

RESOLUTION NO. 19 , 2025

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE
AN AGREEMENT WITH TRADITIONS VC DEVELOPER, LLC TO
ACCOMMODATE SHORT-TERM COVERAGE FOR MINIMUM SERVICE
PAYMENTS IN THE VINTAGE CLUB-NORTH PROJECT**

WHEREAS, Council by Resolution No. 43, 2017, as amended by Resolution No. 5, 2018, authorized the City Manager to execute a Service Agreement governing the Vintage Club-North Project; and

WHEREAS, under the terms of such Agreement, certain properties within the Vintage Club-North Project Area were pledged to secure Statutory Service payments for Special Obligation Revenue Bonds, Series 2018, issued by the City to support public improvements necessary for the successful development of the Vintage Club-North Project; and

WHEREAS, by Resolution No. 18, 2022, City Council authorized the City Manager to negotiate and execute an Agreement with Traditions VC Developer, LLC to accommodate short-term coverage for Minimum Service Payments under the terms of the approved Service Agreement in anticipation of a commercial development to be completed in the Project Area by a third-party developer which would improve property values in the Vintage Club-North Project Area to sustain the Minimum Service Payments under the terms of the Service Agreement; and

WHEREAS, due to unforeseen delays and resulting market changes, the third-party developer terminated its involvement in the Project; and

WHEREAS, Council has separately initiated approval for a zoning change to permit the undeveloped area to be developed with single-family residences with the

projection that as such residences are built, with the additional construction of the Wicks III Project, the Vintage Club-North Project Area private improvements will reach the sustainable value necessary to support the Minimum Service amounts for the Bonds; and

WHEREAS, to accommodate Traditions VC Developer, LLC to improve cashflow and use the capital to complete the residential portion of the Project, the Administration has proposed that the City enter into an Amended and Restated Forbearance Agreement to defer a portion of the Minimum Service Payments due from Traditions VC Developer, LLC and to recover those payments in a more manageable installment plan as noted in such Amended and Restated Forbearance Agreement.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Montgomery, Hamilton County, Ohio, that:

SECTION 1. The City Manager is authorized to execute an Amended and Restated Forbearance Agreement, in the substance and form of the attached draft, and any related necessary documents, to accommodate Traditions VC Developer, LLC in the continuing development of the Vintage Club-North Project to be able to achieve sustainable value in the Project Area to secure the payment of the Special Obligation Revenue Bonds, Series 2018, necessary to support public improvements in the Project Area.

SECTION 2. Anticipating a re-evaluation of several residential properties in the Wicks development which will result in a reallocation of Statutory Service payments previously paid, the City Manager is authorized to amend Paragraph 4(C) of the Amended and Restated Forbearance Agreement once the City has recovered such additional funds through Hamilton County to establish the Deferred Liability and an appropriate schedule for the repayment of that Deferred Liability.

SECTION 3. It is noted that the purpose of the Amended and Restated Forbearance Agreement is neither to forgive the Minimum Service Payment liability debt, nor to waive payment of the Minimum Service Payments, but the purpose of the Agreement is to allow the City to contribute on a short-term basis a portion of the Minimum Service Payments to sustain and revitalize the success of the Project. Consistent with the terms of the Amended and Restated Forbearance Agreement, any contributions paid by the City shall be repaid and recovered from Traditions VC Developer, LLC under the terms of the Agreement.

SECTION 4. This Resolution shall be in full force and effect from and after its passage.

PASSED: June 4, 2025

ATTEST: Connie M. Gaylor
Connie M. Gaylor, Clerk of Council

Ronald G. Messer
Ronald G. Messer, Mayor

APPROVED AS TO FORM:

Terrence M. Donnellon
Terrence M. Donnellon, Law Director

AMENDED AND RESTATED FORBEARANCE AGREEMENT

This Amended and Restated Forbearance Agreement ("Amended Forbearance Agreement") is entered into by and between the **City of Montgomery, Ohio**, an Ohio municipal corporation, 10101 Montgomery Road, Montgomery, Ohio 45242 (the "City") and **Traditions VC Developer, LLC**, an Ohio limited liability company, 4000 Executive Park Drive, Cincinnati, Ohio 45241 ("Traditions" or "Developer") effective the latter date accepted by both parties.

WHEREAS, the City with Traditions as Developer and Owner, and Hunting Hill, LLC, an Ohio limited liability company, as an Owner, entered into a Service Agreement dated March 21, 2018 ("Service Agreement"), pledging certain Statutory Service Payments, as defined within the Service Agreement, arising from real estate owned by Traditions and Hunting Hill, LLC to be developed in an area defined as Vintage Club Phase II; and

WHEREAS, the Statutory Service Payments pledged within the Service Agreement were intended to secure repayment of certain Special Obligation Revenue Bonds, Series 2018 ("Bonds"), issued by the City to support certain public improvements necessary for the successful development of the Vintage Club Phase II Project; and

WHEREAS, Hunting Hill, LLC has since sold its entire interest in the Vintage Club

Phase II property and no longer has any obligations under the Service Agreement for Statutory Service Payments, which Statutory Service Payments are now assumed by subsequent property Owners; and

WHEREAS, within the Service Agreement, Traditions as Developer pledged to pay Minimum Service Payments, as defined within the Service Agreement, if the amount of the Statutory Service Payments was insufficient during the term of the Service Agreement to meet the Annual Debt Service amounts for the Bonds and the required compensation due Sycamore Community School District ("Minimum Service Amount"); and

WHEREAS, certain outside economic factors have negatively influenced the progressive development of the Vintage Club Phase II Project, which economic factors have slowed the construction of the Vintage Club Phase II Project, the result of which is Traditions has been exposed under the Service Agreement to the Minimum Service Payments to secure repayment of the Minimum Service Amount; and

WHEREAS, the City and Developer entered into a Forbearance Agreement dated June 8, 2022 to provide short-term assistance to Developer to advance a portion of the Minimum Service Payment liability through calendar year 2023 until the Vintage Club Phase II Project could be more fully developed; and

WHEREAS, the City under such Forbearance Agreement has advanced One Hundred Sixty Two Thousand Two Hundred Sixty Nine and 17/100 (\$162,269.17) to support the Minimum Service Payments through calendar year 2023 ("Deferred Forbearance Liability") as defined within the Forbearance Agreement, and under such Forbearance Agreement reimbursement to the City of the Deferred Forbearance Liability is scheduled to commence July 1, 2025; and

WHEREAS, after executing the Forbearance Agreement, development plans for the Vintage Club Phase II Project which would have added Private Improvements to

Vintage Club II, and which would have increased the Statutory Service Payments to satisfy Developer's Minimum Service Payment responsibilities, were withdrawn by a third party leaving Developer further exposed to Minimum Debt Service liability; and

WHEREAS, the Developer's proposed plans for the development of various single-family residences in the Vintage Club Phase II Project area known as the *Capstone Subdivision* have been reviewed and approved by the City, and such Capstone Subdivision single-family residences are projected to increase Statutory Service Payment collections to eventually sustain the annual Minimum Service Amounts; and

WHEREAS, Traditions has projected that the Private Improvements with the development of both Building H2, also known as Phase 3 of the Wicks development, and the *Capstone Subdivision* will achieve Sustainable Value in the near future so that Statutory Service Payments will equal the Minimum Service Amount and repayment of the Bond liability will occur without disruption; and

WHEREAS, Traditions has asked the City for additional short-term assistance for a limited period of time while portions of the Vintage Club Phase II Project area are developed, which period of time, until Statutory Service Payments will sustain the Minimum Service Amount, shall be considered the Amended Forbearance Period. (A projected timeline for the Amended Forbearance Period and projected City and Developer Contributions during the Amended Forbearance Period is attached hereto as **Exhibit A**); and

WHEREAS, the purpose of this Amended and Restated Forbearance Agreement is to outline certain terms and conditions for Traditions to remain liable for the Minimum Service Payments in accordance with the Service Agreement, to define the City's Contributions to the Minimum Service Payments during the deferral period to be able to free up Traditions' capital assets to continue to develop the Vintage Club Phase II Project, specifically Building 3 of the Wicks development and the *Capstone Subdivision*, and to

outline the terms for the City to recover its past and continuing Contributions to the Developer's Minimum Service Payment liability.

NOW THEREFORE, based upon the above premises, and the terms and conditions as outlined herein, the City and Traditions agree as follows:

1. **Defined Terms.** All defined terms outlined herein shall have the same meaning as such defined terms appear in the Service Agreement or the Forbearance Agreement unless otherwise noted or separately defined in this Agreement.

2. **Previous Minimum Service Payment Contribution.**

(A) **Prior Contributions.** As noted herein under the June 2022 Forbearance Agreement, the City has advanced One Hundred Sixty Two Thousand Two Hundred Sixty Nine and 17/100 Dollars (\$162,269.17) through calendar year 2023 to fund a portion of the Minimum Service Payments due in calendar years 2021 through 2023. By the terms of such June 2022 Forbearance Agreement, this Deferred Forbearance Liability is scheduled to be repaid by Traditions to the City in Six (6) equal semi-annual installments beginning July 1, 2025. Within this Amended and Restated Forbearance Agreement, the parties agree to continue to defer this Deferred Forbearance Liability, to roll it into the Amended Deferred Forbearance Liability (defined herein), and to recapture such past and future Contributions by the City as provided herein. Except as otherwise provided herein, the City agrees that the City will not impose nor collect a late payment penalty from Traditions upon this initial Deferred Forbearance Period Liability, which total sum shall be reimbursed as a part of the Amended Deferred Forbearance Liability set forth herein.

(B) **True-up / Recapture Contributions.** It is anticipated in the second quarter of calendar year 2025 that the City will receive additional collections from the restatement of TIF Values for several properties in the Wicks development which were improperly categorized by the Hamilton County Auditor. All such monies received by the City ("Auditor True-up Payments") shall be applied to the Developer's Deferred

Forbearance Liability detailed in Paragraph 2(A) above. Once paid to the City and applied to the Deferred Forbearance Liability, the City will account to Traditions for such monies received and restate the current Amended Deferred Forbearance Liability for 2025.

3. **Establishing City Contributions during the Amended Forbearance Period.** The City agrees commencing June 1, 2025 to contribute to the Minimum Service Payment liability during the Amended Forbearance Period. The Amended Forbearance Period shall commence upon acceptance and approval of this Agreement by both parties and shall continue until the Statutory Service Payments from Vintage Club II Private Improvements shall equal or exceed the Minimum Service Amount. Such Amended Forbearance Period and the City and Developer's Minimum Service Payment responsibilities are projected within Exhibit A attached hereto, and the Amended Deferred Forbearance Liability shall be determined as follows:

(A) **2025 Contributions.** In 2025, to allow the Auditor to true-up its accounting, which is anticipated to be completed in the second half of 2025, it is agreed that upon acceptance and execution of this Agreement, the Developer shall pay the sum of Seventy-Five Thousand Dollars (\$75,000.00) to the City to offset the first half 2025 Minimum Service Payment liability. The City shall contribute the balance of this first half 2025 Minimum Service Payment liability due June 1, 2025, and the City's Contribution shall be captured and recovered as part of the Amended Deferred Forbearance Liability. On or before December 1, 2025, the actual Minimum Service Payment liability for 2025 will be calculated with the Auditor's True-up Payments. The City and the Developer agree that once the actual Minimum Service Payment liability for 2025 is calculated, one-half of the liability for calendar year 2025 shall be paid by the Developer, which shall be credited with the Seventy-Five Thousand Dollar (\$75,000.00) payment as set forth herein. The City's Contribution to the 2025 Minimum Service Payment liability shall be one-half of the recalculated liability. These recalculated liabilities shall be paid on or before December 1, 2025. The City's Contribution shall be added to the Amended Deferred Forbearance Liability to be repaid as set forth herein.

(B) City's Ongoing Contributions to Minimum Service Payment Liability.

Commencing January 1, 2026, the City shall contribute one-half of the Minimum Service Payment liability each calendar year in Two (2) installments due June 1 and December 1 each calendar year. The remainder of the Minimum Service Payment liability for such calendar year shall be paid by the Developer June 1 and December 1 each year, and the City's Contribution shall be added to the continuing total of the Amended Deferred Forbearance Liability. This shared liability shall continue until the Vintage Club Phase II Project values reach a level to sustain the Minimum Service Amount from the Statutory Service Payments.

(C) Annual Reconciliation. Since at this time this is a projected Minimum Service Payment liability, not knowing what value of Private Improvements may be once developed, given fluctuating market conditions, and when such values will be established to support Statutory Service Payments, it is agreed that May 1 of each calendar year, commencing May 1, 2026, the City will account to Traditions for collections received, and to be received, each calendar year from the pledged properties in the Vintage Club Phase II Project area, and invoice Traditions for its proportionate share of the Minimum Service Payment liability less the City Contribution. Traditions agrees to pay this amount to the City on or before June 1 and December 1 each year to sustain the Minimum Service Amount.

4. **Amended Deferred Forbearance Liability Repayment / City Recovery of Contributions.** The total sum of monies as advanced by the City to cover Minimum Service Payments as outlined in Paragraphs 2 and 3 above through the Amended Forbearance Period established in Paragraph 3 above shall be defined as the Amended Deferred Forbearance Liability. As noted on **Exhibit A** attached hereto, the Amended Forbearance Period is anticipated to close December 31, 2028, or such earlier date as the Vintage Club Phase II Private Improvements shall achieve Sustainable Value. Sustainable Value shall be the Private Improvement value sufficient to allow Statutory Service Payments to equal or exceed the Minimum Service Amount.

(A) City Recovery from Excess. After the Private Improvements have achieved Sustainable Value, the Statutory Service Payments are projected to exceed Minimum Service Amounts and start to build as Excess Funds in the Vintage Club II TIF Fund which may then be disbursed as allowed under Section 3(C) of the Service Agreement. As Excess Funds are received after Private Improvements achieve a Sustainable Value, the City shall draw down such Excess Funds to begin to recover the Amended Deferred Forbearance Liability.

(B) City Recovery of Deferred Forbearance Liability. As noted in Paragraph 2(B) above, the initial Deferred Forbearance Liability shall be adjusted once the City has received the Auditor's True-up Payments in 2025. This adjusted liability shall be repaid to the City based upon the sale by Developer of residential units in the Capstone Subdivision and the Wicks III condominium development. As each unit is completed and sold, the Developer shall accumulate and pay to the City Five Thousand Dollars (\$5,000.00) per unit which has been sold, which payments shall be due and payable by the Developer January 31 of the following year. The annual payments from the sale of such residential units shall be capped as follows:

2026 = \$ 5,000.00

2027 = \$20,000.00

2028 = \$60,000.00

2029 = \$77,500.00

These payments from the sale of the completed residential units shall continue until the adjusted Deferred Liability has been paid in full.

(C) Lump Sum Payments. It is anticipated that Vintage Club II will reach Sustainable Value in calendar year 2029, at which time the City shall begin to draw from the excess accumulated Service Payments against its contributions to the Amended Deferred Forbearance Liability as noted in Paragraph 4(A) above. In addition, in calendar year 2030, Developer shall pay an additional contribution of Ninety Thousand Dollars (\$90,000.00) to the City in Two (2) installments of which Forty-Five Thousand Dollars (\$45,000.00) shall be paid on or before June 30, and Forty-Five Thousand Dollars

(\$45,000.00) paid on or before December 31 each year, for a period of Three (3) years (2030, 2031 and 2032). This additional Contribution shall be credited to the Amended Deferred Forbearance Liability. If during the Three (3) year term for payments, through all combined sources set forth herein, the Amended Deferred Forbearance Liability has been paid in full, the final installment payments shall terminate since the City will have been paid in full at that time.

(D) Developer Recovery. Once the City has completely recovered the Amended Forbearance Liability, any Excess Funds accumulated in the Vintage Club II TIF Fund may be drawn down from the Fund to reimburse Traditions for its Minimum Debt Service Payments, also as permitted under Section 3(C) of the Service Agreement, understanding that such draw down must be approved by City Council at that time. It is recommended that City Council at that time, to meet the terms and intent of this Agreement, approve such Excess Fund reimbursement to Traditions.

5. Reaffirmation of Service Agreement. This Forbearance Agreement is intended to provide temporary relief to Traditions as Developer and Owner under the Service Agreement, and is not intended in any way to relieve Traditions of its liability under the Service Agreement nor to extend the terms and conditions of the Service Agreement in any way. This Amended and Restated Forbearance Agreement may be considered as a modification or amendment to the Service Agreement as permitted under Section 24 of the Agreement, and the parties agree that the City shall have right to record this Forbearance Agreement as an amendment to the Service Agreement as may be necessary to secure the City's rights to repayment of the Amended Forbearance Deferred Payments. All other terms and conditions of the Service Agreement which have not been modified herein are hereby ratified and reaffirmed.

6. Miscellaneous.

(A) Default. Should Traditions default in any scheduled installment payment of the Amended Deferred Forbearance Liability, or should Traditions default in the payment of the separate Minimum Service Payment liability under the Service

Agreement, a Ten Percent (10%) late payment charge shall be imposed upon all monies then due and owing as permitted under the Service Agreement, and the City reserves its right to then declare Traditions as Developer to be in default of the Service Agreement and to exercise all rights according to the Service Agreement.

(B) Notice. All Notices required or permitted to be given to either Traditions or the City shall be given to the following addresses, or such other addresses as may be updated by Notice from time-to-time:

As if to the City:	City of Montgomery, Ohio c/o City Manager Currently: Brian K. Riblet 10101 Montgomery Road Montgomery, Ohio 45242
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With a copy to:	City Law Director Currently: Terrence M. Donnellon Donnellon, Donnellon & Miller 9079 Montgomery Road Cincinnati, Ohio 45242
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As if to Traditions:	Traditions VC Developer, LLC c/o Thomas H. Humes Managing Member 4000 Executive Park Drive Cincinnati, Ohio 45241
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(C) Complete Understanding. This Amended and Restated Forbearance Agreement represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior written or oral negotiations, representations, warranties, statements or agreements between the parties hereto as to the same. No inducements, representations, understandings or agreements have been made or relied upon in the making of this Amended and Restated Forbearance Agreement, except those specifically set forth in this Amended and Restated Forbearance Agreement. Neither party hereto has any right to rely on any other prior or

contemporaneous representation made by anyone concerning this Amended and Restated Forbearance Agreement which is not set forth herein.

(D) Amendment. This Amended and Restated Forbearance Agreement may be amended only by an instrument executed and delivered by each party thereto and approved by the City Council of Montgomery, Ohio.

CITY OF MONTGOMERY, OHIO,
an Ohio municipal corporation

By: _____

Brian K. Riblet

Its: City Manager

Date: _____

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On this _____ day of _____, 2025, personally appeared before me, a Notary Public in and for the State of Ohio, City of Montgomery, Hamilton County, Ohio, by Brian K. Riblet, known to be the City Manager of said City and duly authorized in the premises, who acknowledged the signing and sealing of the said Amended and Restated Forbearance Agreement for himself and on behalf of said City, to be his voluntary act and deed, and the voluntary act and deed of said City.

Notary Public

My commission expires: _____

APPROVED AS TO FORM:

Terrence M. Donnellon,
Law Director

TRADITIONS VC DEVELOPER, LLC,
an Ohio limited liability company

By: _____
Thomas H. Humes
Its: Managing Member
Date: _____

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On this ____ day of _____, 2025, personally appeared before me, a Notary Public in and for the State of Ohio, Traditions VC Developer, LLC, an Ohio limited liability company, by Thomas H. Humes, known to be the Managing Member of said company and duly authorized in the premises, who acknowledged the signing and sealing of the said Amended and Restated Forbearance Agreement for himself and on behalf of said company, to be his voluntary act and deed, and the voluntary act and deed of said company.

Notary Public
My commission expires: _____