

*Wilburton TOD Site Term Sheet [Ground Lease]*

**Ground Lease Term Sheet for  
Wilburton TOD Site Bellevue, WA**

The City of Bellevue, a Washington municipal corporation (“City” or “Lessor”), and Bellwether Housing, a Washington nonprofit corporation (“Lessee” or “Bellwether”), hereby enter into this term sheet as of the date of last signature below (“Term Sheet”) for the lease and development of certain real property located in Bellevue, Washington, known as the Wilburton Transit-Oriented Development (TOD) Site. This Term Sheet outlines the general business terms under which the City will lease to Bellwether, and Bellwether will lease from the City, the Property through a long-term ground lease for the purpose of developing a mixed-use affordable housing project. The ground lease will be subject to covenants, conditions, and regulatory requirements governing the development, affordability, and long-term operation of the Project. Following execution of this non-binding Term Sheet, the City will seek approval from the Bellevue City Council to enter into binding ground lease and predevelopment agreements for the Project.

<b>Lessor</b>	City of Bellevue (“City”)
<b>Lessee</b>	Bellwether Housing, a Washington nonprofit corporation (“Bellwether”); provided, however, that the City acknowledges Bellwether intends to form a limited liability limited partnership (the “LLLP”) to be initially owned and controlled by Bellwether and expects to assign its rights under the Ground Lease and related development agreements to the LLLP as a permitted transfer. Any other assignment shall be subject to the City’s prior written consent, which shall not be unreasonably withheld, conditioned, or delayed.
<b>Property</b>	Portion of Tax Parcel Number 1099100167  The Property consists of approximately 22,132 square feet of land located at 12000 Bel-Red Road in Bellevue, Washington (the “Property”). The site is a portion of the original parcel acquired by the City for street improvements and has been delineated for redevelopment as part of the Wilburton Transit-Oriented Development (TOD) District.
<b>Lessee’s Project</b>	The City will ground lease the Property to Lessee for the purpose of developing, owning, and operating a mixed-use, transit-oriented affordable housing project that complies with the City’s requirements for long-term affordability, is generally consistent with Lessee’s proposal submitted in response to the Wilburton TOD Site RFP dated June 2, 2025, and contains the project elements described herein (the “Project”).
<b>Form of Agreement</b>	The City and Bellwether will enter into a predevelopment agreement (the “Predevelopment Agreement”) setting forth the obligations of the parties during the design of the Project and the development financing. The City will lease the Property to Lessee pursuant to a long-term ground lease agreement (the “Ground Lease”).

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<b>Ground Lease Consideration</b>	Lessee will enter into a 99-year ground lease for the Property at a total rent of \$99.00 (\$1.00 per year), which shall be paid in full at the time of financial closing for the Project.
<b>Closing Costs</b>	Lessee will pay all closing costs in connection with the execution of the Ground Lease and Predevelopment Agreement, including, without limitation, the costs for recording a memorandum of lease (if applicable), title insurance (standard and extended ALTA coverage for the leasehold interest), and any associated escrow fees, costs, and expenses.
<b>Transaction Agreement</b>	The City will retain fee ownership of the Property. The parties will enter into a Predevelopment Agreement setting forth the obligations of the parties during the design of the Project and the development financing. Upon satisfaction of the conditions to closing outlined herein, the Predevelopment Agreement will then be superseded by the Ground Lease, a memorandum of which may be recorded at Closing. The Ground Lease will be an exhibit to the Predevelopment Agreement and set forth the terms and conditions governing the lease and development of the Property, including affordability requirements, performance milestones, and other obligations.
<b>Affordable Housing</b>	Lessee will construct a minimum of 100 affordable units, with a target of approximately 127 units. All units will be offered for lease solely to individuals and households whose annual income (adjusted for household size) at the time of initial occupancy is at or below 80% of the area median income (“AMI”). Individuals and households will be subject to an annual recertification requirement. The target unit mix is to include one- bedroom, two-bedroom, and three-bedroom apartments, with affordability levels set at 30%, 50%, 60%, and 80% of AMI, generally consistent with Lessee’s proposal submitted in response to the Wilburton TOD Site RFP dated June 2, 2025. A certain number of units will be set aside for families with children and households at risk of homelessness. The final number and configuration of affordable units and AMI’s served is subject to funder requirements, design constraints, permitting and site planning outcomes. Any reduction below 100 total units will require the prior written approval of the City Manager or the City Manager’s designee (hereafter collectively, “the City Manager”).
<b>Commercial/Retail Element</b>	Lessee plans to construct approximately 3,200 square feet of community facility space on the ground floor of the Project. Participation by community-based organizations (“CBOs”) is a key component of this effort. The space is intended to be activated with uses that serve residents and the surrounding neighborhood, such as offices for nonprofits, culturally relevant services, or other community-supportive programming. Lessee will conduct community outreach during the design phase to help inform the final use of the space. If an initial CBO partner is unable to participate, Lessee will coordinate with the City of Bellevue to identify alternative community-based organizations that can occupy the space and contribute to the vitality and inclusiveness of the development. Lessee may subject this space to a leasehold condominium as needed for financing and operational purposes, subject to the approval of the City Manager.
<b>Parking</b>	Lessee will initiate discussions with the City of Bellevue to pursue reductions in parking requirements consistent with affordable housing incentives and the Wilburton Overlay District. The City, as property owner, will support Lessee’s efforts to secure the maximum

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	<p>feasible parking reduction in order to optimize site utilization and maximize the number of affordable housing units. Electric vehicle charging stations will be provided in accordance with City code, with a focus on the ground floor or residential parking areas as applicable.</p>
<p><b>Bicycle Parking and Transit Wayfinding</b></p>	<p>Lessee will provide secure bicycle storage for residents, either in a centralized location or within individual units, as well as a designated secure area for staff associated with the ground floor community facility space. Short-term bike racks will be installed near primary building entries and around the site perimeter to serve visitors and the broader neighborhood.</p> <p>Lessee will coordinate with the City of Bellevue to implement wayfinding signage consistent with City design standards to enhance pedestrian access to nearby light rail and transit connections.</p>
<p><b>Sustainability</b></p>	<p>The Project will be constructed to meet or exceed Evergreen Sustainable Development Standard v4 or LEED Mid-rise v4 or LEED Residential v4.1 Gold level and meet ESDS requirement: 4.1A Building Performance Standard – New Construction.</p>
<p><b>Environmental Review/Lessee’s Due Diligence Contingency</b></p>	<p>Lessee acknowledges that the City makes no representations regarding the condition, suitability, or environmental status of the Property for the proposed Project. The City agrees to permit Lessee and its agents reasonable access to the Property to conduct inspections, assessments, and studies, including but not limited to environmental, geotechnical, engineering, surveying, and other investigations that Lessee deems necessary. Such access will be subject to the City’s prior written approval, which shall be granted through a separate Right of Entry agreement executed by both parties. Lessee agrees to indemnify, defend, and hold the City harmless from and against any claims, liabilities, injuries, or damages arising out of or relating to Lessee’s entry onto or activities on the Property.</p> <p>Lessee will have one hundred twenty (120) days following execution of the Right of Entry Agreement to complete its due diligence and either approve or disapprove the condition of the Property (the “Due Diligence Contingency Period”) by delivering written notice to the City. If Lessee disapproves of the condition of the Property, it may terminate the Agreement by delivering written notice prior to the expiration of the Contingency Period. If Lessee fails to provide such written notice by the end of the Contingency Period, the due diligence contingency shall be deemed satisfied or waived, and the Agreement shall proceed accordingly. Lessee will enter into the Ground Lease of the Property in an “as-is and where-is” condition, with all faults and defects, latent and otherwise, and shall assume the risks that adverse physical conditions may not have been revealed by its investigation.</p>
<p><b>Lessee’s Title Review Contingency</b></p>	<p>The City will obtain a preliminary title report on the Property from First American Title Insurance Company and provide it to Lessee, including all exceptions to the City’s fee simple interest and copies of all referenced documents (collectively, the “Title Report”). Lessee will have sixty (60) days from execution of the Right of Entry Agreement to review and approve or disapprove the condition of title as it pertains to Lessee’s leasehold interest Lessee will provide the City a reasonable opportunity to cure. The City will ground lease the Property to Lessee free and clear of all monetary liens, except</p>

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	<p>for non-delinquent real property taxes and any title exceptions approved by Lessee. No boundary line adjustment or subdivision is required for the lease of the Property unless otherwise agreed upon between the City and Lessee. Notwithstanding the foregoing, the City shall take all necessary steps to confirm that the Property is a legal parcel prior to entering into the Ground Lease.</p>
<p><b>Right of Way Dedication</b></p>	<p>Lessee will coordinate with the City of Bellevue during the permitting process to identify and implement any required street improvements or dedications of right-of-way necessary to support the Project or comply with applicable City infrastructure standards. Any required dedication will be documented and recorded prior to or concurrently with execution of the Ground Lease, subject to mutual agreement between the City and Lessee.</p>
<p><b>City Easements</b></p>	<p>As part of site planning and permitting, Lessee will coordinate with the City of Bellevue to identify and accommodate any necessary easements related to public utilities, access, drainage, or infrastructure improvements. Lessee acknowledges that final site design and development approvals may require the dedication or reservation of certain easement areas to serve public functions or ensure conformance with the Wilburton Overlay District standards. Any such easements will be documented and recorded prior to or concurrently with execution of the Ground Lease, subject to mutual agreement between the City and Lessee.</p>
<p><b>Affordable Housing Covenant</b></p>	<p>As a condition of the ground lease and partial consideration for Lessee’s use of the Property, Lessee will be required to record an Affordable Housing Covenant (the “Covenant”) or Regulatory Agreement at or prior to execution of the Ground Lease. The Covenant or Regulatory Agreement will be binding on Lessee and all successors, assigns, lenders, subtenants, or any other party with an interest in the leasehold estate.</p> <p>The Affordable Housing Covenant or Regulatory Agreement will require Lessee to develop, operate, and maintain the Property as an affordable housing project consistent with the proposal submitted in response to the Wilburton TOD RFP, and in compliance with applicable City of Bellevue affordable housing requirements. The term of the affordability period shall be a minimum of 55 years.</p>
<p><b>Assignment</b></p>	<p>Lessee may assign its rights and obligations under the Ground Lease Agreement to a special purpose entity that is owned or controlled by Lessee, including but not limited to a limited liability limited partnership (LLLP) or other tax credit partnership formed for the purpose of leasing and developing the Property. Such assignment shall be permitted without further City approval, provided that Lessee or an affiliate of Lessee retains a controlling interest in the assignee and remains responsible for ensuring compliance with the material obligations under the Ground Lease.</p> <p>Lessee may also assign or pledge its leasehold interest for purposes of securing project financing, including to accommodate the requirements of equity investors, lenders, or tax credit syndicators. Any other assignment not meeting the above criteria shall be subject</p>

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	<p>to the prior written consent of the City Manager or the City Manager’s designee,, which shall not be unreasonably withheld, conditioned, or delayed.</p>
<p><b>Conditions to Closing</b></p>	<p>The Ground Lease Agreement will include customary closing conditions as well as the following conditions precedent to execution:</p> <ol style="list-style-type: none"> <li>1. Lessee has secured all necessary permits and other governmental approvals required to commence construction of the Project.</li> <li>2. Lessee has finalized a project financing plan demonstrating secured commitments for sufficient funding to complete the development, including equity, debt, and public subsidies as applicable. The City shall review the plan solely to confirm financial feasibility and alignment with the intended project scope.</li> <li>3. The Project’s affordability levels, income targeting, and unit mix remain consistent with the proposal submitted by Lessee in response to the Wilburton TOD RFP dated June 2, 2025, including a minimum of 100 units (targeting 127 units), serving households at 30%, 50%, 60%, and 80% of AMI. The final number and configuration of affordable units and AMI’s served is subject to funder requirements, design constraints, permitting and site planning outcomes. A certain number of units will be set aside for families with children and households at risk of homelessness, unless otherwise modified with prior written approval from the City.</li> </ol>
<p><b>Approved Financing Plan</b></p>	<p>Prior to execution of the Ground Lease, Lessee will submit the following to the City for the review and reasonable approval of the City Manager,, which shall not be unreasonably withheld, conditioned, or delayed:</p> <ol style="list-style-type: none"> <li>1. A complete development budget for the Project, including proposed sources and uses of funds, detailed hard and soft costs, and appropriate contingencies. Lessee will update the budget upon receipt of final construction contract pricing based on firm bids.</li> <li>2. Copies of commitment letters, term sheets, or award notifications for all external funding sources identified in the development budget, including public, private, and philanthropic sources.</li> <li>3. Evidence reasonably acceptable to the City that Lessee has secured or will secure sufficient funds to cover any gap between total Project costs and confirmed external financing.</li> </ol> <p>Any material changes to the financing plan after City approval and prior to execution of the Ground Lease shall be submitted to the City for review and approval by the City Manager or the City Manager’s designee, which shall not be unreasonably withheld, conditioned, or delayed.</p> <p>The City will use best efforts to respond in writing with comments or approval within 10 business days of receiving the complete financial submission package. If execution of the Ground Lease is scheduled within 14 calendar days of submittal, the City will use best</p>

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	efforts to respond within 5 business days.
<b>Closing</b>	Execution of the Ground Lease will occur on or before ninety (90) days after Lessee has received all permits from the City of Bellevue necessary to commence construction of the Project and has secured financing pursuant to the approved Project Financing Plan. Notwithstanding the foregoing, execution of the Ground Lease shall occur no later than March 31, 2028, unless otherwise extended by mutual written agreement of the parties. The City will not unreasonably withhold its consent to an extension of the foregoing deadline if Lessee is making diligent efforts to secure necessary permits, entitlements and financing for the Project. If Lessee does not obtain all required permits and secure all necessary financing by March 31, 2028, the Predevelopment Agreement and all rights to lease the Property will automatically expire, unless the City and Lessee both agree to an extension.
<b>Project Schedule and Milestones</b>	A Project schedule will be attached to and incorporated into the Predevelopment Agreement. Lessee will use commercially reasonable efforts to diligently advance the Project in accordance with the agreed-upon schedule. The City may terminate the Predevelopment Agreement if Lessee fails to achieve key Project milestones, provided such delays are not caused by force majeure, governmental review timelines, or other circumstances beyond Lessee’s reasonable control. Prior to exercising any termination or enforcement rights under the Ground Lease, the City will provide Lessee with written notice and a reasonable opportunity to cure.
<b>No Brokerage Fees</b>	Lessee and the City agree that no brokerage fees will be payable in connection with the transaction.
<b>Publicity/Inclusion as Project Funder</b>	Lessee will include the City as a project funder when and where other project funders are listed. Each party will have an opportunity to review press releases or other announcements disseminated by the other party about the Project.
<b>Public Disclosure</b>	Lessee acknowledges that the City of Bellevue may be required to disclose certain records or elements of the proposed ground lease transaction, including, without limitation, this Term Sheet, in accordance with applicable public disclosure laws or as part of the City’s internal review and approval processes, including any actions taken by the Bellevue City Council or other governing bodies.
<b>Reserved Regulatory Authority</b>	It is expressly understood and acknowledged by the Parties that the City will be entering into the Predevelopment Agreement and Ground Lease in its capacity as owner of the Property. Nothing in this Term Sheet, the Predevelopment Agreement, or the Ground Lease shall be construed as a waiver, abridgment or limitation of the City of Bellevue’s regulatory authority and police power, or the Bellevue City Council’s legislative discretion, which are reserved in full.

Except as set forth in the sections titled “Public Disclosure” and any provisions explicitly stated to be binding, this Term Sheet is not intended to create a binding agreement or obligation by either party to negotiate or enter into a definitive pre-development agreement or ground lease agreement, and imposes no duty on either party to continue negotiations. Any costs or expenses incurred by a party in anticipation of a final agreement are undertaken at that party’s sole risk. Lessee and the City acknowledge and agree that a transaction of this nature involves terms and conditions that remain subject to further discussion and are not fully captured in this Term Sheet. This Term Sheet is not intended to serve as a comprehensive or final statement of all material terms of the proposed ground lease transaction, and remains subject to review and approval by both the Bellevue City Council and the Bellwether Housing Board of Directors, as well as the negotiation and execution of mutually acceptable definitive agreements.

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**CITY OF BELLEVUE:**

Signed by:  
 By: Diane Carlson  
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 Diane Carlson  
 \_\_\_\_\_,  
 City Manager  
 \_\_\_\_\_  
 Date: 2/3/2026 | 10:06 AM PST

**BELLWETHER HOUSING:**

Signed by:  
 By: Susan Boyd  
E0A26A5C5F0C4E8...  
 Susan Boyd,  
 Chief Executive Officer  
 \_\_\_\_\_  
 Date: 12/5/2025 | 11:08 AM PST