

95197

**SUPERVISORY AGREEMENT
ADDENDUM**

This Supervisory Agreement Addendum ("Addendum") is made to the Supervisory Agreement ("Agreement") which was executed on the 12th day of February, 1991, by and between the Board of Directors of Huntington Federal Savings and Loan Association (OTS No. 0470), hereinafter referred to as "HUNTINGTON" or "ASSOCIATION" and the Office of Thrift Supervision ("OTS"). This addendum is made and is effective this 8th day of October, 1991, by and between the same parties. This Addendum has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of Huntington. It is understood and agreed that this Addendum is a "written agreement" entered into with the OTS, as that term is used in 12 U.S.C. § 1818(b).

WHEREAS, the OTS is of the opinion that based on the results of the Reports of Examination ("ROEs") dated July 9, 1990, and June 17, 1991, it has grounds for the initiation of cease and desist proceedings against the Association by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against the Association, so long as the Association is in substantial compliance with the provisions of the Addendum and the Agreement;

WHEREAS, although the Association neither admits nor denies the matters contained in the ROEs, in the interest of regulatory compliance and cooperation, the Association is willing to enter into the Addendum to avoid the initiation of such cease and desist proceedings; and

WHEREAS, the terms and conditions of the Agreement are hereby incorporated by reference into this Addendum:

NOW, THEREFORE, in consideration of the above-stated forbearance by the OTS from the initiation of cease and desist proceedings against the Association, it is agreed between the parties hereto as follows:

1. Within thirty (30) days of the effective date of this Addendum, a plan shall be submitted to the Regional Deputy Director (RDD) - Pittsburgh District noting the steps to be taken to provide adequate staffing for internal loan monitoring and loan workout areas. The plan shall also specify the steps that will be taken to ensure proper delegation and segregation of duties is maintained in those areas.
2. Immediately and to the extent not already done so, charge off or specifically reserve the assets classified as Loss in the examination report dated June 17, 1991.
3. Immediately and to the extent not already done so, increase the level of General Valuation Allowances (GVA) to \$2,191,925. This amount may be adjusted for principal paydowns and payoffs that have occurred subsequent to the examination.
4. Immediately cease the refinancing of any existing commercial real estate loans or granting of any new commercial real estate loans except for loans with balances equal to or less than \$350,000 where the purpose is to finance the sale of real estate owned or workout of an existing problem credit. Any commercial real estate loans greater than \$350,000 must be

approved by the RDD prior to commitment. In all cases, it must be demonstrated that the transaction strengthens the position of the association. Loans to serve the community needs (e.g., low income housing loans or church loans) may be granted; those with balances greater than \$350,000 must be submitted to the RDD for approval prior to commitment.

This Addendum has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of Huntington Federal Savings and Loan Association.

IN WITNESS WHEREOF, the OTS acting through the RDD for the Pittsburgh Office, and the Association by its duly elected directors, have executed this Addendum on the date first above written.

OFFICE OF THRIFT SUPERVISION

By: / S /
Regional Deputy Director

HUNTINGTON FEDERAL SAVINGS AND
LOAN ASSOCIATION

By the Board of Directors:

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