

Note 5. Deferred Compensation

In 2001, the Company entered into an Executive Retirement Agreement (the "Agreement") with an officer under which he will be paid \$35,000 per annum for 20 years beginning at retirement or termination. Accordingly, the Company recorded a charge to officer retirement at \$258,657, the present value of the total payments under the Agreement. In addition, interest is imputed at 8% per annum through the officer's expected retirement date. Interest expense totaling \$17,725 in 2002 and \$10,524 in 2001 has been credited to liability for Deferred Compensation.