



## **Background/Supporting Information Attached**

This letter is an informational update to the November 14, 2005 communication regarding the status of the \$3,500,000 Section 108 HUD loan agreement with the Green Institute. Since late last fall, the Green Institute has made two payments of \$10,000 each toward the principal payment originally due on August 1, 2005 leaving a balance of \$90,000 plus accrued interest on the delinquent balance. In addition, the Green Institute made timely payment of the quarterly interest due February 1, 2006.

The Finance Officer and staff have met with the Executive Director of the Green Institute on January 24<sup>th</sup> and March 1<sup>st</sup> of 2006 to discuss the status of the loan agreement and to review results of financial operations of the Green Institute for the last two years. Attached for your review is a status report prepared by the Executive Director of the Green Institute.

The Finance Department has no recommendation with regard to any type of financial restructuring for the missed loan payment or the upcoming August 2006 loan payment as requested in the attached letter from the Green Institute.