

**IRA'S**  
**Kit Carson State Bank**  
**113 MAIN STREET**  
**PO BOX 175**  
**KIT CARSON, CO 80825-0175**  
**07/21/2011**

This disclosure contains information about terms, fees, and interest rates for some of the accounts we offer.

**TRADITIONAL IRA**

Individual Retirement Account.

**Rate Information:** This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account Weekly. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded semi-annually and will be credited to the account semi-annually. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Balance Information:** We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of \$0.01 in the account each day to obtain the disclosed annual percentage yield.

**Limitations:** You must deposit \$100.00 to open this account. You may make additional deposits to this account during a term (except no additions can be made in the 7 day period before any maturity date). Additions will earn interest from the date of deposit and will not change the maturity date of this account. You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty). However, the entire interest of the Depositor in the custodial account shall be or commence to be distributed not later than April 1 of the year following the calendar year in which the Depositor attains age 70 1/2. For each succeeding year, a distribution must be made on or before December 31.

**Time Account Information:** Your account will mature in 24 Months. If you withdraw any of the principal or interest before the maturity date, we may impose a penalty of an amount equal to six months simple interest at your TDOA's current rate for TDOA's with an original maturity of over one year. There is no penalty for the early withdrawal of funds from the TDOA upon the death of the depositor, or when the depositor attains the age of 59 1/2 years, is disabled according to the Internal Revenue Code or is legally declared incompetent by a court or other administrative body. See also your IRA plan disclosure. We will use the rate in effect on the date of withdrawal. This account will automatically renew. You will have 10 Days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

**ROTH IRA**

**Rate Information:** This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account Weekly. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded semi-annually and will be credited to the account semi-annually. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Balance Information:** We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of \$0.01 in the account each day to obtain the disclosed annual percentage yield.

**Limitations:** You must deposit \$100.00 to open this account. You may make additional deposits to this account during a term (except no additions can be made in the 7 day period before any maturity date). Additions will earn interest from the date of deposit and will not change the maturity date of this account. You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty).

**Time Account Information:** Your account will mature in 24 Months. If you withdraw any of the principal or interest before the maturity date, we may impose a penalty of an amount equal to six months simple interest at your TDOA's current rate for TDOA's with an original maturity of over one year. There is no penalty for the early withdrawal of funds from the TDOA upon the death of the depositor, or when the depositor attains the age of 59 1/2 years, is disabled according to the Internal Revenue Code or is legally declared incompetent by a court or other administrative body. See also your ROTH IRA plan disclosure. We will use the rate in effect on the date of withdrawal. This account will automatically renew. You will have 10 Days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

**SIMPLE IRA**

**Rate Information:** This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account Weekly. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded semi-annually and will be credited to the account semi-annually. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Balance Information:** We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of \$0.01 in the account each day to obtain the disclosed annual percentage yield.

**Limitations:** You must deposit \$100.00 to open this account. You can make additional deposits to this account during a term (except no additions can be made in the 7 day period before any maturity date). Additions will earn interest from the date of deposit and will not change the maturity date of this account. You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty). However, the entire interest of the depositor in the custodial account shall be or commence to be distributed not later than April 1 of

the year following the calendar year in which the Depositor attains age 70 1/2. For each succeeding year, a distribution must be made on or before December 31.

**Time Account Information:** Your account will mature in 24 Months. If you withdraw any of the principal or interest before the maturity date, we may impose a penalty of an amount equal to six months simple interest at your TDOA's current rate for TDOA's with an original maturity of over one year. There is no penalty for the early withdrawal of funds from the TDOA upon the death of the depositor, or when the depositor attains the age of 59 1/2 years, is disabled according to the Internal Revenue Code or is legally declared incompetent by a court or other administrative body. See also your IRA plan disclosure. We will use the rate in effect on the date of withdrawal. This account will automatically renew. You will have 10 Days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

#### SEP IRA

**Rate Information:** This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account Weekly. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded semi-annually and will be credited to the account semi-annually. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Balance Information:** We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of \$0.01 in the account each day to obtain the disclosed annual percentage yield.

**Limitations:** You must deposit \$100.00 to open this account. You can make additional deposits to this account during a term (except no additions can be made in the 7 day period before any maturity date). Additions will earn interest from the date of deposit and will not change the maturity date of this account. You cannot withdraw principal from this account without our consent except on or after maturity (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty). However, the entire interest of the depositor in the custodial account, shall be or commence to be distributed not later than April 1 of the year following the calendar year in which the Depositor attains age 70 1/2. For each succeeding year, a distribution must be made on or before December 31.

**Account Fees:** None.

**Time Account Information:** Your account will mature in 24 Months. If you withdraw any of the principal or interest before the maturity date, we may impose a penalty of an amount equal to six months simple interest at your TDOA's current rate for TDOA's with an original maturity of over one year. There is no penalty for the early withdrawal of funds from the TDOA upon the death of the depositor, or when the depositor attains the age of 59 1/2 years, is disabled according to the Internal Revenue Code or is legally declared incompetent by a court or other administrative body. See also your IRA plan disclosure. We will use the rate in effect on the date of withdrawal. This account will automatically renew. You will have 10 Days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

#### COVERDELL EDUCATION SAVINGS ACCOUNT

**Rate Information:** This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account Weekly. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded semi-annually and will be credited to the account semi-annually. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Balance Information:** We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of \$0.01 in the account each day to obtain the disclosed annual percentage yield.

**Limitations:** You must deposit \$25.00 to open this account. You may make additional deposits to this account during a term (except no additions can be made in the 7 day period before any maturity date). Additions will earn interest from the date of deposit and will not change the maturity date of this account. You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty). However, the entire remaining balance not used for education expenses of the beneficiary in the custodial account shall be distributed within 30 days of the day the designated beneficiary attains age 30.

**Account Fees:** None.

**Time Account Information:** Your account will mature in 24 Months. If you withdraw any of the principal or interest before the maturity date, we may impose a penalty of an amount equal to six months simple interest at your TDOA's current rate for TDOA's with an original maturity of over one year. There is no penalty for the early withdrawal of funds from the TDOA upon the death of the beneficiary, or when the beneficiary withdraws money for qualified higher education expenses, is disabled according to the Internal Revenue Code or is legally declared incompetent by a court or other administrative body. See also your Education IRA plan disclosure. We will use the rate in effect on the date of withdrawal. This account will automatically renew. You will have 10 Days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

#### LARGE TRADITIONAL IRA

Individual Retirement Account.

**Rate Information:** This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account Weekly. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded semi-annually and will be credited to the account semi-annually. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Balance Information:** We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of \$0.01 in the account each day to obtain the disclosed annual percentage yield.

**Limitations:** You must deposit \$100,000.00 to open this account. You may make additional deposits to this account during a term (except no additions can be made in the 7 day period before any maturity date). Additions will earn interest from the date of deposit and will not change the maturity date of this account. You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty). However, the entire interest of the Depositor in the custodial account shall be or commence to be distributed not later than April 1 of

the year following the calendar year in which the Depositor attains age 70 1/2. For each succeeding year, a distribution must be made on or before December 31.

**Time Account Information:** Your account will mature in 24 Months. If you withdraw any of the principal or interest before the maturity date, we may impose a penalty of an amount equal to six months simple interest at your TDOA's current rate for TDOA's with an original maturity of over one year. There is no penalty for the early withdrawal of funds from the TDOA upon the death of the depositor, or when the depositor attains the age of 59 1/2 years, is disabled according to the Internal Revenue Code or is legally declared incompetent by a court or other administrative body. See also your IRA plan disclosure. We will use the rate in effect on the date of withdrawal. This account will automatically renew. You will have 10 Days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

#### OTHER ACCOUNT FEES

The following fees apply to all of your accounts with us:

Research Fee:	\$15.00 per hour.
Microfilm Copy Fee:	\$.25 per copy.
Garnishment/Levy Fee:	\$25.00 per levy/garnishment served.

#### INDIVIDUAL RETIREMENT ACCOUNTS

You may put your IRA funds in the following accounts: Traditional IRA, SEP IRA, SIMPLE IRA, Coverdell Education Savings Account, ROTH IRA, Large Traditional IRA, Large SIMPLE IRA, Large ROTH IRA and Large SEP IRA.

If you open an IRA, the account will be subject to the following fees:

IRA Regular Fees	
Rollover Distribution:	\$25.00 At Withdrawal
Transfer Distribution:	\$25.00 At Withdrawal
Excess Contribution Correction:	\$25.00 At Withdrawal
Conversion:	\$25.00 At Withdrawal
Recharacterization:	\$25.00 At Withdrawal

#### MISCELLANEOUS FEES AND CHARGES

##### Miscellaneous

Incoming Collections: \$10.00 per request.  
Personal Money Order Fee: \$3.00 each.  
Bank Money Order Fee: \$15.00 each.  
Outgoing Fax Service: \$1.00 for the first 3 pages, \$1.00 per page thereafter.  
Outgoing Domestic Wire Fee: \$20.00 per wire.  
Outgoing International Wire Fee: \$75.00 per international wire for customers.  
Photocopies: \$.10 per copy - standard paper or \$.20 per copy - colored paper  
Safe Deposit Box: Fees vary per size

#### FUNDS AVAILABILITY POLICY DISCLOSURE

**YOUR ABILITY TO WITHDRAW FUNDS AT KIT CARSON STATE BANK.** Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. However, funds from electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and/or we will use them to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 3:00 p.m. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 3:00 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

**Reservation of Right to Hold.** In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$200 of your deposit, however, may be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the business day after we receive your deposit. If you need the funds from a deposit right away, you should ask us when the funds will be available.

**Longer Delays May Apply.** We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- \* You deposit checks totaling more than \$5,000 on any one day.
- \* You redeposit a check that has been returned unpaid.
- \* You have overdrawn your account repeatedly in the last six months.
- \* We believe a check you deposit will not be paid.
- \* There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

**Holds On Other Funds.** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

**Special Rules For New Accounts.** If you are a new customer, the following special rules will apply during the first 30 days your account is open:

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the second business day after the day of your deposit. If your deposit of these

checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from deposits of checks drawn on Kit Carson State Bank will be available on the first business day after the day of your deposit.

Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

**Member  
FDIC**

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