COMPACT TO INCREASE EQUITY, OPPORTUNITY AND ACCESS IN SILICON VALLEY

This Compact to Increase Equity, Opportunity and Access in Silicon Valley ("Community Compact") is entered into as of this 23rd day of November, 2016 (the "Effective Date"), by and between certain Community Groups (as defined below); FACEBOOK, INC., a Delaware corporation; and HIBISCUS PROPERTIES, LLC, a Delaware limited liability company, a wholly owned subsidiary of Facebook, Inc. (collectively, "Partners," as further defined below).

RECITALS

This Community Compact is entered into on the basis of the following facts, understandings and intentions of the Partners:

A. Over the past several months, Facebook and the Community Groups have collaborated to identify a set of commitments that further their shared goals of enhancing equity, opportunity and access in Silicon Valley. The commitments reflected in this Community Compact seek to effect the Partners’ desired results by, among other things, transforming ways of approaching the problems faced, creating new avenues of advocacy and building additional capacity. As set forth below and in the attached Community Benefits Partnership, the Partners have focused their efforts on four fundamental pillars, with the hope of catalyzing positive change in the community, addressing regional problems and establishing a long-term collaboration between Facebook and the Community Groups moving forward. The four fundamental pillars include:

1. Housing Development and Preservation: The Partners desire to establish a Catalyst Housing Fund that will represent an unprecedented alliance among community groups (including tenant’s rights, faith-based and other organizations), the private sector, and government to increase the supply of affordable housing in the region. Among other things, the Catalyst Housing Fund is intended to identify opportunities for and finance the development and preservation of affordable housing in the vicinity of the Facebook campus.

2. Economic Opportunity: The Partners desire to create new economic opportunities for local community residents including through the development and support of a pipeline training program and the creation and staffing of a local community liaison who will be responsible for connecting local community members with open positions at Facebook.

3. Tenant Assistance: The Partners desire to provide resources to tenants affected by displacement pressures and the regional housing crisis through the creation of a Tenant Assistance Fund and support for Rebuilding Together Peninsula. The Tenant Assistance Fund will provide legal assistance and relief to tenants threatened with displacement from evictions, unsafe living conditions and other forms of landlord abuse.
4. **Future Partnerships:** The Partners also recognize that their shared goals would benefit from further innovative partnerships between the private sector, local community groups, and the public sector. To that end, the Catalyst Housing Fund is intended to develop funding strategies that could be scaled up and replicated in order to address the deficit of affordable housing in the region, while fostering deep engagement between corporations, philanthropic organizations and individual donors and community organizations on topics of regional importance such as housing, economic opportunity, social justice and congestion relief.

B. This Community Compact is entered into in connection with Facebook’s proposal to expand its corporate headquarters in Menlo Park, known as the Facebook Campus Expansion Project. The Community Groups, through their counsel the American Civil Liberties Union Foundation of Northern California (“ACLU”) and Public Advocates Inc., submitted several comment letters to Menlo Park commenting on the draft EIR and raising concerns about the Project. Facebook believes that the EIR is legally adequate and the Project, including the Development Agreement, will provide significant benefits to the community, with a particular focus on housing. Separately, Menlo Park is undergoing a General Plan Update process, which, if approved, would result in the rezoning of property, including property owned by one of Facebook’s affiliates, known as the Prologis site. Because the development of the Prologis site would be affected by the proposed M-2 General Plan Update, Facebook has an interest in the outcome of the M-2 General Plan Update.

C. After the Community Groups submitted their first set of public comments, Facebook and the Community Groups commenced a dialogue regarding Facebook’s planning efforts, the M-2 General Plan Update, and the issues facing the surrounding communities. As result of that dialogue, Facebook and the Community Groups learned that they share a mutual goal of increasing equity, opportunity and access with respect to housing, employment and legal support for tenants.

D. As a result of the Partners’ discussions, the Partners have agreed to the terms of this Community Compact, through which the Community Groups agree to refrain from opposing the Project, and Facebook agrees to provide certain community benefits, each as specified herein.

E. Contemporaneous with its discussions with the Community Groups, Facebook has also been working with the City of East Palo Alto (“East Palo Alto”) to address concerns that East Palo Alto raised regarding the Project, the EIR and the M-2 General Plan Update. Many of those concerns were similar to the concerns raised by the Community Groups, and, therefore, most of the commitments proposed by Facebook in this Community Compact are intended to simultaneously address concerns raised by the Community Groups and East Palo Alto.

**AGREEMENT**

NOW, THEREFORE, in furtherance of these recitals and for other good and valuable consideration, the Partners agree as follows:
1. **Facebook’s Commitments.** To advance the shared goals of this Community Compact, Facebook agrees to the terms of the Community Benefits Partnership attached hereto, which include as follows:

1.1 To address the housing problems confronting Silicon Valley, Facebook agrees to create and fund the Catalyst Fund and support Rebuilding Together Peninsula as set forth in the Community Benefits Partnership;

1.2 To increase employment opportunities for residents of the communities adjacent to Facebook’s headquarters in Menlo Park, Facebook agrees to support a pipeline training program and hire a community jobs liaison as set forth in the Community Benefits Partnership; and

1.3 To provide legal resources for residents of Silicon Valley, Facebook agrees to fund tenant support services for low-income community residents as set forth in the Community Benefits Partnership.

2. **The Community Groups’ Commitments.**

2.1 The Community Groups will refrain from filing any complaint, petition for writ of mandate or other judicial or administrative action or proceeding challenging the Project or the Project Approvals, and will not join, provide non-trivial support to or encourage such action by any other agency, entity or individual.

2.2 The Community Groups, in collaboration with Facebook, shall prepare a joint press release or statement announcing the successful collaboration between the Community Groups and Facebook and the Community Benefits Partnership. If contacted by the media, the Community Groups shall describe their support for this collaboration with Facebook and the Community Benefits Partnership and make statements consistent with the joint press release or statement.

2.3 The Community Groups shall refrain from specifically stating public opposition to the Project or the Project Approvals, including without limitation comments to the media or to public forums. In addition, the Community Groups covenant that, after the Effective Date, they will not assist or promote, directly or indirectly, or provide financial or any other support for, efforts by others administratively or judicially to oppose, litigate, sue, challenge or contest the Project or the Project Approvals. Nothing in this Section 2 shall be interpreted in a manner that violates the State Bar of California’s Rules of Professional Conduct, Rule 1-500. The provisions of this Section 2 are effective with regard to each component of the Project (i.e., Building 21, Building 22, and the hotel) from the Effective Date until a certificate of occupancy is issued for that component of the Project.

2.4 Each Community Group shall (i) provide written indication to its employees, board members, and volunteers of the general terms of this Community Compact, and the Community Group’s position with regard to the Project; (ii) indicate that any communications by such parties when acting on behalf of the organization must be consistent with such position and the relevant terms of this Community Compact; and (iii) encourage such parties to fulfill both the letter and spirit of this Community Compact, when such parties are acting on behalf of the organization or otherwise.
3. **Community Groups' Decision-Making.** Within 30 days of the Effective Date, the Community Groups shall establish a decision-making process for collective action on behalf of the Community Groups in matters related to this Community Compact. This process will aim at consensus decisions, but will provide for decisions by majority vote where consensus is not attained after reasonable efforts. This process will also provide for the Community Groups' designation of a spokesperson authorized to convey the Community Groups’ decisions to Facebook and other parties involved in implementation of this Community Compact, and shall provide contact information for that spokesperson to Facebook. Statements and actions of the spokesperson establish the collective positions of the Community Groups with respect to all matters related to interpretation and implementation of this Community Compact. Facebook may rely on the statements and actions of the Community Groups’ spokesperson for such purposes without any duty to investigate. If the Community Groups are unable to establish a decision-making process for collective action within 30 days of the Effective Date, the default spokesperson for the Community Groups shall be Jennifer Martínez of Faith in Action Bay Area. The Community Groups may change such spokesperson over time by providing written notice to Facebook.

4. **Compact Partnership Committee.** To assist with implementation of this Community Compact, address new and ongoing concerns and facilitate an ongoing dialogue between the Community Groups and Facebook, the Partners shall establish a working group of representatives of the Community Groups and Facebook to meet on a recurring basis as set forth below. At least one member of Facebook’s senior management (such as the Vice President of Facilities and Real Estate) will participate in this working group. This Compact Partnership Committee shall meet semiannually, or more or less frequently if mutually agreed. The Compact Partnership Committee will discuss issues including Facebook’s future plans for development of the Prologis site, and jobs-related issues related to implementation of Section VII of the Community Benefits Partnership. The Compact Partnership Committee is not a voting body, but rather a forum for discussion and engagement. The Partners’ obligation to meet pursuant to this Section 4 will expire on the fourth anniversary of the Effective Date, but nothing shall prevent the Partners from continuing the Compact Partnership Committee if the Partners mutually agree.

5. **Mutual Agreement.** This Community Compact may be terminated upon the mutual written agreement of the Partners.

6. **Enforcement.** A Partner that believes that another Partner is in breach of this Community Compact shall, prior to taking action to enforce this Community Compact or declaring the other Partner to be in breach, request the opportunity to meet and confer in good-faith effort to resolve the dispute. Such request shall be in writing and shall specify the nature of the alleged default, and, where appropriate, the manner in which the alleged default may be cured. Except where a delay may cause irreparable injury, the Partners shall provide sixty days to cure the alleged default, during which the Partners shall meet and confer in good faith to resolve any dispute. An individual Community Group may not take legal action to enforce this Community Compact without approval of the Community Groups in the aggregate, through procedures as described in Section 3. This means that an individual Community Group may not proceed with a legal action to enforce this Community Compact if it is not supported by a consensus or a majority vote (as applicable) as described in Section 3.
7. **Remedies.** Subject to the requirements in Sections 3 and 6, each of the Partners to this Community Compact may pursue any remedy at law or equity available for the breach of any provision of this Community Compact, including, but not limited to, temporary or permanent injunctive relief, specific performance and restraining orders. In no circumstances shall monetary damages be available as a remedy for violations of this Community Compact. An order requiring that a Partner pay sums due to be paid under this Community Compact does not constitute an order of monetary damages, and is an available remedy under this Community Compact.

8. **Notices.** Any notice, demand, request or other communication required or permitted to be given under this Community Compact, (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. All notices as described above shall be accompanied by e-mail notification at the indicated e-mail addresses. Any Partner may change notice address by alerting all other Partners in accordance with the terms of this Section 8.

Notice to the Community Groups shall be provided as follows:

Comité de Vecinos del Lado Oeste, East Palo Alto  
466 East O'Keefe Street, #307  
East Palo Alto, CA 94303  
Attention: Patricia Garcia  
e-mail: patricia.wishart@gmail.com

Youth United for Community Action  
2135 Clarke Ave  
East Palo Alto, CA 94303  
Attention: Tameeka Bennett  
e-mail: tbennett@youthunited.net

Faith in Action Bay Area  
1336 Arroyo Ave  
San Carlos, CA 94070  
Attention: Dr. Jennifer Martinez  
e-mail: jennifer@faithinactionba.org
Community Legal Services in East Palo Alto
1861 Bay Road
East Palo Alto, CA 94303
Attention: Phil Hwang
e-mail: phil@clsepca.org

In each case, with a copy to:

American Civil Liberties Union Foundation of Northern California
39 Drumm Street
San Francisco, CA 94111
Attention: Linda Lye
e-mail: llye@aclunc.org

Public Advocates Inc.
131 Steuart Street, Suite 300
San Francisco, CA 94105
Attention: Sam Tepperman-Gelfant
e-mail: stepperman-gelfant@publicadvocates.org

Law Office of Julian Gross
870 Market Street, Suite 813
San Francisco, CA 94102
e-mail: julian@juliangross.net

Notice to Facebook (including Hibiscus Properties, LLC) shall be provided as follows:

Facebook
1 Hacker Way
Menlo Park, California 94025
Attention: Director of Facilities
e-mail: fergus@fb.com

With a copy to:

Facebook
1 Hacker Way
Menlo Park, California 94025
Attention: Real Estate Counsel
e-mail: jgpurvitz@fb.com


9.1 This Community Compact contains the entire understanding and agreement of the Partners. 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 Community Compact. 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 Community Compact or its interpretation or breach.

9.2 The Community Groups may not, voluntarily or by operation of law, assign this Community Compact (or any interest therein) to any other party without Facebook’s prior written consent, which may be withheld in Facebook’s sole and absolute discretion. This Community Compact shall be binding upon and inure to the benefit of each party’s Successors. References in this Community Compact to an entity shall be deemed to apply to any Successor of that entity. “Successor” shall mean successors in interest, permitted transferees and permitted assigns.

9.3 The waiver by any Partner of any provision or term of this Community Compact shall not be deemed a waiver of any other provision or term of this Community Compact. The mere passage of time, or failure to act upon a breach, shall not be deemed a waiver of any provision or term of this Community Compact.

9.4 This Community Compact is made and entered into for the sole benefit of the Partners. No other persons shall have any right of action based upon any provision of this Community Compact except as set forth in Section 9.2.

9.5 Upon proper execution and delivery, this Community Compact will have been duly entered into by the Partners, will constitute as against each Partner a valid, legal and binding obligation, and will be enforceable by each Partner and against each Partner in accordance with the terms herein.

9.6 This Community Compact 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.

9.7 This Community Compact has been reviewed and revised by legal counsel for each Partner, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Community Compact.

9.8 The Partners agree that this Community Compact 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 Partners.

9.9 Each Partner agrees that it will bear its own costs and expenses (including attorneys’ fees and costs) incurred in connection with this Community Compact.

9.10 This Community Compact 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.

9.11 The Community Groups understand and acknowledge that Facebook may take certain actions, including payment of funds, that are required both by this Community Compact.
Compact and by a contract between Facebook and East Palo Alto. The Community Groups acknowledge that in such cases, a single action by Facebook, including payment of funds, may satisfy multiple agreements to which Facebook is a party.

9.12 Neither anything contained in this Community Compact, nor any acts of any of the Partners, shall be deemed or construed to create the relationship of principal and agent, or of legal partnership or of joint venture between or among the Partners. The use of the term “Partners” in this Community Compact is a non-legal convention and does not give rise to any obligations (such as fiduciary obligations) above and beyond those obligations identified in this Community Compact.

10. Definitions. As used in this Community Compact, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

10.1 “Community Benefits Partnership” shall mean the Community Benefits Partnership set forth as Attachment A and incorporated by reference into this Community Compact.

10.2 “Community Compact” shall mean this Compact to Increase Equity, Opportunity and Access in the Communities Adjacent to Facebook’s Headquarters in Silicon Valley, including the Community Benefits Partnership.

10.3 “Community Groups” shall mean Comité de Vecinos del Lado Oeste, East Palo Alto; Youth United for Community Action; Faith in Action Bay Area; and Community Legal Services in East Palo Alto. Obligations of a Community Group are obligations only of the organization itself, as distinct from its associated organizations, constituent organizations or any natural persons. Actions of a Community Group include only those actions taken by directors, staff, or volunteers of members or members of the organization, when such persons have authority to act on behalf of the organization. In cases where any such person makes an unauthorized statement or takes unauthorized action, such Community Group shall promptly and publicly correct or retract such statement or action.

10.4 “East Palo Alto” shall mean the City of East Palo Alto.

10.5 “EIR” shall mean the Facebook Campus Expansion Project Final EIR, State Clearinghouse No. 2015062056, prepared by Menlo Park and released in September 2016.

10.6 “Facebook” shall mean Facebook, Inc., and its subsidiary, Hibiscus Properties, LLC. Rights of “Facebook” pursuant to this Community Compact may be exercised by either Facebook, Inc. or Hibiscus Properties, LLC. Facebook, Inc. and Hibiscus Properties, LLC are jointly and severally responsible for all duties and commitments of “Facebook” set forth in this Community Compact.

10.7 “Initial Project Approvals” means the legislative and administrative actions taken by the Menlo Park City Council on November 1, 2016, and November 15, 2016, to
approve the Project entitlements, including, without limitation, an enabling ordinance for a Development Agreement, the rezoning of the Project site, a resolution adopting an Amended and Restated Conditional Development Permit, a resolution certifying the EIR for the Project, a resolution adopting heritage tree removal permits, a resolution approving findings under the California Environmental Quality Act ("CEQA"), a resolution approving a lot line adjustment, a resolution adopting a statement of overriding considerations, and design review approval for MPK21, all as identified in Staff Report # 16-192-CC for the November 1, 2016, Menlo Park City Council hearing and Staff Report # 16-192-CC for the November 15, 2016, Menlo Park City Council hearing.

10.8 "M-2 General Plan Update" shall mean Menlo Park’s pending General Plan Update and rezoning related to the M-2 Area, currently termed "ConnectMenlo," to together with its associated environmental review under CEQA and related approvals.

10.9 "Menlo Park" shall mean the City of Menlo Park.

10.10 "Partners" shall mean each Community Group, Facebook, Inc., and Hibiscus Properties, LLC.

10.11 "Project" shall mean the Facebook Campus Expansion Project to be developed on the property located at 301 to 309 Constitution Drive in Menlo Park and as described in the EIR, and including approximately 962,000 square feet of office and ancillary uses, a 200-room hotel, publicly accessible open space, and a pedestrian and bicycle bridge over the Bayfront Expressway. The term "Project" shall include any changes, modifications or amendments to the land uses, site plan, and building designs, provided that such changes do not materially increase the intensity, type, or combination of uses evaluated in the EIR.

10.12 "Project Approvals" shall mean any and all governmental actions that are required for the Project to be built and become fully operational, whether such actions are discretionary or ministerial, and including, but not limited to, actions required by Menlo Park and all commissions of Menlo Park, administrative or staff approvals, and any other required approval by any federal, state, or local governmental department, agency, or entity with jurisdiction over the Project. Such actions include, without limitation, (1) the Initial Project Approvals, (2) other environmental reviews pursuant to CEQA or the National Environmental Policy Act, and mitigation monitoring plans for the Project, (3) building permits, foundation permits, structural permits, mechanical, electrical and plumbing permits and other permits necessary for the construction and occupancy of the Project, (4) design review approvals, (5) approvals of modifications or amendments, revocable permits to occupy, variances, and any other permits, actions, approvals and determinations the terms of which may not be fully known at this time and related subordinate approvals, (6) any other past, present or future permit, approval, action or determination of a public agency required to be taken in order for the Project to be built and become fully operational, and (7) any amendments, supplements, rescissions, terminations, extensions, legislative approvals, resolutions, administrative approvals, or judicial approvals pertaining to any of the foregoing; each of the above with the exception of approvals
allowing changes in the Project that would materially increase the intensity, type, or combination of uses evaluated in the EIR.

(Signatures on following page.)
IN WITNESS WHEREOF, this Community Compact has been executed by the Partners as of the day and year first above written.

COMMUNITY GROUPS:

COMITÉ DE VECINOS DEL LADO OESTE, EAST PALO ALTO, an unincorporated nonprofit association

By: ______________________
Name: Doroteo Garcia
Its: President

FACEBOOK:

FACEBOOK, INC., a Delaware Corporation

By: ______________________
Name: ______________________
Its: ______________________

YOUTH UNITED FOR COMMUNITY ACTION, a California nonprofit corporation

By: ______________________
Name: Dr. Tameeka Bennett
Its: Executive Director

HIBISCUS PROPERTIES, LLC, a Delaware limited liability company

By: ______________________
Name: ______________________
Its: ______________________

FAITH IN ACTION BAY AREA, a California nonprofit corporation

By: ______________________
Name: Dr. Jennifer Martinez
Its: Executive Director

COMMUNITY LEGAL SERVICES IN EAST PALO ALTO, a California non-profit corporation

By: ______________________
Name: Phil Hwang
Its: Executive Director
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By: ____________________________
Name: Doroteo Garcia
Its: President

YOUTH UNITED FOR COMMUNITY ACTION, a California nonprofit corporation

By: ____________________________
Signature: [Signature]
Name: Dr. Tameeka Bennett
Its: Executive Director

FAITH IN ACTION BAY AREA, a California nonprofit corporation

By: ____________________________
Name: Dr. Jennifer Martinez
Its: Executive Director

COMMUNITY LEGAL SERVICES IN EAST PALO ALTO, a California non-profit corporation

By: ____________________________
Name: Phil Hwang
Its: Executive Director

FACEBOOK:

FACEBOOK, INC., a Delaware Corporation

By: ____________________________
Name: __________________________
Its: __________________________

HIBISCUS PROPERTIES, LLC, a Delaware limited liability company

By: ____________________________
Name: __________________________
Its: __________________________

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By: __________________________
Name: Doroteo Garcia
Its: President

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a California nonprofit corporation

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By: __________________________
Name: Dr. Jennifer Martinez
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a California non-profit corporation

By: __________________________
Name: Phil Hwang
Its: Executive Director

FACEBOOK:

FACEBOOK, INC.,
a Delaware Corporation

By: __________________________
Name: _______________________
Its: _________________________

HIBISCUS PROPERTIES, LLC,
a Delaware limited liability company

By: __________________________
Name: _______________________
Its: _________________________
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COMMUNITY GROUPS:

COMITÉ DE VECINOS DEL LADO OESTE, EAST PALO ALTO, an unincorporated nonprofit association

By: ______________________
Name: Doroteo Garcia
Its: President

YOUTH UNITED FOR COMMUNITY ACTION, a California nonprofit corporation

By: ______________________
Name: Dr. Tameeka Bennett
Its: Executive Director

FAITH IN ACTION BAY AREA, a California nonprofit corporation

By: ______________________
Name: Dr. Jennifer Martinez
Its: Executive Director

COMMUNITY LEGAL SERVICES IN EAST PALO ALTO, a California non-profit corporation

By: ______________________
Name: Phil Hwang
Its: Executive Director

FACEBOOK:

FACEBOOK, INC., a Delaware Corporation

By: ______________________
Name: John Tenanes
Its: VP Global Facilities

HIBISCUS PROPERTIES, LLC, a Delaware limited liability company

By: ______________________
Name: John Tenanes
Its: VP Global Facilities
ATTACHMENT A

EQUITY, OPPORTUNITY AND ACCESS COMPACT

COMMUNITY BENEFITS PARTNERSHIP

I. PURPOSE

The purpose of this Community Benefits Partnership is to identify the specific community benefits agreed upon by Community Groups and Facebook to enhance equity, opportunity and access within the communities adjacent to Facebook’s campus in Menlo Park. It reflects an innovative approach to addressing the regional affordable housing and displacement crisis, while addressing other policy issues of concern to the local community such as legal support for tenants and economic opportunities for local community members. This Community Benefits Partnership is part of the Community Compact to which it is attached.

II. DEFINITIONS

Except as otherwise indicated, capitalized terms in this attachment shall have the same meaning ascribed to them in the Community Compact.

“AMI” means area median income, as defined and updated annually by the United States Department of Housing and Urban Development and the California Department of Housing and Community Development.

“Extremely Low Income” means households making 30 percent AMI or below, as defined in Cal. Health & Safety Code Section 50106.

“Very Low Income” means households making 50 percent AMI or below, as defined in Cal. Health & Safety Code Section 50105.

“Low Income” or “Lower Income” mean households making 80 percent AMI or below, as defined in Cal. Health & Safety Code Section 50075.5. With respect to the East Palo Alto Allocation, “Low” or “Lower Income” shall mean households making 60 percent AMI or below.

III. HOUSING FUND CONTRIBUTIONS

A. Facebook’s Funding Contributions. Subject to the terms and conditions of this Community Benefits Partnership, Facebook will contribute the TE Project Contribution ($14,000,000) and the General Plan Contribution ($4,500,000) for the purpose of forming and funding a Catalyst Housing Fund (the “Catalyst Fund”), to identify and finance opportunities for the development and preservation of long-term affordable housing (i.e., housing for extremely low income, very low income, and low income households that is deed restricted, generally for at least 55 years) in the vicinity of the Facebook campus. Collectively, the TE Project Contribution and the General Plan Contribution total $18,500,000 in contributions to the Catalyst Fund, and are referred to as “Facebook’s Funding Contributions.”
B. TE Project Contribution. Facebook shall contribute $14,000,000 (the “TE Project Contribution”) to the Catalyst Fund for uses as described in this Community Benefits Partnership.

1. Conditions Precedent. The TE Project Contribution is contingent upon the satisfaction of either of the following conditions precedent:

   a. Project Approval Without Challenge. The City Council of Menlo Park approves on second reading, without substantial changes, the Initial Project Approvals, and 90 days pass from the City of Menlo Park's second reading without any party filing litigation challenging the EIR, the Initial Project Approvals or the Project, or subjecting the Initial Project Approvals to voter referendum.

   b. Issuance of Building Permit. Menlo Park issues a building permit for vertical construction of a component of the Project.

2. Partial Withholding in Case of Construction During Litigation. If a lawsuit or referendum is initiated challenging the Project or the Project Approvals and Facebook proceeds to construct the Project at-risk during the challenge period, then Facebook reserves the right to withhold half of the TE Funding Contribution (i.e., $7,000,000) until the earlier of (a) such time as the litigation or referendum is resolved in a manner reasonably acceptable to Facebook, or (b) Facebook’s occupancy of any component of the Project for business purposes.

3. Funding Schedule. The TE Project Contribution shall be provided in five equal annual installments. Within 45 days of satisfaction of either of the conditions precedent identified in Section III.B.1, above, Facebook will provide its initial installment of the TE Project Contribution. As part of this initial installment, Facebook will also deposit $500,000 into a dedicated trust account to be held in trust pending any decision by the Community Groups to timely exercise the Policy Option described in Section IV.B.5, below; if the Community Groups elect not to exercise the Policy Option, then this amount will be released to the Catalyst Fund. The second through fifth installment payments are due on the annual anniversary of the due date of the initial installment. If an installment payment is due at any time that a Fund Administration Agreement is not in effect with a Host Organization (as such terms are defined below), then Facebook shall make that payment into a trust account established for that purpose and jointly administered by the Partners and East Palo Alto (with respect to the East Palo Alto Allocation). If Facebook withholds a portion of the TE Project Contribution pursuant to Section III.B.2 in the event of litigation or a referendum challenging the Project, then any installment payments shall be reduced on a pro rata basis for the duration of partial withholding per Section III.B.2, after which time all withheld portions become due. Notwithstanding the preceding, Facebook, in its sole and absolute discretion, may choose to make payments toward the TE Project Contribution in satisfaction of this Community Benefits Partnership on an accelerated schedule.

C. General Plan Update Contribution. In addition to the TE Project Contribution described above, Facebook shall contribute $4,500,000 to the Catalyst Fund (the “General Plan Contribution”) for uses as described in this Community Benefits Partnership.
1. **Conditions Precedent.** The General Plan Contribution is contingent upon satisfaction of either of the following conditions precedent:

   a. **General Plan Update Approval Without Changes or Litigation.** All of the following occur:

      (i) Menlo Park adopts the M-2 General Plan Update including the approvals identified in the Staff Report #16-193-CC ("GPU Staff Report") for the November 15, 2016, Menlo Park City Council Hearing (or approvals that are substantially similar to those identified in the GPU Staff Report) (the "M-2 General Plan Update Adoption"). For purposes of this section, "substantially similar" approvals shall mean: (1) floor area ratio and unit density regulations that are equal or greater to the base and bonus level regulations identified in the draft zoning ordinances attached to the GPU Staff Report for the Office and Residential Mixed-Use zoning districts; (2) open space requirements that do not exceed 25% for the Office and Residential Mixed-Use zoning districts; (3) inclusionary housing requirements for bonus level development that do not exceed 15%; (4) the absence of new or substantially higher fees on new development; and (5) the absence of phasing or other restrictions that would materially affect the phasing of future development within the M-2 area in either the Office or Residential Mixed-Use zoning districts;

      (ii) The Community Groups refrain from filing a lawsuit challenging the M-2 General Plan Update Adoption for 90 days after Menlo Park’s final approval of the M-2 General Plan Update; and

      (iii) if litigation or referendum is commenced challenging the M-2 General Plan Update Adoption approvals by any third party(ies), then such litigation or referendum is resolved in a manner that is reasonably acceptable to Facebook.

   b. **General Plan Update Approval and Commencement of Construction.** Menlo Park updates its general plan with regard to property owned by Facebook or its subsidiaries in the M-2 area, and Facebook commences redevelopment activities (meaning either a substantial increase in density or the demolition and replacement of existing buildings with new office and/or mixed-use buildings at greater density and floor area ratio) on such property, where such redevelopment activities would not have been permitted under current zoning requirements and other local land use regulations applicable to that property.

2. **Funding Schedule.** The General Plan Contribution shall be provided in five equal annual installments. Within 45 days of satisfaction of either of the conditions precedent identified in Section III.C.1, above, Facebook will provide its initial installment of the General Plan Contribution. The second through fifth installment payments are due on the annual anniversary of the due date of the initial installment. If an installment payment is due at any time that a Fund Administration Agreement is not in effect with a Host Organization, then Facebook shall make such payment into a trust account established for that purpose and jointly administered by the Partners. Notwithstanding the preceding, Facebook, in its sole and absolute
discretion, may choose to make payments toward the General Plan Contribution in satisfaction of this Community Benefits Partnership on an accelerated schedule.

IV. CATALYST FUND.

A. Purposes. The purpose of the Catalyst Fund is to identify and finance opportunities for the development and preservation of affordable housing (i.e., housing for Extremely Low Income, Very Low Income and Low Income households) in the vicinity of the Facebook campus, as described below. The Partners share the following goals for the Catalyst Fund:

1. **Transformative Impact.** The Catalyst Fund represents an unprecedented alliance among community groups (including tenant’s rights, faith-based, and other organizations), the private sector and government to increase the supply of affordable housing in the region. By bringing these groups together in a collaborative setting, the Partners hope to foster new ways of approaching the acute housing issues facing communities throughout the Bay Area. Recognizing that a home is more than shelter, the fund will broadly seek to stabilize neighborhoods and help address the pressures of displacement. While Facebook’s Funding Contribution to the Catalyst Fund has a specific mandate to fund projects in the proximity of the Facebook campus, the Partners hope that the Catalyst Fund will achieve greater ends by pursuing innovation in affordable housing production and financing that can be scaled and replicated by others in the interests of solving the regional housing affordability crisis. The Partners also believe that if their efforts are successful, they will be able to attract additional investment and enable a broader coalition of private and public sector actors to help make housing more affordable in the region.

2. **Act Nimblly.** The Catalyst Fund will disburse money quickly to get affordable units online to meet urgent needs.

3. **Partnership.** Administration and investment of funds should foster deep engagement between corporations, philanthropic organizations and individual donors and community organizations rooted in low-income communities.

4. **Scout Paths So Others May Follow.** The Catalyst Fund will seek to implement and develop funding strategies that can be scaled up and replicated in order to address the deficit of affordable housing throughout the Bay Area and California, including inspiring the creation of complementary funds in other parts of the region and state.

5. **Help Those Most In Need.** The overarching goal of the Catalyst Fund is to serve those facing the greatest barriers to securing healthy and affordable homes. The Catalyst Fund shall be administered and expended by a designated Host Organization, as described below. The TE Project Contribution and the General Plan Contribution are collectively referred to below as “Facebook’s Funding Contributions.” Catalyst Fund monies may be used for the development and preservation of affordable housing units, including but not limited to land acquisition/due diligence, rehabilitation of existing buildings, entitlement and design feasibility studies, financial analyses and predevelopment studies, funding applications and legal expenses, and construction costs. Facebook’s Funding Contributions to the Catalyst Fund monies may also be used for administrative and supportive costs related to fund operation or in advancement of...
the Catalyst Fund’s mission, as agreed by the Community Groups and Facebook and, with respect to the East Palo Alto Allocation, East Palo Alto.

B. Catalyst Fund Requirements; Use of Facebook’s Funding Contributions.

1. Requirements for Each Project. Projects supported by Facebook’s Funding Contributions must satisfy the following criteria, unless the Community Groups and Facebook otherwise agree in writing.

   a. Supported units must be affordable to Extremely Low Income, Very Low Income and Low Income households.

   b. Supported units must be affordable on a long-term basis (i.e., generally at least 55 years or for the life of the building), with deed restrictions.

   c. Supported units must be rental units.

   d. Supported units must be located within 15 miles of the Facebook campus and within San Mateo and Santa Clara Counties.

   e. Supported units may be in developments that include market-rate units and moderate-income housing, so long as applicants can demonstrate that monies from Facebook’s Funding Contributions are used only to make possible a specified number of affordable units that fit the fund criteria.

   f. Projects involving the demolition or otherwise causing the loss of (i) units occupied by lower-income households, or (ii) subject to rent control, or (iii) subject to affordability deed restrictions, are not eligible for funds from the East Palo Alto Allocation.

   g. Supported projects shall cause no net loss of units occupied by lower-income households or subject to rent control or subject to affordability deed restrictions. Projects involving the demolition or otherwise causing the loss of such units are ineligible for Catalyst Fund monies unless at least as many affordable units are created of comparable size and at rents affordable to displaced households.

   h. Supported projects that include the rehabilitation or repair of units subject to rent control or subject to affordability deed restrictions shall only be eligible for Catalyst Fund monies if they comply with the no net loss requirements of subsection (g).

   i. For supported projects under subsections (g) and (h), the project sponsor shall provide to current tenants adequate relocation assistance and the right of first refusal to occupy rehabilitated units or replacement units to be constructed on the site that are of comparable size and are offered at equal or lesser rent to the tenants’ prior units. The project sponsor shall ensure that current tenants have a choice between (1) temporary housing from the moment they are displaced until they can be relocated into a replacement or rehabilitated unit, so long as such temporary housing is located within 10 miles of the prior units and does not cost the tenants more than they paid in rent for their prior units, or (2) monetary and other relocation assistance otherwise provided by law.

2. Aggregate Affordability Requirements. At least 30% of the total units supported by Catalyst Fund monies will serve Extremely Low Income households; and at least
30% will serve Very Low Income households. This income distribution need not apply to each supported project individually, but will be measured in the aggregate for Catalyst Fund expenditures.

3. Prioritization Among Projects. The Host Organization shall take into consideration the following factors regarding proposed projects for Catalyst Fund expenditures; such factors shall be considered “plus factors” in the Host Organization’s funding decisions.

a. The proposed project is operated by mission-driven organizations with a strong track record of high quality development, property management or other expertise relevant to the investment purpose.

b. The proposed project provides family-sized units (2+ or 3+ bedrooms).

c. The proposed project has established plans to serve undocumented immigrants, people with disabilities, individuals with past interactions with the criminal justice system or other residents facing housing challenges.

d. The proposed project has plans to provide supportive services to residents in need.

e. The proposed project serves those at the lower end of the permitted income ranges.

f. Affordability restrictions for the proposed project apply for terms longer than 55 years.

4. East Palo Alto Allocation. The Host Organization shall allocate $10,000,000 of the TE Project Contribution for use in support of development projects in East Palo Alto, consistent with the requirements set forth above (the “East Palo Alto Allocation”). The East Palo Alto Allocation will only be used to support and finance opportunities for the development of new affordable housing developments in East Palo Alto. All Catalyst Fund expenses (such as administrative fees and any fees for technical assistance provided to the Partners and to the Advisory Committee) shall be drawn pro rata from the East Palo Alto allocation and remaining funds. With respect to the East Palo Allocation only, East Palo Alto must also approve all of the following: (a) use of the Catalyst Fund monies to advance the Catalyst Fund’s mission, as agreed by the Community Groups and Facebook and (b) changes in the requirements set forth in Sections IV.B.1, IV.B.2 and IV.B.3, above. In addition, the Community Groups acknowledge that investment decisions related to the East Palo Alto Allocation will be subject to the prior approval of East Palo Alto’s City Council.

5. Policy Option. The Community Groups shall have the option of directing $500,000 from the Facebook Funding Contributions to be used for housing-related policy initiatives, which may include ballot measures supporting tenants’ rights and other legislative, administrative or advocacy initiatives as desired by the Community Groups, with such funds provided to one or more nonprofit organizations for use for these purposes. The Community Groups may exercise this option by providing Facebook with written notice any time prior to the first anniversary of Facebook’s payment of the initial installment of Facebook’s Funding.

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Contribution. At the time of exercising this option, the Community Groups shall direct Facebook to transfer or grant these funds to a nonprofit entity designated by the Community Groups, with that entity’s use of funds restricted to purposes as described herein. Because decisions regarding the use of funds would be at the Community Groups’ sole discretion, any contributions toward specific housing policy initiatives do not imply an endorsement by Facebook and Facebook disclaims any role in decisions made by the Community Groups to support specific housing policy initiatives. If the Community Groups exercise this option, the Community Groups agree that Facebook will not be listed as a funder or a sponsor of any specific policy initiative supported by the Community Groups without Facebook’s prior written consent. Such money shall not be drawn from the East Palo Alto allocation described above, and shall not be used for policy initiatives specific to the City and County of San Francisco. If the Community Groups fail to timely exercise this option, then the $500,000 shall be released to the Catalyst Fund.

C. Catalyst Fund Administration.

1. Selection of Host Organization. Within 120 days of the Effective Date, East Palo Alto, the Community Groups and Facebook shall jointly select a Host Organization to perform the functions described for the Catalyst Fund and to distribute funds pursuant to the terms specified in this Community Benefits Partnership. In the selection process, the Partners and East Palo Alto shall meet and confer with principals of any organization reasonably identified as a candidate in order to gain a comprehensive understanding of the capabilities and capacity of each organization, as well as each organization’s ability to obtain financing support and leverage use of funds.

a. Attributes. The Host Organization must be a community housing foundation or non-profit organization with demonstrated expertise in affordable housing finance and fund management in the Bay Area region. If possible, the Host Organization should also have experience administering funds related to non-housing issues, such as transportation infrastructure, social justice or other community development initiatives. East Palo Alto, the Community Groups and Facebook shall take the following factors into account in consideration of prospective designees: ability of the organization to raise additional funds; ability to fund affordable housing projects throughout the region; degree of experience in administration of funds; degree of experience working with affordable housing development industry; plan for obtaining community input; plan for ensuring transparency and engaging with the Advisory Committee; plan for investment of Catalyst Fund monies; and fees and administrative costs.

2. Fund Administration Agreement. Once a Host Organization is designated, East Palo Alto, the Community Groups and Facebook shall negotiate and enter into a written agreement with the Host Organization (the “Fund Administration Agreement”) including the following provisions:

a. establishment of the Catalyst Fund (with the East Palo Alto Allocation);

b. expenditure of monies from the Catalyst Fund only as consistent with this Community Benefits Partnership and additional terms developed in the Fund Administration Agreement;

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c. staffing of and engagement with the Advisory Committee and the public;

d. administrative fees and costs; and

e. review period, after which East Palo Alto, the Community Groups and Facebook may terminate the Fund Administration Agreement and designate a different Host Organization.

3. Impasse. If East Palo Alto, the Community Groups and Facebook do not reach agreement on designation of a Host Organization and negotiation of the Fund Administration Agreement within 120 days of the Effective Date, then (i) Facebook shall pay any required Facebook Funding Contributions into a dedicated trust account; and (ii) either East Palo Alto, the Community Groups or Facebook may initiate mediation through JAMS/Endispute or other mutually acceptable mediation service, and if the Partners cannot resolve the disagreement through mediation, the dispute or disagreement shall be resolved through binding arbitration with JAMS/Endispute or other mutually acceptable binding arbitration service. Mediation and arbitration costs shall be paid out of or advanced from Facebook’s Funding Contributions. The arbitrator may select and negotiate with a Host Organization and order relief and take action as necessary to fulfill purposes of this Community Benefits Partnership, but may not deviate from, or authorize the Host Organization to deviate from, the terms of this Community Benefits Partnership. Such dispute resolution terms shall be applicable to any subsequent dispute among Community Groups, East Palo Alto, and Facebook, with regard to engagement of the Host Organization.

D. Advisory Committee.

1. Purpose. The Partners, working with East Palo Alto, shall establish an advisory committee (the “Advisory Committee”) to monitor and provide guidance to the Catalyst Fund. The Advisory Committee will not, however, take part in individual project funding decisions.

2. Selection of Members. The Advisory Committee shall have at least eight members, including two from East Palo Alto, two from the Community Groups, two from Facebook and two from Menlo Park. Other stakeholders may be added as Advisory Committee members per agreement of the Partners and East Palo Alto. The Partners, working with East Palo Alto, will work in good faith to identify appropriate representatives to participate as members of the Advisory Committee. The Advisory Committee shall meet quarterly, unless it is agreed by the Partners that more or less frequent meetings are appropriate.

E. Future Partnerships. The Partners believe that the Catalyst Fund has the opportunity to catalyze the creation of additional partnerships among Facebook, the Community Groups, additional companies from the private sector, community groups, foundations and government agencies and entities. As a matter of principle, the partnerships would focus on enhancing equity, access and opportunity in areas such as housing, employment and legal support. The partnerships might also work to solve other pertinent issues such as transportation, congestion and traffic. It is the intent of the Partners to work together in order to: deepen their understanding of the challenges and solutions in these areas; seek opportunities to partner with
additional private, public, and community organizations; and solicit additional investments in the Catalyst Fund. While the Partners believe that their work under this Community Benefits Partnership will foster such opportunities, they also realize that this end remains an aspirational goal. The Partners understand that there is no obligation to enter into future partnerships and that the decision to participate in a future partnership will be in a Partner’s sole and absolute discretion.

F. East Palo Alto. The Community Groups understand and acknowledge that it is presently anticipated that East Palo Alto will also have an interest in the East Palo Alto Allocation and, therefore, among other things, will be taking an active role in organizing the Catalyst Fund and selecting the Host Organization. Notwithstanding the preceding, East Palo Alto will not have a role with respect to the Catalyst Fund if Facebook does not enter into a separate agreement with East Palo Alto or upon Facebook’s termination of any such agreement prior to its expiration, in which case all references to East Palo Alto’s role with respect to the formation and operation of the Catalyst Fund shall be deleted and of no force and effect. In addition, East Palo Alto shall cease having a role with respect to the Catalyst Fund when the East Palo Alto Allocation is exhausted, provided, however, that the Advisory Committee shall continue to include two members from East Palo Alto even after the East Palo Allocation is exhausted.

V. TENANT ASSISTANCE FUND.

A. Financial Commitments. Within sixty days of the Effective Date, Facebook shall provide $500,000 to the Community Groups for a tenant assistance fund (the “Tenant Assistance Fund”), with funds to be expended as determined by the Community Groups but consistent with Section V.B., below.

B. Use of Funds. The Tenant Assistance Fund will be used to provide legal assistance to tenants threatened with displacement from evictions, unsafe living conditions and other forms of landlord abuse. The Tenant Assistance Fund may also be used to establish a relief fund for tenants facing eviction (e.g., short-term low- or no-interest loans, grants, etc.).

C. Not Subject to Conditions Precedent. Facebook’s obligations under this Section V are not contingent upon satisfaction of any conditions precedent, and will be provided even if Facebook elects not to construct the Project and regardless of any legal challenge or referendum brought against the Project Approvals by third parties.

VI. REBUILDING TOGETHER.

A. Financial Commitments. Facebook shall contribute $250,000 to Rebuilding Together Peninsula, a California corporation, in two installments of $125,000. The first installment of $125,000 shall be paid within sixty days of the Effective Date. The second installment of $125,000 will be paid within one year of the initial installment.

B. Use of Funds. Funds provided pursuant to this Section VI shall be used to support the rehabilitation, modification, or reconstruction of homes, including second units, in East Palo Alto and Belle Haven, focused on Low Income and Very Low Income residents.
C. Not Subject to Conditions Precedent. Facebook’s obligations under this Section VI are not contingent upon satisfaction of any conditions precedent, and will be provided even if Facebook elects not to construct the Project and regardless of any legal challenge or referendum brought against the Project Approvals by third parties.

VII. JOBS/LOCAL HIRING.

A. Pipeline Training Program. Within one year of the satisfaction of either of the conditions precedent described in Section III.B.1, Facebook shall select one or more non-profit organizations to provide training for science, technology, engineering and mathematics (or STEM) to local residents in East Palo Alto and Menlo Park (the “Pipeline Training Program”), and contribute $125,000 per year for 5 years to the organization (or organizations) that is selected to operate the Pipeline Training Program. In selecting or replacing organization(s) selected to operate the Pipeline Training Program, Facebook will confer with the Community Groups. The total value of this commitment is $625,000.

B. Community Jobs Liaison for Facebook Employment Opportunities. Within one year of the satisfaction of either of the conditions precedent described in Section III.B.1, Facebook will establish a dedicated full-time Community Opportunity Liaison position with Facebook’s community engagement team, and ensure that the position is filled for a period of not less than 4 years. The Community Opportunity Liaison shall generally work to build relationships that will facilitate employment of qualified local workers with Facebook and its vendors, and shall be physically present in East Palo Alto at least once per quarter to maximize community contact. The Community Opportunity Liaison shall be based at the Facebook Headquarters in Menlo Park and Facebook will recruit locally for this position. The specific duties of the Community Opportunity Liaison are anticipated to include the following:

1. Work within Facebook’s community engagement team and serve as initial point of contact for community partners as they refer local candidates for potential job positions at Facebook and Facebook’s vendors and contractors (including contractors and vendors such as food service vendors, security service vendors and/or construction contractors);

2. Refer resumes to hiring managers and initiate candidate review process, and keep resumes on file for future job openings;

3. Work closely with community partners to solicit feedback on training programs, including the Pipeline Training Program, on a regular basis;

4. Work closely with Facebook’s Supplier Diversity Program and Small Business Team to connect local businesses to procurement opportunities at Facebook and conduct small business trainings;

5. Work with an appropriate counter-party (provided one is available) to notify residents of the neighboring communities of job opportunities.