



Excessive or Luxury Expenditure Policy
Colorado East Bank & Trust
Sept. 8, 2009

The Board of Directors of Colorado East Bank & Trust hereby establish and adopt the following policy in accordance with Part III DOT 31 CFR Part 30 – TARP Standards for Compensation and Corporate Governance.

As a Rural Community Bank, Colorado East Bank & Trust has not allowed nor will it allow a Senior Executive Officer (SEO) to incur excessive expenditures in the course of performing corporate duties. Expenses in conducting bank business shall be first borne by the SEO and then presented no more frequently than monthly to a senior operations officer/board member for approval to reimburse. A record of all such expenses approved shall be maintained.

Examples of expenses which are prohibited are:

- First class air passage
- Rental of luxury autos
- Hotel accommodations other than standard rooms
- Professional sporting events

No categories of expenditures will require prior approval, however, the SEO may incur expenses which are not reimbursable.

The Board of Directors shall form a Compensation Committee to review and certify to the SEO's benefits and compensation. This review shall include previous month's expense reimbursements.