

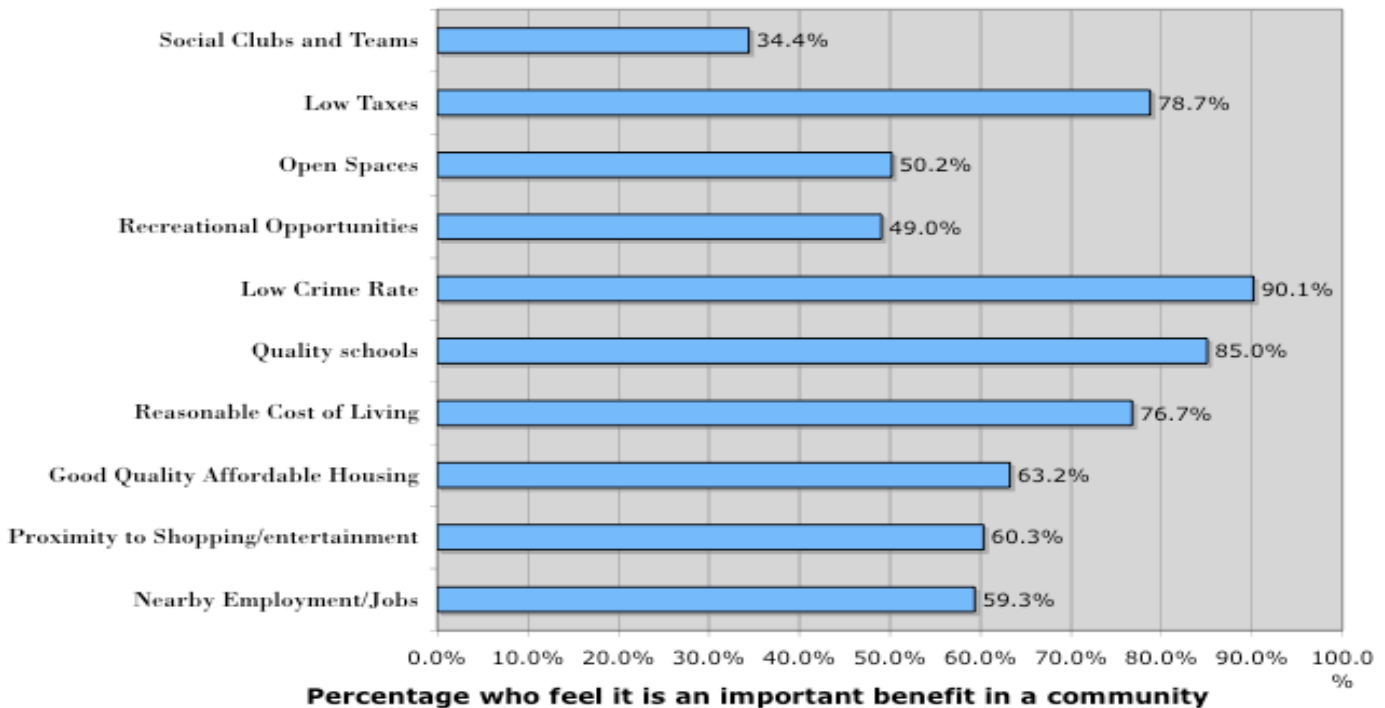
Waterman Business Association Survey Report

Key Findings

March, 2006

- **Waterman residents want a more full-service town and are willing to grow into it. While just about everyone wants the things that a larger town offers, we are also concerned about maintaining Waterman's small town feel.** Waterman residents are concerned about our future -- 45% responded to the survey! An adequate sample would have been 5%, and we were optimistically hoping for 10%.
- Low taxes, low crime rate, quality schools and a reasonable cost of living are the things that residents value most about our community. Proximity to shopping, good quality affordable housing and nearby employment are also community benefits that Waterman residents' value.
- Waterman residents travel to DeKalb for most of their shopping, entertainment and medical needs. 82% of Waterman's groceries are bought in DeKalb, 22% of residents go to Sycamore to dine. Residents do not shop in Waterman; 11% eat at restaurants in town, 10% get automotive services in Waterman, and 43% use the bank.
- 95% of Waterman residents who attended the Winter Festival responded favorably to the drawing for free prizes, and liked the addition of the carriage rides.
- Harvest Day participation in 2005 declined, and Waterman residents want food and crafts to be sold at Harvest Day as they were in the past. Just 3% prefer the non-commercial Harvest Day as in 2005.

Waterman Residents' Values and Preferences



Rate of Growth and Preferences for Community and Retail Improvements

Clearly the highest priorities in the Town of Waterman are for a family restaurant (82% want one to open in the next 1-5 years); for a supermarket (73% want one to open in the next 1-5 years); and for a pharmacy (62% want one to open in the next 1-5 years).

Although just 54% of residents are familiar with Waterman’s Comprehensive Plan, the preferences expressed in the survey are consistent with the existing plans for the community.

If Waterman’s population grows at the same pace as the rest of DeKalb County, and it grows according to its Comprehensive Plan, Waterman is on target to have the population to support the family restaurant, supermarket and pharmacy that two-thirds of residents want in the next 1-5 years. Through new sales tax revenue, impact fees and property taxes on the new houses, the town will generate sufficient support for more park facilities and programs, and increased library services.

Waterman is not on target to grow large enough to support a ‘big box’ store such as Target or Menards, and Waterman residents overwhelmingly (68%) do not want that.

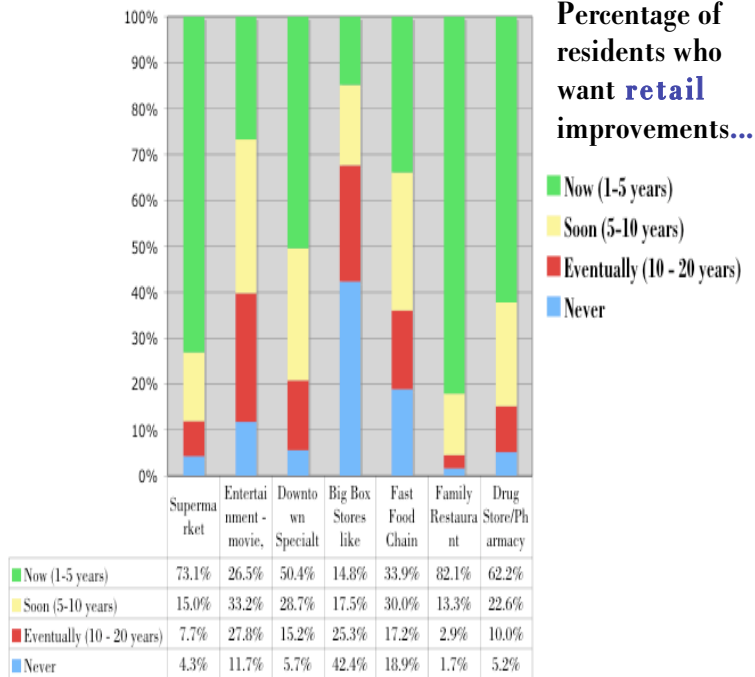
Supermarket

- 88% of Waterman’s town residents want a supermarket. 73% hope enough growth will come now so that we get one in the next 1-5 years, and 15% want it to happen in the next 5-10 years. 8% would like to see a slower timetable of 10 – 20 years, and 4% are opposed to any change.

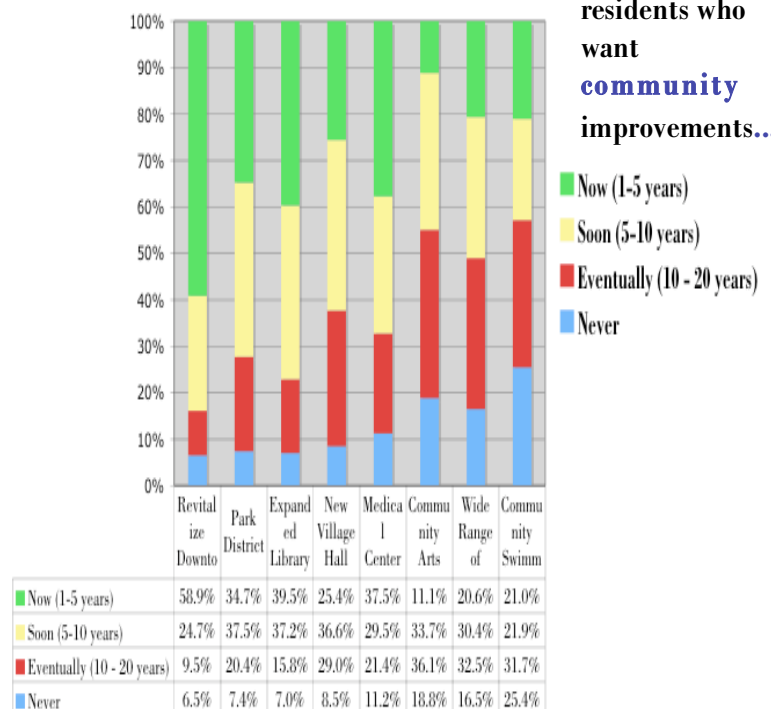
Downtown Revitalization

- 84% of Waterman’s town residents want to see Waterman’s downtown revitalized. 59% hope enough growth will come now so that it can happen in the next 1-5 years, and 25% want it to happen in the next 5-10 years. 10% would like to see a slower timetable of 10 – 20 years, and 7% are opposed to any change.

Percentage of residents who want retail improvements...



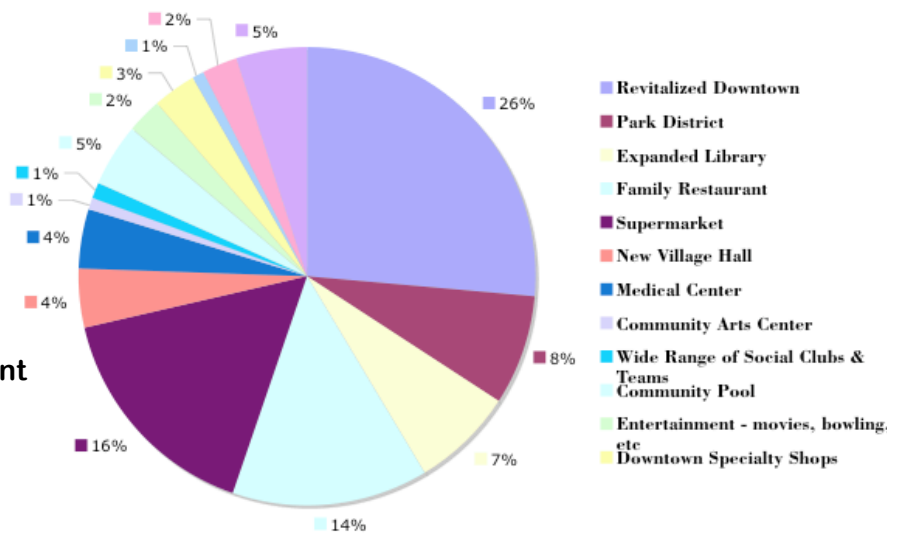
Percentage of residents who want community improvements...



Waterman Residents' Priorities for Improvements

1. Revitalized Downtown
2. Supermarket
3. Family Restaurant
4. Park District

Residents were asked to choose the one most important improvement to them out of the 15 listed.



Survey Respondents:

- 45% of all households responded
- 47% have lived in Waterman more than 20 years
- 47% are over 50
- 37% of households have children under 18 living at home
- 59% are female
- 0.75 is the average number of children per household

Waterman Business Association Members

- | | | |
|--|-----------------------------|------------------------------|
| AMK Auto Body & Towing | Hinkley Floral | Pizza Villa |
| ASAP Welding | Hintzsche Fertilizer, Inc. | Prusa Daycare |
| Aurora Sportsman Club | Houlahan's Tavern & Grill | Pub West |
| Baie & Baie Trucking | JC Homes | R & J On the Go |
| Christina Bystry-Busch-Pampered Chef | Don Lieving Rentals | Resource Bank |
| Casey's General Store | Kauffman Turkey Farm | Sacc-o-Suds |
| Century 21-Elsner Realty | K.B. Fit | Stiengtunt Vineyard & Winery |
| Char's Dog Grooming | Kennedy Homes | Neil Suddeth Construction |
| Cliffe, Foster, Comeille & Buick | Larsen Hardware | Screwball's |
| Conserv F.S., Inc. | Longaberger - Tammy Johnson | Tom Sparks Chevrolet, Inc. |
| Corner Towing | Longaberger - Peggy Todd | Superior Diesel |
| Country Cupboard | Mary Kay-Betty Thuestad | Tastefully Simple |
| Country Insurance and Financial Services | Mary Kay-Mindy Lange | Trademark Properties |
| Rich Criss Ministries | Mary Kay-Susan Stiker | Kurt Tompkins Painting |
| Dolder Electric Supply | Michael's Supermarket | Tupperware - Tosha Ratliff |
| Ekle Heating, Inc | Me & My Sister | Vicki's Hair Studio |
| Farmboy & Kabobs | MetLife Financial Services | Vision Pickling & Processing |
| Farmers & Traders State Bank | Nelson Funeral Homes | Waterman Garden Apartments |
| Fay's Pork Chop Bar-B-Q | On-Site Computer Guy | Waterman Insurance Assoc. |
| Finishing Touches Interiors | Martenson Turf Products | Waterman It Figures |
| Harding Construction | Monsanto Waterman Prod. | Waterman Lock-Box |
| | Olson & Associates | Waterman & Western Railroad |
| | Eric Petersen Construction | World Equity Group |
| | Peter Post Plumbing | Waterman State Bank |

More Information??

Complete copies of the survey and results for each question, along with a full report are available in PDF format to download for free from the Waterman website, www.watermanil.com