

**CITY OF SAN JOSÉ CHIPS ASSISTANCE AGREEMENT FOR  
BUILDING/EXPANDING SEMICONDUCTOR PRODUCTION IN SAN JOSÉ**

THIS AGREEMENT for a City of San José CHIPS Assistance Agreement for Building/Expanding Semiconductor Production in San José (“Agreement”) is made by and between the CITY OF SAN JOSÉ, a municipal corporation (“City”), and Infinera Corporation, a Delaware Incorporated company (“Company”), a wholly owned subsidiary of Nokia Corporation, as of the date of full execution by City.

**RECITALS**

A. Company is a vertically integrated photonic semiconductor and telecommunications equipment manufacturer founded in California in 2000. The Company’s integrated circuits are critical in optical communications that enable fast and reliable transfer of large amounts of data connecting cities and nations across the globe. Company in 2020 relocated to San José and established headquarters at 6373 San Ignacio Avenue, leasing a two-story 82,000 square foot building and purchased the property in February 2026. Company is constructing a 45,000 square foot semiconductor fabrication production facility that is scheduled to be completed in 2027 with commencement of manufacturing operations. Company employs 650 workers in San José and the Sunnyvale facility that will continue production operations until the San José facility is completed and put into operation. Company plans to employ 775 workers at the San José headquarters when the building is completed in 2027 and the Sunnyvale staff transfers to San José.

B. The City seeks to advance economic development in San José by fostering growth in manufacturing and the technology sectors, and to support the federal CHIPS and Science Act legislation of 2022 to expand semiconductor production in the United States and enhance national security. The Federal Government identified state and local government support in the evaluation of applications submitted by companies seeking CHIPS grants or loan guarantees for establishing new or expanding existing semiconductor fabrication facilities in the United States. The City Council in FY 2023-24 approved City financial assistance to qualified companies that will receive a minimum of \$5 million in a federal CHIPS grant, loan guarantee or tax credits for building new semiconductor fabrication production facilities in San José or making infrastructure or manufacturing investments for existing semiconductor fabrication facilities in San José.

C. The United States Department of Commerce on October 17, 2024 announced a preliminary federal CHIPS grant award of up to \$93 million to Company to assist in the development of Company’s semiconductor fabrication building in San José that is under construction that will manufacture indium phosphide-based photonic integrated circuits and a new advanced test and packaging facility in Pennsylvania. Following due diligence, the United States Department of Commerce on January 16, 2025 reached a final award with Company and entered into a Direct Funding Agreement that will disburse funds to Company based on the completion of projected milestones.

Company also qualifies for the United States Department of Treasury CHIPS Investment Tax Credit that provides a 25 percent tax credit for investments in advanced manufacturing facilities, specifically semiconductors.

D. Subject to the terms and conditions set forth in this Agreement, the City shall disburse funds to Company following the execution of this Agreement that demonstrates the City's commitment to support qualified CHIPS projects in San José that will advance the CHIPS and Science Act legislation to increase semiconductor manufacturing in the United States and enhance the nation's security.

NOW, THEREFORE, the City, and Company hereby agree as follows:

1. City Financial Assistance. Subject to the terms and conditions set forth herein, the City shall disburse to Company One Hundred Thousand Dollars (\$100,000). This financial incentive will lower Company's financial cost for their investment of an estimated \$240 million in constructing a new semiconductor fabrication facility in San José.

(a) If Company remains at the Premises on or beyond the third anniversary of the executed date of this Agreement and produces integrated circuits at the site, Company shall not be required to reimburse the City the full amount of the City Financial CHIPS Assistance.

2. Amendments. This Agreement may be amended, changed or modified only by an instrument in writing signed by the City and Company.

3. Entire Agreement. This Agreement contains the entire agreement between the parties relating to the subject matter of this Agreement. Any oral representations or modifications concerning the subject matter of this Agreement shall be of no force and effect.

4. Non-Discrimination. Company covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Premises, nor shall Company itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Premises.

5. Waiver. Any waiver by the City or Company of any term, condition or requirement of this Agreement shall not constitute a waiver of any other term, condition or requirement hereof or constitute a waiver of the same term, condition or requirement in any other instance.

6. Notices. Any notice or demand which shall be required or permitted by law or any provisions of this Agreement shall be in writing, and shall be deemed effective when personally delivered or deposited in the United States mail, certified, return receipt requested, postage prepaid, addressed as follows:

To: City of San José  
Attention: Director, City Manager's Office of Economic  
Development and Cultural Affairs  
200 East Santa Clara Street, 17<sup>th</sup> Floor  
San José, CA 95113

To: Infinera Corporation  
Attn: Nancy Erba, Chief Financial Officer  
6373 San Ignacio Avenue  
San José, CA 95119

or to such other address as any party may designate by notice in accordance with this Section.

A copy of any notice of a legal nature, including, but not limited to any claims against the City, its officers or employees, shall also be served in the manner specified above to the following address:

City of San José  
Susana Alcala Wood, City Attorney  
200 East Santa Clara Street, 16<sup>th</sup> Floor  
San José, CA 95113

Notice shall be deemed given on the date of personal delivery by hand, or the date of receipt of facsimile transmission (with verification receipt), or on the date delivery is refused, if applicable.

7. Time. Time is of the essence in this Agreement.

8. Hold Harmless. Company shall indemnify, defend and hold the City, its officers and employees harmless from all suits, actions, claims, causes of action, costs, demands, judgments or liens arising out of this Agreement as a result of any acts or omissions of Company or its contractors, subcontractors, or persons claiming under any of the aforesaid, except to the extent of the sole negligence, willful misconduct, or breach of this Agreement by the City or any of such other indemnified parties.

9. Successors and Assigns. Company binds itself, its partners, successors, assigns, and legal representatives with respect to all covenants, agreements, and obligations contained in this Agreement.

10. Assignment. Company shall not assign this Agreement, except by operation of law or to a wholly owned subsidiary of Company or a successor-in-interest to Company by merger, acquisition or corporate reorganization without the express written consent of the City, which consent shall be within the sole and absolute discretion of the City Manager, provided, however, that Company may assign or transfer this Agreement, in whole or in part, to its ultimate parent entity (Parent") or any of Parent's wholly owned subsidiaries without the prior consent of the City, provided that such assignee or transferee assumes all obligations of Company under this Agreement.

11. Severability of Provisions. If any provisions of this Agreement are held invalid, the remainder of this Agreement shall not be affected hereby, if such remainder would then continue to conform to the terms and requirements of applicable law.

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

"City"

APPROVED AS TO FORM:

CITY OF SAN JOSÉ, a municipal corporation

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Kevin Fisher  
Assistant City Attorney  
{{\_signer3}}

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Emily Lam  
Director of Administration, Policy &  
Intergovernmental Relations  
{{\_signer4}}

"Company"

Infinera Corporation, a Delaware company

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Oezlem Decker  
Authorized Signatory  
{{\_signer1}}

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Alexis Mendoza  
Authorized Signatory  
{{\_signer2}}