. The Density Increase has been suspended for ten consecutive years.

Notwithstanding the preceding, while Facebook occupies the Property, Owner shall not have the right to terminate this Agreement unless Facebook consents to such termination in its sole and absolute discretion.

26.3. Facebook's Right to Terminate. Facebook shall have the right to terminate this Agreement only under the following circumstances:

26.3.1. Facebook has determined that the City is in Default, has given the City notice of such Default and the City has not cured such Default within 30 days following receipt of such notice, or if the Default cannot reasonably be cured within such 30 day period, the City has not commenced to cure such Default within 30 days following receipt of such notice and is not diligently proceeding to cure such Default.

26.3.2. Facebook is unable to complete the Project because of supersedure by a subsequent Law or court action, as set forth in Sections 25.2 and 31 of this Agreement.

26.3.3. Facebook determines in the first five years after the Effective Date, in its business judgment, that it is not practical, reasonable or economically advantageous to pursue occupancy of the Property with the Density Increase.

26.3.4. The Density Increase has been suspended for ten consecutive years.

26.4. Mutual Agreement. This Agreement may be terminated upon the mutual written agreement of the Parties.

26.5. Effect of Termination. If this Agreement is terminated pursuant to this Section 26, such termination shall not affect (a) any condition or obligation due to the City from Facebook and/or Owner and arising prior to the date of termination and/or (b) the Project Approvals, including, but not limited to, the Amended and Restated Conditional Development Permit, but Facebook and/or Owner's right to have the Property subject to the Density Increase will terminate.

26.6. Recordation of Termination. In the event of a termination, the City, Facebook and Owner agree to cooperate with each other in executing and acknowledging a Memorandum of Termination to record in the Official Records of San Mateo County within 30 days following the effective date of such termination.

27. Remedies. Any Party may, in addition to any other rights or remedies provided for in this Agreement or otherwise available at law or equity, institute a legal action to cure, correct or remedy any Default by the another Party; enforce any covenant or agreement of a Party under this Agreement; enjoin any threatened or attempted violation of this Agreement; or enforce by specific performance the obligations and rights of the Parties under this Agreement.

28. Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by another Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of a Default shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such Default. No express written waiver of any Default shall affect any other Default, or cover any other period of time, other than any Default and/or period of time specified in such express waiver. All of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

29. Attorneys' Fees. If a Party brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against another Party by reason of a Default, or otherwise to enforce rights or obligations arising out of this Agreement, the prevailing Party in such action or proceeding shall be entitled to recover from the other Party its costs and expenses of such action or proceeding, including reasonable attorneys' fees and costs, and costs of such action or proceeding, which shall be payable whether such action or proceeding is prosecuted to judgment. "Prevailing Party" within the meaning of this Section 29 shall include, without limitation, a Party who dismisses an action for recovery hereunder in exchange for payment of the

sums allegedly due, performance of the covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

30. Limitations on Actions. The City, Facebook and Owner hereby renounce the existence of any third party beneficiary of this Agreement and agree that nothing contained herein shall be construed as giving any other person or entity third party beneficiary status. If any action or proceeding is instituted by any third party challenging the validity of any provisions of this Agreement, or any action or decision taken or made hereunder, the Parties shall cooperate in defending such action or proceeding.

31. Effect of Court Action. If any court action or proceeding is brought by any third party to challenge the EIR, the Project Approvals and/or the Project, or any portion thereof, and without regard to whether Facebook and/or Owner is a party to or real party in interest in such action or proceeding, then (a) Facebook shall have the right to terminate this Agreement upon 30 days' notice in writing to City, given at any time during the pendency of such action or proceeding, or within 90 days after the final determination therein (including any appeals), irrespective of the nature of such final determination, and (b) any such action or proceeding shall constitute a permitted delay under Section 25.1 of this Agreement. Facebook shall pay the City's cost and expense, including attorneys' fees and staff time incurred by the City in defending any such action or participating in the defense of such action and shall indemnify the City from any award of attorneys' fees awarded to the party challenging this Agreement, the Project Approvals or any other permit or Approval. The defense and indemnity provisions of this Section 31 shall survive Facebook's election to terminate this Agreement. Notwithstanding anything to the contrary herein, Facebook shall retain the right to terminate this Agreement pursuant to this Section 31 even after (a) it has vacated the Property and/or the Lease has expired or been terminated and (b) its other rights and obligations under this Agreement have terminated.

32. Estoppel Certificate. Any Party may, at any time, and from time to time, deliver written notice to the other Parties requesting such Parties certify in writing that, to the knowledge of the certifying Parties, (a) this Agreement is in full force and effect and a binding obligation of the Parties, (b) this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the requesting Party is not in Default in the performance of its obligations under this Agreement, or if the requesting Party is in Default, the nature and amount of any such Defaults, (d) the requesting Party has been found to be in compliance with this Agreement, and the date of the last determination of such compliance, and (e) as to such other matters concerning this Agreement as the requesting Party shall reasonably request. A Party receiving a request hereunder shall execute and return such certificate within 30 days following the receipt thereof. The City Manager shall have the right to execute any certificate requested by Facebook or Owner hereunder. The City

acknowledges that a certificate may be relied upon by transferees and Mortgagees or Owner.

33. Mortgagee Protection; Certain Rights of Cure.

33.1. Mortgagee Protection. This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof, after the date of recordation of this Agreement in the San Mateo County, California Official Records, including the lien of any Mortgage. Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage, and subject to Section 33.2 of this Agreement, all of the terms and conditions contained in this Agreement shall be binding upon and effective against any person (including any Mortgagee) who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise, and the benefits hereof will inure to the benefit of such party.

33.2. Mortgagee Not Obligated. Notwithstanding the provisions of Section 33.1 above, no Mortgagee or other purchaser in foreclosure or grantee under a deed in lieu of foreclosure, and no transferee of such Mortgagee, purchaser or grantee shall (a) have any obligation or duty under this Agreement to construct, or to complete the construction of, improvements, to guarantee such construction or completion or to perform any other monetary or nonmonetary obligations of Owner under this Agreement, and (b) be liable for any Default of Owner under this Agreement; provided, however, that a Mortgagee or any such purchaser, grantee or transferee shall not be entitled to use the Property in the additional manner permitted by this Agreement and the Project Approvals (i.e. the Density Increase) unless it complies with the terms and provisions of this Agreement applicable to Owner.

33.3. Notice of Default to Mortgagee; Right to Mortgagee to Cure. If the City receives notice from a Mortgagee requesting a copy of any notice of Default given Owner hereunder and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Owner, any notice of a Default or determination of noncompliance given to Owner. Each Mortgagee shall have the right (but not the obligation) for a period of 90 days after the receipt of such notice from City to cure or remedy, or to commence to cure or remedy, the Default claimed or the areas of noncompliance set forth in the City's notice. If the Default or such noncompliance is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession of the Property, or any portion thereof, such Mortgagee may seek to obtain possession with diligence and continuity through a receiver, by foreclosure or otherwise, and may thereafter remedy or cure the Default or noncompliance within 90 days after obtaining possession of the Property or such portion thereof. If any such Default or noncompliance cannot, with reasonable diligence, be remedied or cured within such 90

day period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such Default or noncompliance if such Mortgagee commences a cure during such 90 day period, and thereafter diligently pursues such cure to completion.

34. Assignment, Transfer, Financing.

34.1. Owner's Right to Assign. Subject to the terms of this Agreement, Owner shall have the right to transfer, sell and/or assign Owner's rights and obligations under this Agreement in conjunction with the transfer, sale or assignment of all or any portion of the Property. If the transferred property consists of a less than the entire Property, or less than Owner's entire title to or interest in the Property, Owner shall have the right to transfer, sell and/or assign to the transferee only those of Owner's rights and obligations under this Agreement that are allocable or attributable to the transferred property. Any transferee shall assume in writing the obligations of Owner under this Agreement and the Project Approvals relating to the transferred property and arising or accruing from and after the effective date of such transfer, sale or assignment.

34.2. Financing. Notwithstanding Section 34.1 of this Agreement, Mortgages, sales and lease-backs and/or other forms of conveyance required for any reasonable method of financing requiring a security arrangement with respect to the development of the Property are permitted without the need for the lender to assume in writing the obligations of Owner under this Agreement and the Project Approvals. Further, no foreclosure, conveyance in lieu of foreclosure or other conveyance or transfer in satisfaction of indebtedness made in connection with any such financing shall require any further consent of the City, regardless of when such conveyance is made, and no such transferee will be required to assume any obligations of Owner under this Agreement.

34.3. Release Upon Transfer of Property.

34.3.1. Except as otherwise provided in Section 34.3.2 below, upon Owner's sale, transfer and/or assignment of Owner's rights and obligations under this Agreement in accordance with this Section 34, Owner shall be released from Owner's obligations pursuant to this Agreement with respect to the transferred property which arise or accrue subsequent to the effective date of the transfer, sale and/or assignment. If a Default under this Agreement shall occur with respect to Owner, such Default shall not constitute a Default with respect to the owner of any transferred property, and shall not entitle the City to terminate or amend this Agreement as to the transferred property; and if a Default under this Agreement shall occur with respect to the owner of a transferred property, such Default shall not constitute a Default with respect to Owner or with respect to the portion of the Property owned by Owner, and

shall not entitle the City to terminate or amend this Agreement as to the portion of the Property owned by Owner.

34.3.2. Notwithstanding the provisions of Section 34.3.1 above, if a Transferred Property consists of less than the entire Property, or less than original Owner's entire title to or interest in the Property, and if the original Owner allocates a portion of its rights and obligations under this Agreement to the transferred property, the original Owner shall not be released from its obligations pursuant to this Agreement with respect to the transferred property which arise or accrue subsequent to the effective date of the transfer, sale and/or assignment unless the City agrees to such release.

34.3.3. Owner shall have the right to propose to the City alternative or substitute security for any of Owner's monetary obligations under this Agreement, including Owner's obligations to make the Annual Payment pursuant to Section 8 of this Agreement. Such alternative or substitute security may consist of, without limitation, a letter of credit, a cash deposit and/or real property or personal property collateral acceptable to City in its sole discretion. If the City accepts any such alternative or substitute security, the monetary obligations of Owner for which such alternative or substitute security shall have been provided shall no longer constitute a covenant running with the land or otherwise be binding upon any owner of any portion of the Property, and shall instead be the personal obligation of Owner but with the City's recourse with respect to such monetary obligation limited to the alternative or substitute security. Owner shall pay for all City costs of considering Owner's request for City's acceptance of such alternative or substitute security, including but not limited to cost of consultants retained to consider and advise the City Manager or City Council on such request.

35. Covenants Run With the Land. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall constitute covenants that shall run with the land comprising the Property, and the burdens and benefits of this Agreement shall be binding upon, and shall insure to the benefit of, each of the Parties and their respective heirs, successors, assignees, devisees, administrators, representatives and lessees, except as otherwise expressly provided in this Agreement.

36. Amendment.

36.1. Amendment or Cancellation. Except as otherwise provided in this Agreement, this Agreement may be cancelled, modified or amended only by mutual consent of the Parties in writing, and then only in the manner provided for in Government Code Section 65868 and Article 7 of Resolution No. 4159. Any amendment to this Agreement which does not relate to the term of this Agreement, the

Vested Elements or the Conditions relating to the Project shall require the giving of notice pursuant to Government Code Section 65867, as specified by Section 65868 thereof, but shall not require a public hearing before the Parties may make such amendment.

36.2. Recordation. Any amendment, termination or cancellation of this Agreement shall be recorded by the City Clerk not later than 10 days after the effective date thereof or of the action effecting such amendment, termination or cancellation; provided, however, a failure of the City Clerk to record such amendment, termination or cancellation shall not affect the validity of such matter.

37. Notices. Any notice shall be in writing and given by delivering the notice in person or by sending the notice by registered or certified mail, express mail, return receipt requested, with postage prepaid, or by overnight courier to the Party's mailing address. The respective mailing addresses of the Parties are, until changed as hereinafter provided, the following:

City:	City of Menlo Park 701 Laurel Street Menlo Park, CA 94025 Attention: City Manager
With a copy to:	City Attorney City of Menlo Park 1100 Alma Street, Suite 210 Menlo Park, CA 94025
Facebook:	Facebook, Inc. 1601 Willow Road Menlo Park, CA 94025 Attention: Director of Facilities
Owner:	Wilson Menlo Park Campus, LLC C/O RREEF 101 California St 26th Floor San Francisco, CA 94111 Attention: Value Add and Development Group

A Party may change its mailing address at any time by giving to the other Parties 10 days' notice of such change in the manner provided for in this Section 37. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

38. Miscellaneous.

38.1. Negation of Partnership. The Parties specifically acknowledge that the Project is a private development, that no Party is acting as the agent of the other in any respect hereunder and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Facebook and/or Owner, the affairs of the City, or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise.

38.2. Consents. Unless otherwise provided herein, whenever approval, consent or satisfaction (herein collectively referred to as an "approval") is required of a Party pursuant to this Agreement, such approval shall not be unreasonably withheld or delayed. If a Party shall not approve, the reasons therefor shall be stated in reasonable detail in writing. The approval by a Party to or of any act or request by the other Party shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests.

38.3. Approvals Independent. All Approvals which may be granted pursuant to this Agreement, and all Approvals or other land use approvals which have been or may be issued or granted by the City with respect to the Property, constitute independent actions and approvals by the City. If any provisions of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, or if the City terminates this Agreement for any reason, such invalidity, unenforceability or termination of this Agreement or any part hereof shall not affect the validity or effectiveness of any Approvals or other land use approvals.

38.4. Not A Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of the Property, or of the Project, or portion thereof, to the general public, for the general public, or for any public use or purpose whatsoever. Owner shall have the right to prevent or prohibit the use of the Property or the Project, or any portion thereof, including common areas and buildings and improvements located thereon, by any person for any purposes inimical to the operation of a private, integrated Project as contemplated by this Agreement, except as dedications may otherwise be specifically provided in the Project Approvals.

38.5. Severability. Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any person, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other person or circumstance and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement. Notwithstanding the preceding, this Section 38.5 is subject to the terms of Section 25.2.

38.6. Exhibits. The Exhibits referred to herein are deemed incorporated into this Agreement in their entirety.

38.7. Entire Agreement. This written Agreement contains all the representations and the entire agreement between the Parties with respect to the subject matter hereof. Except as otherwise specified in this Agreement, any prior correspondence, memoranda, agreements, warranties or representations are superseded in total by this Agreement.

38.8. Construction of Agreement. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any Party in order to achieve the objectives and purpose of the Parties. The captions preceding the text of each Article, Section, Subsection and the Table of Contents are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa. All references to "person" shall include, without limitation, any and all corporations, partnerships, limited liability company or other legal entities.

38.9. Further Assurances; Covenant to Sign Documents. Each Party covenants, on behalf of itself and its successors, heirs and assigns, to take all actions and do all things, and to execute, with acknowledgment or affidavit if required, any and all documents and writings that may be necessary or proper to achieve the purposes and objectives of this Agreement.

38.10. Governing Law. This Agreement, and the rights and obligations of the Parties, shall be governed by and interpreted in accordance with the laws of the State of California.

38.11. Construction. This Agreement has been reviewed and revised by legal counsel for Facebook, Owner and City, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

38.12. Time. Time is of the essence of this Agreement and of each and every term and condition hereof. In particular, City agrees to act in a timely fashion in accepting, processing, checking and approving all maps, documents, plans, permit applications and any other matters requiring City's review or approval relating to the Project or Property.

39. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all of which when taken together shall constitute but one Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

"City"

CITY OF MENLO PARK, a municipal corporation of the State of California

By: _____
Mayor

Attest:

_____
City Clerk

"Facebook"

FACEBOOK, INC., a Delaware corporation

Approved as to Form:

By: _____
Name: _____
Title: _____

By: _____
City Attorney

"Owner"

WILSON MENLO PARK CAMPUS, LLC, a Wisconsin limited liability company

By: _____
Name: _____
Title: _____

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)ss:
COUNTY OF SAN MATEO)

On _____, before me, _____ , Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature
My Commission expires: _____

STATE OF CALIFORNIA)
)ss:
COUNTY OF SAN MATEO)

On _____, before me, _____ , Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature
My Commission expires: _____

EXHIBIT A

SITE PLAN OF PROPERTY

LANDS OF UNITED STATES OF AMERICA
APN: 55-400-057

N 88°54'40" W 2121.72'

LANDS OF WILSON MENLO PARK CAMPUS, LLC
DOCUMENT NO. 2011-015703

LOT 1
56.908 ACRES±

1601 WILLOW ROAD

LANDS OF UNITED STATES OF AMERICA
APN: 55-400-057

S 01°00'36" W 1630.50'

LINE TABLE		
LINE	BEARING	LENGTH
L1	S 60°44'28" W	163.02'
L2	S 52°00'36" W	162.00'
L3	S 32°30'36" W	196.00'
L4	S 42°30'56" W	25.20'
L5	N 89°00'02" W	65.29'
L6	S 00°59'57" W	73.76'
L7	S 36°51'03" W	70.20'
L8	N 32°48'12" W	57.02'
L9	S 87°07'40" W	60.00'
L10	S 27°03'33" W	27.97'

CURVE TABLE			
CURVE	RADIUS	DELTA	LENGTH
C1	4950.00'	1°01'49"	89.01'
C2	2915.00'	1°32'41"	78.59'

LEGEND

APN – ASSESSOR PARCEL NUMBER
(R) – RADIAL
(T) – TOTAL

EXTERIOR BOUNDARY LINE
LOT LINE

S 20°00'36" W 332.00'
S 09°59'24" E 223.58'
L1 L2 L3 L4 L5 L6 L7 L8 L9 L10
C1 C2
PARCEL 45670-1
DOC. NO. 83078012
N 35°26'13" W (R)
N 54°33'47" E 638.90'(T)
224.12'
367.17'
47.61'
"N. Rem." PARCEL
CALTRANS MAPS
A-912.4 & R-105.4
N 05°33'57" W (R)
R=1915.00'
Δ=18°28'40"
L=617.58'
S 89°49'16" E
205.37'
S 04°01'16" E (R)
N 24°02'37" W (R)
PARCEL 45670-2
DOC. NO. 83078012
STATE HIGHWAY 84
BAYFRONT EXPRESSWAY
WILLOW ROAD

GRAPHIC SCALE
250 0 125 250
(IN FEET)
1 inch = 250 ft.

SAN MATEO COUNTY, CALIFORNIA
K:SUR10\100166.10\DWG\LOT MERGER
FACEBOOK EXHIBIT.DWG

Subject EXHIBIT
WILSON MENLO PARK CAMPUS, LLC
Job No. 20100166-11
By RL Date 05/14/12 Chkd. WS
SHEET 1 OF 1

4670 WILLOW RD
SUITE 250
PLEASANTON, CA 94588
925-396-7700
925-396-7799 (FAX)

BKF
ENGINEERS / SURVEYORS / PLANNERS

EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

Legal Description

1601 Willow Road, Menlo Park, California 94025
Formerly known as 10, 15, 16 & 18 Network Circle, Menlo Park, California 94025

Real property situate in the City of Menlo Park, County of San Mateo, State of California, described as follows:

Lot 1 being all of Parcels 1, 2, 3 and 4 as shown on "PARCEL MAP – LANDS OF BNP LEASING CORPORATION", filed for record on February 16, 1994 in Book 67 of Parcel Maps at Page 36, San Mateo County Records and Corrected by that certain Certificate of Correction recorded on October 12, 1994, as Document No. 94-158967 Official Records San Mateo County, more particularly described as follows:

Beginning at the northwest corner of said Parcel 2;

Thence along the northerly line of said Parcel 2 and Parcel 4, South 88°54'40" East, 2121.72 feet to the southeasterly line of said Parcel 4;

Thence leaving said northerly line and along said southeasterly line of Parcel 4 and continuing along the southeasterly line of said Parcel 3 and the southwesterly and southerly line of said Parcel 1, the following seventeen (17) courses:

1. South 60°44'28" West, 163.02 feet;
2. South 52°00'36" West, 162.00 feet;
3. South 32°30'36" West, 196.00 feet;
4. South 20°00'36" West, 332.00 feet;
5. South 09°59'24" East, 223.58 feet;
6. South 42°30'56" West, 25.20 feet;
7. North 89°00'02" West, 65.29 feet;
8. South 00°59'57" West, 73.76 feet;
9. South 36°51'03" West, 70.20 feet to the beginning of a non-tangent curve concave to the northeast having a radius of 4,950.00 feet from which a radial line bears North 36°28'02" West;
10. Along said curve, through a central angle of 01°01'49", for an arc length of 89.01 feet;
11. South 54°33'47" West, 638.90 feet to the beginning of a non tangent curve concave to the northwest, having a radius of 1,915.00 feet, from which a radial line bears North 24°02'37" West;
12. Along said curve, through a central angle of 18°28'40", for an arc length of 617.58 feet to the beginning of a compound curve having a radius of 2,915.00 feet;
13. Along said curve, through a central angle of 01°32'41", for an arc length of 78.59 feet;
14. North 32°48'12" West, 57.02 feet;

15. South 87°07'40" West. 60.00 feet:
16. South 27°03'33" West. 27.97 feet;
17. North 89°49'16" West. 205.37 feet to the westerly line of said Parcel 1;

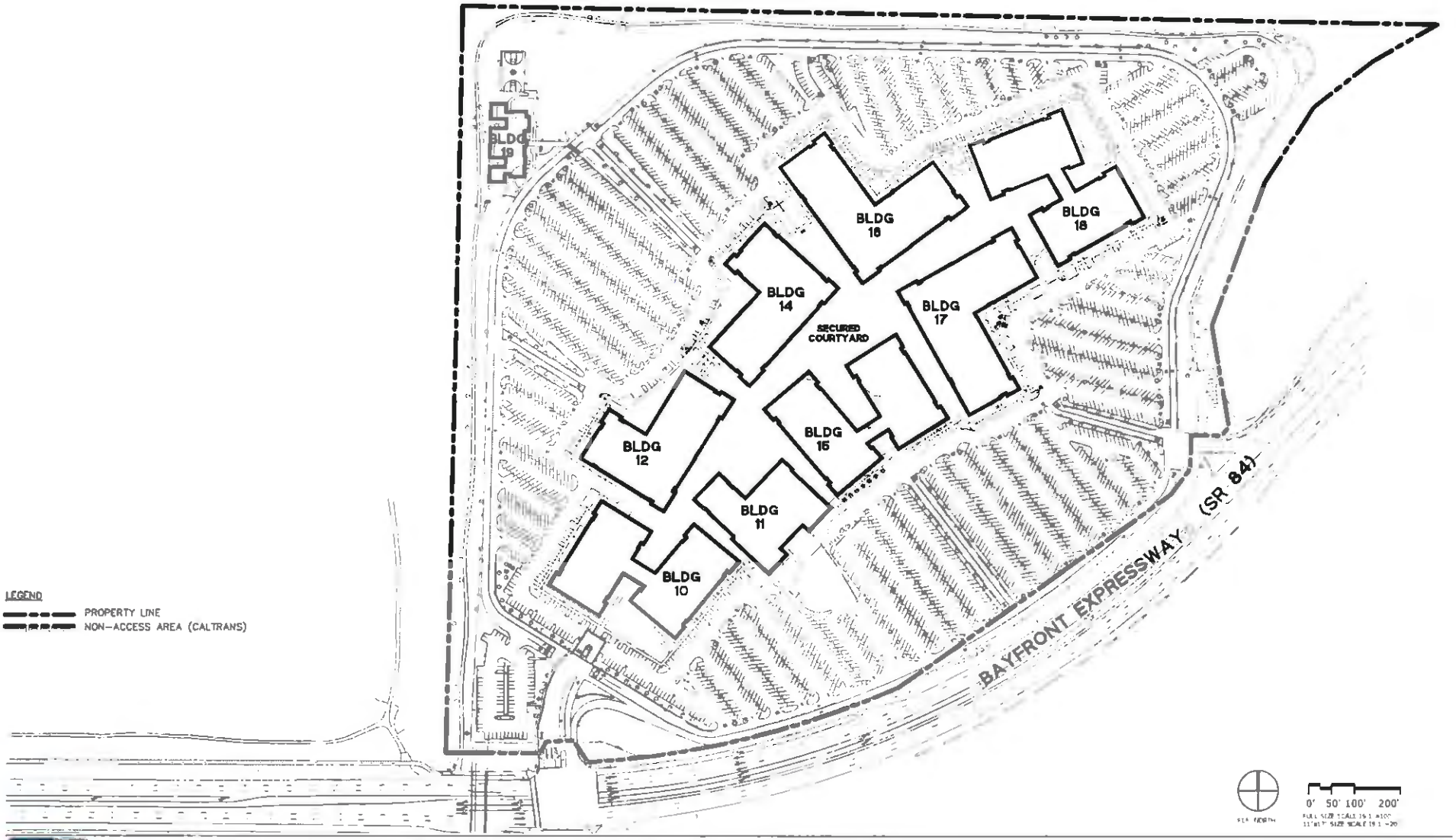
Thence leaving said southeasterly and southerly lines, along said westerly line of said Parcel 1 and continuing along the westerly line of said Parcel 2. North 01°00'36" East. 1630.50 feet to the **Point of Beginning.**

Containing an area of 2,478.907 square feet, or 56.908 acres more or less.

Being all of Assessor's Parcel Number's 055-411-110. 055-411-120. 055-411-130 and 055-411-140.

EXHIBIT C

SITE PLAN



FACEBOOK @ MENLO PARK EAST CAMPUS

1601 WILLOW ROAD, MENLO PARK, CA

Gensler
McKenna Long & Aldridge
FEHR PEERS
BKF
CMG
KEMA

EA.1: EXISTING SITE PLAN

May 16, 2012

EXHIBIT D

MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT BY AND BETWEEN THE CITY OF EAST PALO AND FACEBOOK, INC. REGARDING THE MENLO PARK FACEBOOK CAMPUS PROJECT

THIS MEMORANDUM OF AGREEMENT (this "Agreement") is entered into as of this 24th day of May, 2012 (the "Effective Date"), by and between the CITY OF EAST PALO ALTO, a general law city of the State of California ("EPA"), and FACEBOOK, INC., a Delaware corporation ("Facebook").

RECITALS

THIS AGREEMENT is entered into on the basis of the following facts, understandings and intentions of the parties:

A. Facebook has proposed a two-phase project for the location of its corporate headquarters in Menlo Park (both phases, collectively, the "Project"). The first phase of the project relates to the approximately 56.9-acre parcel of real property commonly known as 1601 Willow Road, Menlo Park, California (the "East Campus"). The second phase relates to the re-development of the approximately 22-acre site located across Bayfront Expressway from the East Campus at 312 and 313 Constitution Drive, Menlo Park, California (the "West Campus").

B. For the East Campus, the Project includes (among other things) a modification of the existing conditional development permit that governs the East Campus so that the East Campus may be occupied in accordance with the existing 3,600 employee cap or a new vehicle trip cap that would include a maximum of 2,600 trips during the AM and PM peak periods and 15,000 trips on a daily basis. For the West Campus, the Project includes the demolition of the existing buildings located at the West Campus and development of 440,000 square feet of new office buildings and amenity structures.

C. To enable implementation of the Project, the City of Menlo Park ("MP") will consider various legislative and administrative actions, including, without limitation, enabling ordinances for development agreements, a resolution adopting an amended and restated conditional development permit, a resolution adopting a conditional development permit, a resolution certifying the Environmental Impact Report for the Project (the "Project EIR"), resolutions adopting heritage tree removal permits, resolutions adopting findings under the California Environmental Quality Act ("CEQA") and resolutions adopting statements of overriding considerations. The preceding legislative and administrative actions together with any other approvals and permits that are necessary or desirable to enable implementation of the Project are, collectively, referred to as the "Project Approvals".

D. EPA submitted a letter dated January 30, 2012, to MP commenting on the draft of the Project EIR and raising concerns and objections (the "EPA Comment Letter"). EPA and Facebook now desire to resolve EPA's concerns and objections regarding the Project including, without limitation, the Project EIR. To that end, Facebook has proposed payment to EPA of funds to be used for traffic improvements, bicycle and pedestrian improvements and air quality improvements and provision of the other public benefits described herein. In exchange, EPA has agreed to not file an action or proceeding challenging the Project or any of the Project Approvals as described herein.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Facebook will perform the terms set forth in Exhibit A (the "Terms and Implementation") and will request that the 1601 Willow Road Development Agreement with MP (the "DA") be drafted so that the Terms and Implementation and Facebook's obligation to perform the Terms and Implementation are incorporated into the DA. EPA agrees to accept the benefits provided by Facebook under the Terms and Implementation subject to the terms thereof.

2. Facebook will not be obligated to perform any of the Terms and Implementation until the Menlo Park City Council certifies and approves the Project Approvals attached to the City of Menlo Park Staff Report dated April 27, 2012 (or substantially similar Project Approvals acceptable to Facebook) (collectively, the "June Approvals"), the DA has been executed by all parties and all challenges to the June Approvals, the DA and the portions of the Project described in the June Approvals and/or the DA have been resolved. If no litigation or referendum is commenced challenging (a) the Menlo Park City Council's certification and/or approval of the June Approvals, (b) the DA, and/or (c) the portions of the Project described in the June Approvals and/or the DA, then Facebook's obligation will vest 90 days after the last of the June Approvals has been approved, notwithstanding any tolling agreement extending any statute of limitations, even if executed by Facebook. If litigation and/or a referendum is commenced within such 90-day period challenging (i) the Menlo Park City Council's certification and approval of the June Approvals, (ii) the DA, and/or (iii) the portions of the Project described in the June Approvals and/or the DA, then Facebook's obligation will vest on the date of final, non-appealable resolution of all litigation and resolution of the referendum in a manner that is reasonably acceptable to Facebook (as applicable). Any resolution of litigation or avoidance of a referendum involving an agreement executed by Facebook shall constitute final resolution in a manner reasonably acceptable to Facebook for purposes of this Section 2. The conditions described in this Section 2 shall, collectively, be referred to as the "Conditions Precedent". If Facebook withdraws the Project due to challenges to the June Approvals, the DA and/or the portions of the Project described in the June Approvals and/or the DA, then this Agreement will terminate and neither Party shall have any further obligations hereunder.

3. Unless this Agreement is terminated pursuant to Section 2, EPA shall refrain from filing any complaint, petition for writ of mandate or other judicial or administrative action or proceeding to object to or otherwise challenge the Project or the Project Approvals and will not join any other party's efforts which are intended to undermine or interfere with the Project's ability to proceed pursuant to the Project Approvals. Moreover, EPA will not join in or encourage such a challenge by any other agency, entity or individual.

4. Each of the parties to this Agreement may pursue any remedy at law or equity available for the breach of any provision of this Agreement, including, but not limited to, temporary or permanent injunctive relief or restraining orders.

5. This Agreement contains the entire understanding and agreement of the parties. There are no oral or written representations, understandings, undertakings or agreements that are not contained or expressly referred to herein, and any such representations, understandings or agreements are superseded by this Agreement. No evidence of any such representations, understandings or agreements shall be admissible in any proceeding of any kind or nature relating to the terms or conditions of this Agreement or its interpretation or breach.

6. This Agreement is made and entered into for the sole protection and benefit of the signatory parties. No other persons shall have any right of action based upon any provision of this Agreement except for the parties' respective successors and assigns.

7. Each Party hereby represents and warrants to the other that the person executing this Agreement on its behalf has the authority to bind that party. For convenience, the parties may execute this Agreement on separate signature pages, which, when attached hereto, shall constitute one complete agreement.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into and wholly to be performed within the State of

California, without giving effect to conflict of law or choice of law provisions under California law or any other jurisdiction.

9. The parties agree that this Agreement may not be varied in its terms by an oral agreement or representation or otherwise, and may only be amended or modified by an instrument in writing executed by all parties.

10. Each party agrees that it will bear its own costs and expenses (including attorneys' fees and costs) incurred in connection with this Agreement.

11. Any notice, demand, request or other communication required or permitted to be given under this Agreement, (a) shall be made in writing, (b) shall be delivered by one of the following methods: (i) by personal delivery (with notice deemed given when delivered personally); (ii) by overnight courier (with notice deemed given upon written verification of receipt); or (iii) by certified or registered mail, return receipt requested (with notice deemed given upon verification of receipt); and (c) shall be addressed to a party as provided in this Section or such other address as such party may request by notice given in accordance with the terms of this Section.

Notice to EPA shall be provided as follows:

City of East Palo Alto
East Palo Alto City Hall
2nd Floor - 2415 University Ave
East Palo Alto, CA 94303
Attention: City Manager

Notice to Facebook shall be provided as follows:

Facebook, Inc.
1601 Willow Road
Menlo Park, California 94025
Attention: Director of Facilities

With a copy to:

Facebook, Inc.
1601 Willow Road
Menlo Park, California 94025
Attention: Real Estate Counsel

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the day and year first above written.

EPA:

CITY OF EAST PALO ALTO,
a general law city of the state of California

By: _____
Name: Ronald L. Davis
Title: City Manager

Approved as to Form

By: _____
Name: Kathleen Kane
Title: City Attorney

FACEBOOK:

FACEBOOK, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the day and year first above written.

EPA:

CITY OF EAST PALO ALTO,
a general law city of the state of California

By:_____
Name: Ronald L. Davis
Title: Interim City Manager

Approved as to Form

By:_____
Name: Kathleen Kane
Title: City Attorney

FACEBOOK:

FACEBOOK, INC.,
a Delaware corporation

By: _____
Name: David Ebersman
Title: CFO

facebook.com
LEGAL

EXHIBIT A

THE TERMS AND IMPLEMENTATION

1. Traffic Improvements

a) Within 45 days of the satisfaction of the Conditions Precedent, Facebook will make a one-time payment of $500,000 to EPA to fund additional traffic improvements. The allocation of such funds and the specific traffic improvements funded shall be determined by the EPA City Council.

b) Within 45 days of the satisfaction of the Conditions Precedent, Facebook will make a one-time payment of $150,000 to EPA to be used by EPA to perform Bicycle/Pedestrian Improvements in EPA. Subject to the consent of the applicable regulatory agencies (e.g. Caltrans) and EPA's determination that the improvements will be beneficial to the community, these improvements may include restriping and/or crosswalk improvements to sections of the following streets: (i) Newbridge Street, (ii) University Avenue and Bay Road intersection, (iii) University Avenue and U.S. 101 bridge, (iv) Bay Road, (v) Pulgas Avenue, and (vi) Runnymede Street. If the improvements enumerated here do not require the full amount to implement or are not deemed feasible for permitting, engineering or safety reasons, EPA will undertake similar improvements for the benefit of bicycle and pedestrian safety within EPA. EPA may elect to reallocate up to $50,000 of the $150,000 payment to other traffic related improvements it deems appropriate.

c) Facebook will investigate the possibility of making crosswalk improvements to the pedestrian crossings at the U.S. 101 and Willow Road interchange, and, subject to the consent of the applicable regulatory agencies (e.g. Caltrans), will make such improvements but not be obligated to spend more than $100,000. The specific terms governing Facebook's obligation will be as set forth in the DA.

2. Air Quality Improvements

a) EPA will designate a program designed to assist asthma patients residing within the geographic boundaries of the Ravenswood Elementary District. The intent of the program will be to provide small grants to those persons to allow them to improve the air quality of their home interiors. The recipient-program will be subject to Facebook's prior approval (not to be unreasonably withheld). Facebook will contribute $75,000 to the recipient-program within 45 days of the later of (i) the satisfaction of the Conditions Precedent and (ii) Facebook's approval of the recipient-program designated by EPA.

b) Facebook will work with an organization engaged in urban tree planting to provide for the planting of street trees in EPA. Facebook agrees to contribute at least $25,000 to this effort within 5 years of the satisfaction of the Conditions Precedent.

3. Public Benefits

a) Jobs / Local Hire

- Facebook Summer Intern Program: Facebook will create a summer intern program for students residing within the geographic boundaries of the Ravenswood Elementary District. The summer intern program will commence with an initial, pilot program, and

then later, if successful, may be expanded, in Facebook's sole and absolute discretion, to include more participants and/or subject areas. Students participating in the pilot program will work in the Facebook IT Department alongside technology professionals. The summer intern program will include weekly training sessions covering topics such as the college application process, professional skills and business and interpersonal skills. The department in which the summer interns are placed, and the scope of and agenda for the program may change over time. Facebook anticipates that the summer intern program will be launched in partnership with an academic non-profit organization and that the non-profit organization will be responsible for selecting the participating students, processing work permits and managing other related administrative matters. The program will include the following elements: (a) the program will be open to at least 10 students per session, (b) all students must be in or entering their Junior year in high school (unless otherwise determined by Facebook in its reasonable discretion), and (c) the program will run for at least four weeks. Facebook will endeavor to launch the pilot program in June 2012, and in no case will the pilot program launch later than summer 2013. Facebook may also elect (in its sole and absolute discretion) to expand the program to include an after-school session during the school year in addition to the annual summer program.

- Facebook will work with a local training program to expand training services for residents of EPA and MP. Facebook will also create an ongoing quarterly series of career development workshops to commence within one year of the satisfaction of the Conditions Precedent. The workshops will focus on topics such as resume writing, interviewing skills and how to find a job via social media, including Facebook. These workshops will take place in local community centers and/or other neighborhood sites. In addition, within one year of the satisfaction of the Conditions Precedent, Facebook will host a session, promoted in EPA and the Belle Haven neighborhood, on how to become a Facebook employee, including how to apply through www.facebook.com/careers. Because people who work at Facebook are comprised of both employees and contractors, to encourage contractors to hire residents of EPA and residents of MP, Facebook will require future vendors to use reasonable efforts to notify residents of EPA and MP when they are hiring new people to work at the East Campus in the facilities, culinary and construction trades. Reasonable efforts shall include, but not be limited to, using the existing EPA first source hiring jobs hotline/posting capabilities and any equivalent program later developed by MP. Vendors with existing contracts will be encouraged to use reasonable efforts to promote local hiring as openings become available. Facebook will also encourage campus vendors to host sessions on how to become an employee of their organization.

b) Volunteerism

- Facebook will actively promote local volunteer opportunities in EPA and MP to all its employees. Such promotion shall include the creation of an internal Facebook page for the posting of volunteer opportunities and the sharing of relevant volunteer opportunities with applicable employee resource groups (e.g., black@fb, somos@fb, aapi@fb, gay@fb, etc.). Facebook will host a "Local Community Organization Fair" on the East Campus. This fair will launch in Summer 2012 and take place annually.

c) Community Fund

- Within one year of the satisfaction of the Conditions Precedent, Facebook shall create a Local Community Fund ("LCF") in partnership with a non-profit partner to manage and administer the LCF and Facebook shall contribute $500,000 to the LCF. The purpose of the LCF will be to provide support for local community needs. A five-member Board of Advisors will be created to advise about criteria for eligibility and distribution of funding. The Board of Advisors will endeavor to spread the LCF's benefits equally between EPA and MP. EPA's City Manager and MP's City Manager each will name one Advisory Board member to serve a two-year term. Facebook will name two Advisory Board members to each serve a two-year term, and a Facebook representative appointed by Facebook will serve on a continuing basis. Advisory Board members may serve more than one term (if re-appointed by EPA's City Manager, MP's City Manager or Facebook, as applicable). If after the LCF's funding has been exhausted Facebook determines that the LCF is a success, is operating smoothly and is making a positive impact on the community, Facebook will consider making an additional contribution to LCF (however, the decision of whether to make an additional contribution will be in Facebook's sole and absolute discretion).

d) Housing

- Within 45 days of the satisfaction of the Conditions Precedent, Facebook will make a one-time payment of $150,000 to EPA to be used by EPA to fund a land use planning process undertaken by EPA and intended to help preserve affordable housing in EPA.

- Facebook will explore opportunities to invest in low income tax credits for affordable housing projects in EPA and MP, including partnering with a local non-profit housing developer(s) or contributing funds toward the creation of low, very-low or extremely-low income housing. The decision of whether to make any investments will be in Facebook's sole and absolute discretion.

- Facebook will contact a local real estate developer or local real estate developers interested in building housing projects in MP. Facebook in concert with the real estate developer(s) will explore ways to support housing projects, including, but not limited to investing capital, committing to leasing units or offering marketing opportunities to Facebook employees. The decision of whether to provide any support will be in Facebook's sole and absolute discretion.

e) Bay Trail Gap

- Facebook will work with Bay Trail stakeholders, including, but not limited to, Midpeninsula Regional Open Space District, Association of Bay Area Governments (ABAG), EPA and the City and County of San Francisco and appropriate members of the business community to close the Bay Trail Gap, commonly known as Gap No. 2092, which terminates at the railroad right-of-way on University Avenue. Facebook will also evaluate making a future financial contribution to the effort to close the Bay Trail Gap. The decision of whether to make any investments will be in Facebook's sole and absolute discretion.

4. Term: All commitments and obligations described in this Exhibit shall terminate on the earlier of Facebook vacating the East Campus and February 6, 2026.

MEMORANDUM OF AGREEMENT BY AND BETWEEN THE CITY OF EAST PALO AND FACEBOOK, INC. REGARDING THE MENLO PARK FACEBOOK CAMPUS PROJECT

THIS MEMORANDUM OF AGREEMENT (this "Agreement") is entered into as of this 24th day of May, 2012 (the "Effective Date"), by and between the CITY OF EAST PALO ALTO, a general law city of the State of California ("EPA"), and FACEBOOK, INC., a Delaware corporation ("Facebook").

RECITALS

THIS AGREEMENT is entered into on the basis of the following facts, understandings and intentions of the parties:

A. Facebook has proposed a two-phase project for the location of its corporate headquarters in Menlo Park (both phases, collectively, the "Project"). The first phase of the project relates to the approximately 56.9-acre parcel of real property commonly known as 1601 Willow Road, Menlo Park, California (the "East Campus"). The second phase relates to the re-development of the approximately 22-acre site located across Bayfront Expressway from the East Campus at 312 and 313 Constitution Drive, Menlo Park, California (the "West Campus").

B. For the East Campus, the Project includes (among other things) a modification of the existing conditional development permit that governs the East Campus so that the East Campus may be occupied in accordance with the existing 3,600 employee cap or a new vehicle trip cap that would include a maximum of 2,600 trips during the AM and PM peak periods and 15,000 trips on a daily basis. For the West Campus, the Project includes the demolition of the existing buildings located at the West Campus and development of 440,000 square feet of new office buildings and amenity structures.

C. To enable implementation of the Project, the City of Menlo Park ("MP") will consider various legislative and administrative actions, including, without limitation, enabling ordinances for development agreements, a resolution adopting an amended and restated conditional development permit, a resolution adopting a conditional development permit, a resolution certifying the Environmental Impact Report for the Project (the "Project EIR"), resolutions adopting heritage tree removal permits, resolutions adopting findings under the California Environmental Quality Act ("CEQA") and resolutions adopting statements of overriding considerations. The preceding legislative and administrative actions together with any other approvals and permits that are necessary or desirable to enable implementation of the Project are, collectively, referred to as the "Project Approvals".

D. EPA submitted a letter dated January 30, 2012, to MP commenting on the draft of the Project EIR and raising concerns and objections (the "EPA Comment Letter"). EPA and Facebook now desire to resolve EPA's concerns and objections regarding the Project including, without limitation, the Project EIR. To that end, Facebook has proposed payment to EPA of funds to be used for traffic improvements, bicycle and pedestrian improvements and air quality improvements and provision of the other public benefits described herein. In exchange, EPA has agreed to not file an action or proceeding challenging the Project or any of the Project Approvals as described herein.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Facebook will perform the terms set forth in Exhibit A (the "Terms and Implementation") and will request that the 1601 Willow Road Development Agreement with MP (the "DA") be drafted so that the Terms and Implementation and Facebook's obligation to perform the Terms and Implementation are incorporated into the DA. EPA agrees to accept the benefits provided by Facebook under the Terms and Implementation subject to the terms thereof.

2. Facebook will not be obligated to perform any of the Terms and Implementation until the Menlo Park City Council certifies and approves the Project Approvals attached to the City of Menlo Park Staff Report dated April 27, 2012 (or substantially similar Project Approvals acceptable to Facebook) (collectively, the "June Approvals"), the DA has been executed by all parties and all challenges to the June Approvals, the DA and the portions of the Project described in the June Approvals and/or the DA have been resolved. If no litigation or referendum is commenced challenging (a) the Menlo Park City Council's certification and/or approval of the June Approvals, (b) the DA, and/or (c) the portions of the Project described in the June Approvals and/or the DA, then Facebook's obligation will vest 90 days after the last of the June Approvals has been approved, notwithstanding any tolling agreement extending any statute of limitations, even if executed by Facebook. If litigation and/or a referendum is commenced within such 90-day period challenging (i) the Menlo Park City Council's certification and approval of the June Approvals, (ii) the DA, and/or (iii) the portions of the Project described in the June Approvals and/or the DA, then Facebook's obligation will vest on the date of final, non-appealable resolution of all litigation and resolution of the referendum in a manner that is reasonably acceptable to Facebook (as applicable). Any resolution of litigation or avoidance of a referendum involving an agreement executed by Facebook shall constitute final resolution in a manner reasonably acceptable to Facebook for purposes of this Section 2. The conditions described in this Section 2 shall, collectively, be referred to as the "Conditions Precedent". If Facebook withdraws the Project due to challenges to the June Approvals, the DA and/or the portions of the Project described in the June Approvals and/or the DA, then this Agreement will terminate and neither Party shall have any further obligations hereunder.

3. Unless this Agreement is terminated pursuant to Section 2, EPA shall refrain from filing any complaint, petition for writ of mandate or other judicial or administrative action or proceeding to object to or otherwise challenge the Project or the Project Approvals and will not join any other party's efforts which are intended to undermine or interfere with the Project's ability to proceed pursuant to the Project Approvals. Moreover, EPA will not join in or encourage such a challenge by any other agency, entity or individual.

4. Each of the parties to this Agreement may pursue any remedy at law or equity available for the breach of any provision of this Agreement, including, but not limited to, temporary or permanent injunctive relief or restraining orders.

5. This Agreement contains the entire understanding and agreement of the parties. There are no oral or written representations, understandings, undertakings or agreements that are not contained or expressly referred to herein, and any such representations, understandings or agreements are superseded by this Agreement. No evidence of any such representations, understandings or agreements shall be admissible in any proceeding of any kind or nature relating to the terms or conditions of this Agreement or its interpretation or breach.

6. This Agreement is made and entered into for the sole protection and benefit of the signatory parties. No other persons shall have any right of action based upon any provision of this Agreement except for the parties' respective successors and assigns.

7. Each Party hereby represents and warrants to the other that the person executing this Agreement on its behalf has the authority to bind that party. For convenience, the parties may execute this Agreement on separate signature pages, which, when attached hereto, shall constitute one complete agreement.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into and wholly to be performed within the State of

California, without giving effect to conflict of law or choice of law provisions under California law or any other jurisdiction.

9. The parties agree that this Agreement may not be varied in its terms by an oral agreement or representation or otherwise, and may only be amended or modified by an instrument in writing executed by all parties.

10. Each party agrees that it will bear its own costs and expenses (including attorneys' fees and costs) incurred in connection with this Agreement.

11. Any notice, demand, request or other communication required or permitted to be given under this Agreement, (a) shall be made in writing, (b) shall be delivered by one of the following methods: (i) by personal delivery (with notice deemed given when delivered personally); (ii) by overnight courier (with notice deemed given upon written verification of receipt); or (iii) by certified or registered mail, return receipt requested (with notice deemed given upon verification of receipt); and (c) shall be addressed to a party as provided in this Section or such other address as such party may request by notice given in accordance with the terms of this Section.

Notice to EPA shall be provided as follows:

City of East Palo Alto
East Palo Alto City Hall
2nd Floor - 2415 University Ave
East Palo Alto, CA 94303
Attention: City Manager

Notice to Facebook shall be provided as follows:

Facebook, Inc.
1601 Willow Road
Menlo Park, California 94025
Attention: Director of Facilities

With a copy to:

Facebook, Inc.
1601 Willow Road
Menlo Park, California 94025
Attention: Real Estate Counsel

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the day and year first above written.

EPA:

CITY OF EAST PALO ALTO,
a general law city of the state of California

By:_____
Name: Ronald L. Davis
Title: City Manager

Approved as to Form

By:_____
Name: Kathleen Kane
Title: City Attorney

FACEBOOK:

FACEBOOK, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

THE TERMS AND IMPLEMENTATION

1. Traffic Improvements

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4. Term: All commitments and obligations described in this Exhibit shall terminate on the earlier of Facebook vacating the East Campus and February 6, 2026.

329280.1

Exhibit A

facebook.com
LEGAL

MEMORANDUM OF AGREEMENT BY AND BETWEEN THE CITY OF EAST PALO AND FACEBOOK, INC. REGARDING THE MENLO PARK FACEBOOK CAMPUS PROJECT

THIS MEMORANDUM OF AGREEMENT (this "Agreement") is entered into as of this ___ day of May, 2012 (the "Effective Date"), by and between the CITY OF EAST PALO ALTO, a general law city of the State of California ("EPA"), and FACEBOOK, INC., a Delaware corporation ("Facebook").

RECITALS

THIS AGREEMENT is entered into on the basis of the following facts, understandings and intentions of the parties:

A. Facebook has proposed a two-phase project for the location of its corporate headquarters in Menlo Park (both phases, collectively, the "Project"). The first phase of the project relates to the approximately 56.9-acre parcel of real property commonly known as 1601 Willow Road, Menlo Park, California (the "East Campus"). The second phase relates to the re-development of the approximately 22-acre site located across Bayfront Expressway from the East Campus at 312 and 313 Constitution Drive, Menlo Park, California (the "West Campus").

B. For the East Campus, the Project includes (among other things) a modification of the existing conditional development permit that governs the East Campus so that the East Campus may be occupied in accordance with the existing 3,600 employee cap or a new vehicle trip cap that would include a maximum of 2,600 trips during the AM and PM peak periods and 15,000 trips on a daily basis. For the West Campus, the Project includes the demolition of the existing buildings located at the West Campus and development of 440,000 square feet of new office buildings and amenity structures.

C. To enable implementation of the Project, the City of Menlo Park ("MP") will consider various legislative and administrative actions, including, without limitation, enabling ordinances for development agreements, a resolution adopting an amended and restated conditional development permit, a resolution adopting a conditional development permit, a resolution certifying the Environmental Impact Report for the Project (the "Project EIR"), resolutions adopting heritage tree removal permits, resolutions adopting findings under the California Environmental Quality Act ("CEQA") and resolutions adopting statements of overriding considerations. The preceding legislative and administrative actions together with any other approvals and permits that are necessary or desirable to enable implementation of the Project are, collectively, referred to as the "Project Approvals".

D. EPA submitted a letter dated January 30, 2012, to MP commenting on the draft of the Project EIR and raising concerns and objections (the "EPA Comment Letter"). EPA and Facebook now desire to resolve EPA's concerns and objections regarding the Project including, without limitation, the Project EIR. To that end, Facebook has proposed payment to EPA of funds to be used for traffic improvements, bicycle and pedestrian improvements and air quality improvements and provision of the other public benefits described herein. In exchange, EPA has agreed to not file an action or proceeding challenging the Project or any of the Project Approvals as described herein.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Facebook will perform the terms set forth in Exhibit A (the "Terms and Implementation") and will request that the 1601 Willow Road Development Agreement with MP (the "DA") be drafted so that the Terms and Implementation and Facebook's obligation to perform the Terms and Implementation are incorporated into the DA. EPA agrees to accept the benefits provided by Facebook under the Terms and Implementation subject to the terms thereof.

2. Facebook will not be obligated to perform any of the Terms and Implementation until the Menlo Park City Council certifies and approves the Project Approvals attached to the City of Menlo Park Staff Report dated April 27, 2012 (or substantially similar Project Approvals acceptable to Facebook) (collectively, the "June Approvals"), the DA has been executed by all parties and all challenges to the June Approvals, the DA and the portions of the Project described in the June Approvals and/or the DA have been resolved. If no litigation or referendum is commenced challenging (a) the Menlo Park City Council's certification and/or approval of the June Approvals, (b) the DA, and/or (c) the portions of the Project described in the June Approvals and/or the DA, then Facebook's obligation will vest 90 days after the last of the June Approvals has been approved, notwithstanding any tolling agreement extending any statute of limitations, even if executed by Facebook. If litigation and/or a referendum is commenced within such 90-day period challenging (i) the Menlo Park City Council's certification and approval of the June Approvals, (ii) the DA, and/or (iii) the portions of the Project described in the June Approvals and/or the DA, then Facebook's obligation will vest on the date of final, non-appealable resolution of all litigation and resolution of the referendum in a manner that is reasonably acceptable to Facebook (as applicable). Any resolution of litigation or avoidance of a referendum involving an agreement executed by Facebook shall constitute final resolution in a manner reasonably acceptable to Facebook for purposes of this Section 2. The conditions described in this Section 2 shall, collectively, be referred to as the "Conditions Precedent". If Facebook withdraws the Project due to challenges to the June Approvals, the DA and/or the portions of the Project described in the June Approvals and/or the DA, then this Agreement will terminate and neither Party shall have any further obligations hereunder.

3. Unless this Agreement is terminated pursuant to Section 2, EPA shall refrain from filing any complaint, petition for writ of mandate or other judicial or administrative action or proceeding to object to or otherwise challenge the Project or the Project Approvals and will not join any other party's efforts which are intended to undermine or interfere with the Project's ability to proceed pursuant to the Project Approvals. Moreover, EPA will not join in or encourage such a challenge by any other agency, entity or individual.

4. Each of the parties to this Agreement may pursue any remedy at law or equity available for the breach of any provision of this Agreement, including, but not limited to, temporary or permanent injunctive relief or restraining orders.

5. This Agreement contains the entire understanding and agreement of the parties. There are no oral or written representations, understandings, undertakings or agreements that are not contained or expressly referred to herein, and any such representations, understandings or agreements are superseded by this Agreement. No evidence of any such representations, understandings or agreements shall be admissible in any proceeding of any kind or nature relating to the terms or conditions of this Agreement or its interpretation or breach.

6. This Agreement is made and entered into for the sole protection and benefit of the signatory parties. No other persons shall have any right of action based upon any provision of this Agreement except for the parties' respective successors and assigns.

7. Each Party hereby represents and warrants to the other that the person executing this Agreement on its behalf has the authority to bind that party. For convenience, the parties may execute this Agreement on separate signature pages, which, when attached hereto, shall constitute one complete agreement.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into and wholly to be performed within the State of

California, without giving effect to conflict of law or choice of law provisions under California law or any other jurisdiction.

9. The parties agree that this Agreement may not be varied in its terms by an oral agreement or representation or otherwise, and may only be amended or modified by an instrument in writing executed by all parties.

10. Each party agrees that it will bear its own costs and expenses (including attorneys' fees and costs) incurred in connection with this Agreement.

11. Any notice, demand, request or other communication required or permitted to be given under this Agreement, (a) shall be made in writing, (b) shall be delivered by one of the following methods: (i) by personal delivery (with notice deemed given when delivered personally); (ii) by overnight courier (with notice deemed given upon written verification of receipt); or (iii) by certified or registered mail, return receipt requested (with notice deemed given upon verification of receipt); and (c) shall be addressed to a party as provided in this Section or such other address as such party may request by notice given in accordance with the terms of this Section.

Notice to EPA shall be provided as follows:

City of East Palo Alto
East Palo Alto City Hall
2nd Floor - 2415 University Ave
East Palo Alto, CA 94303
Attention: City Manager

Notice to Facebook shall be provided as follows:

Facebook, Inc.
1601 Willow Road
Menlo Park, California 94025
Attention: Director of Facilities

With a copy to:

Facebook, Inc.
1601 Willow Road
Menlo Park, California 94025
Attention: Real Estate Counsel

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the day and year first above written.

EPA:

CITY OF EAST PALO ALTO,
a general law city of the state of California

By:_____
Name: Ronald L. Davis
Title: Interim City Manager

Approved as to Form

By:_____
Name: Kathleen Kane
Title: City Attorney

FACEBOOK:

FACEBOOK, INC.,
a Delaware corporation

By: _____
Name: David Ebersman
Title: CFO

facebook.com
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facebook.com LEGAL

EXHIBIT A

THE TERMS AND IMPLEMENTATION

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