

ADDENDUM DATED FEBRUARY 7, 2012  
OFFICIAL STATEMENT DATED JANUARY 27, 2012

**\$7,850,000**  
**VILLAGE OF VERNON HILLS**  
**Lake County, Illinois**  
**General Obligation Bonds, Series 2012A**

**AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

Principal Amount	Due Dec. 30	Interest Rate	Yield	CUSIP Number	Principal Amount	Due Dec. 30	Interest Rate	Yield	CUSIP Number
\$300,000	2016	2.000%	0.670%	924488 GE3	\$ 750,000	2022*	2.000%	1.890%	924488 GL7
450,000	2017	2.000%	0.780%	924488 GF0	800,000	2023*	2.000%	1.950%	924488 GM5
600,000	2018	2.000%	1.070%	924488 GG8	900,000	2024	2.000%	2.000%	924488 GN3
650,000	2019	2.000%	1.310%	924488 GH6	1,000,000	2025*	2.250%	2.070%	924488 GP8
675,000	2020*	2.000%	1.530%	924488 GJ2	1,000,000	2026*	2.250%	2.180%	924488 GQ6
725,000	2021*	2.000%	1.740%	924488 GK9					

*\*These maturities have been priced to call.*

The Official Statement of the Village dated January 27, 2012 (the "Official Statement") with respect to the 2012A Bonds is incorporated by reference herein and made a part hereof. The "Final Official Statement" of the Village with respect to the 2012A Bonds as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission shall be comprised of the following:

1. Official Statement dated January 27, 2012; and
2. This Addendum dated February 7, 2012.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the 2012A Bonds other than as contained in the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Final Official Statement may be obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE THEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE DATE THEREOF.

The Village has authorized preparation of the Final Official Statement containing pertinent information relative to the 2012A Bonds and the Village. Copies of that Final Official Statement can be obtained from the 2012A Underwriter, as defined herein. Additional information may also be obtained from the Village or from the independent public finance consultants to the Village:

**STIFEL  
NICOLAUS**

**ADDITIONAL INFORMATION**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request.

**DEBT INFORMATION**

After issuance of the Bonds, the Village will have outstanding \$18,975,000 principal amount of general obligation debt.

The Village does not intend to issue additional debt within the next six months.

**General Obligation Bonded Debt (1) (2)  
(Principal Only)**

Calendar Year	Outstanding Bonds						The Bonds			Less: The Refunded Bonds	Total Debt	Cumulative	
	Series 2002 (3-30)	Series 2004 (3-30)	Series 2005 (3-30)	Series 2006 (3-30)	Series 2007 (3-30)	Series 2012A (12-30)	Series 2012B (3-30)	Amount	Per Cent			Principal	Retired
2012	\$460,000	\$325,000	\$260,000	\$85,000	\$115,000	0	0	\$1,245,000	6.56%	\$1,245,000	0	\$1,245,000	6.56%
2013	480,000	335,000	275,000	90,000	120,000	0	15,000	1,315,000	13.49%	2,560,000	0	3,420,000	13.49%
2014	0	340,000	285,000	95,000	125,000	0	15,000	860,000	18.02%	3,420,000	0	4,310,000	18.02%
2015	0	350,000	295,000	95,000	130,000	0	115,000	890,000	22.71%	4,310,000	(95,000)	5,540,000	22.71%
2016	0	365,000	315,000	100,000	135,000	300,000	115,000	1,230,000	29.20%	5,540,000	(100,000)	6,955,000	29.20%
2017	0	380,000	325,000	105,000	140,000	450,000	120,000	1,415,000	36.65%	6,955,000	(105,000)	8,565,000	36.65%
2018	0	390,000	345,000	110,000	150,000	600,000	125,000	1,610,000	45.14%	8,565,000	(110,000)	9,850,000	45.14%
2019	0	0	355,000	115,000	155,000	650,000	125,000	1,285,000	51.91%	9,850,000	(115,000)	11,190,000	51.91%
2020	0	0	370,000	120,000	165,000	675,000	130,000	1,340,000	58.97%	11,190,000	(120,000)	12,605,000	58.97%
2021	0	0	390,000	125,000	170,000	725,000	130,000	1,415,000	66.43%	12,605,000	(125,000)	13,670,000	66.43%
2022	0	0	0	135,000	175,000	750,000	140,000	1,065,000	72.04%	13,670,000	(135,000)	14,800,000	72.04%
2023	0	0	0	140,000	185,000	800,000	145,000	1,130,000	78.00%	14,800,000	(140,000)	16,040,000	78.00%
2024	0	0	0	145,000	195,000	900,000	145,000	1,240,000	84.53%	16,040,000	(145,000)	17,390,000	84.53%
2025	0	0	0	150,000	200,000	1,000,000	150,000	1,350,000	91.65%	17,390,000	(150,000)	18,755,000	91.65%
2026	0	0	0	160,000	210,000	1,000,000	155,000	1,365,000	98.84%	18,755,000	(160,000)	18,975,000	98.84%
2027	0	0	0	0	220,000	0	0	220,000	100.00%	18,975,000	0	18,975,000	100.00%
Total	\$940,000	\$2,485,000	\$3,215,000	\$1,770,000	\$2,550,000	\$7,850,000	\$1,625,000	\$18,975,000		\$18,975,000	\$(1,500,000)	\$18,975,000	

Notes: (1) Source: the Village.  
(2) Mandatory sinking fund redemption amounts are shown for term bonds.

**Statement of Bonded Indebtedness**  
(As of October 27, 2011)

	Amount Applicable	Ratio To		Per Capita (2010 Census 25,113)
		Equalized Assessed	Estimated Actual	
Assessed Valuation of Taxable Property, 2010.....	\$1,245,751,097	100.00%	33.33%	\$ 49,605.83
Estimated Actual Value, 2010.....	\$3,737,253,291	300.00%	100.00%	\$148,817.48
Village Direct Bonded Debt(2).....	\$ 18,975,000	1.52%	0.51%	\$ 755.58
Less: Self Supporting(2)(3).....	<u>(18,975,000)</u>	<u>(1.52%)</u>	<u>(0.51%)</u>	<u>(755.58)</u>
Net Direct Bonded Debt.....	\$ 0	0.00%	0.00%	\$ 0.00
Overlapping Bonded Debt				
Schools.....	\$ 44,241,630	3.55%	1.18%	\$ 1,761.70
All Others.....	<u>26,181,701</u>	<u>2.10%</u>	<u>0.70%</u>	<u>1,042.56</u>
Total Overlapping Bonded Debt.....	\$ 70,423,331	5.65%	1.88%	\$ 2,804.26
Total Net Direct and Overlapping Bonded Debt(2).....	\$ 70,423,331	5.65%	1.88%	\$ 2,804.26

- Note: (1) Source: The Village.  
(2) Includes general obligation alternate bonds and excludes capital leases.  
(3) Alternate bonds and the Bonds. The Village anticipates paying debt service on the Bonds from sources other than property taxes.

**INVESTMENT RATING**

The 2012A Bonds have been rated "Aaa" by Moody's Investors Service. The Village has supplied certain information and material concerning the 2012A Bonds and the Village to the rating service shown on the cover page as part of its application for an investment rating on the 2012A Bonds. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the 2012A Bonds. An explanation of the significance of investment ratings may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

**UNDERWRITING**

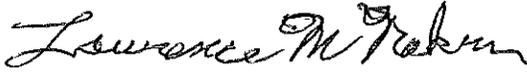
The 2012A Bonds were offered for sale by the Village at a public, competitive sale on February 7, 2012. The best bid submitted at the sale was submitted by Stifel, Nicolaus & Company, Inc., St. Louis, Missouri (the "2012A Underwriter"). The Village awarded the contract for sale of the 2012A Bonds to the 2012A Underwriter at a price of \$7,965,433.50. The 2012A Underwriter has represented to the Village that the 2012A Bonds have been subsequently re-offered to the public initially at the yields set forth in this Addendum.

**QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Village has designated the 2012A Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265 (b) (3) of the Code.

**AUTHORIZATION**

The Official Statement dated January 27, 2012, and this Addendum dated February 7, 2012, for the \$7,850,000 General Obligation Bonds, Series 2012A, have been prepared under the authority of the Village and have been authorized for distribution by the Village.



/s/ **LAURENCE M. NAKRIN**  
*Village Treasurer*  
VILLAGE OF VERNON HILLS  
Lake County, Illinois



/s/ **ROGER BYRNE**  
*President*  
VILLAGE OF VERNON HILLS  
Lake County, Illinois

**APPENDIX A**  
**Series 2012A Bonds**  
**PROPOSED FORM OF OPINION OF BOND COUNSEL**  
**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**  
**[TO BE DATED CLOSING DATE]**

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois (the "*Village*"), passed preliminary to the issue by the Village of its fully registered General Obligation Bonds, Series 2012A (the "*Series 2012A Bonds*") to the amount of \$7,850,000, dated the date hereof, of the denomination of \$5,000 or authorized integral multiples thereof, and due serially on December 30 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
2016	300,000	2.00
2017	450,000	2.00
2018	600,000	2.00
2019	650,000	2.00
2020	675,000	2.00
2021	725,000	2.00
2022	750,000	2.00
2023	800,000	2.00
2024	900,000	2.00
2025	1,000,000	2.25
2026	1,000,000	2.25

Each Series 2012A Bond bears interest from the later of the dated date as stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of each Series 2012A Bond, respectively, is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 30 and December 30 of each year, commencing on December 30, 2012.

Those of the Series 2012A Bonds due on or after December 30, 2020, are subject to redemption prior to maturity at the option of the Village, from any available funds, in whole or in part, on any date on or after December 30, 2019, and if in part, in any order of maturity as selected by the Village, and if less than an entire maturity, in integral multiples of \$5,000, selected by lot and as applicable to any mandatory redemption requirements as selected by the Village, at a redemption price of par plus accrued interest to the date fixed for redemption.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the Series 2012A Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of Series 2012A Bond prescribed and find the same in due form of law, and in our opinion the Series 2012A Bonds, to the amount named, are valid and legally binding obligations of the Village, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Series 2012A Bonds and the enforceability of the Series 2012A Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The Series 2012A Bonds are further secured by (a) a portion of the incremental property taxes derived from the NW & SW Corners of Route 45 & 21 Town Center Redevelopment Project Area of the Village (the "*Redevelopment Project Area*") if, as and when received, and (b) the amounts on deposit in and pledged to the Subordinate Lien Note Account of the General Account of the special tax allocation fund created in connection with the designation by the Village of the Redevelopment Project Area.

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Series 2012A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but we express no opinion as to whether interest on the Series 2012A Bonds is taken into account in computing adjusted current earnings, which is used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Series 2012A Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012A Bonds. Ownership of the Series 2012A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2012A Bonds.

It is also our opinion that the Series 2012A Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2012A Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

**SIGNED  
COPY**

Investment Rating:  
Moody's Investors Service ... Aaa

**ADDENDUM DATED FEBRUARY 7, 2012  
OFFICIAL STATEMENT DATED JANUARY 27, 2012**

**\$1,625,000  
VILLAGE OF VERNON HILLS  
Lake County, Illinois  
General Obligation Bonds, Series 2012B**

**AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

Principal Due Amount	Due March 30	Interest Rate	Yield	CUSIP Number	Principal Amount	Due March 30	Interest Rate	Yield	CUSIP Number
\$ 15,000	2013	2.000%	0.500%	924488 GR4	\$120,000	2017	2.000%	0.900%	924488 GV5
15,000	2014	2.000%	0.600%	924488 GS2	125,000	2018	2.000%	1.200%	924488 GW3
115,000	2015	2.000%	0.750%	924488 GT0	125,000	2019	2.000%	1.450%	924488 GX1
115,000	2016	2.000%	0.800%	924488 GU7					
									<u>CUSIP Number</u>
\$400,000		2.000%		Term 2012B Bond due March 30, 2022;	Yield		2.000%		924488 HA0
\$290,000		2.200%		Term 2012B Bond due March 30, 2024;	Yield		2.200%		924488 HC6
\$305,000		2.400%		Term 2012B Bond due March 30, 2026;	Yield		2.400%		924488 HE2

For further details see "MANDATORY REDEMPTION" herein.

The Official Statement of the Village dated January 27, 2012 (the "Official Statement") with respect to the 2012B Bonds is incorporated by reference herein and made a part hereof. The "Final Official Statement" of the Village with respect to the 2012B Bonds as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission shall be comprised of the following:

1. Official Statement dated January 27, 2012; and
2. This Addendum dated February 7, 2012.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the 2012B Bonds other than as contained in the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Final Official Statement may be obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE THEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE DATE THEREOF.

The Village has authorized preparation of the Final Official Statement containing pertinent information relative to the 2012B Bonds and the Village. Copies of that Final Official Statement can be obtained from the 2012B Underwriter, as defined herein. Additional information may also be obtained from the Village or from the independent public finance consultants to the Village:

**BAIRD**

**ADDITIONAL INFORMATION**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request.

**DEBT INFORMATION**

After issuance of the Bonds, the Village will have outstanding \$18,975,000 principal amount of general obligation debt.

The Village does not intend to issue additional debt within the next six months.

**General Obligation Bonded Debt(1)(2)**  
(Principal Only)

Calendar Year	Outstanding Bonds						The Bonds		Less: The Refunded Bonds	Total Debt	Cumulative	
	Series 2002 (3-30)	Series 2004 (3-30)	Series 2005 (3-30)	Series 2006 (3-30)	Series 2007 (3-30)	Series 2012A (12-30)	Series 2012B (3-30)	Amount			Per Cent	Principal
2012	\$460,000	\$325,000	\$260,000	\$ 85,000	\$ 115,000	\$ 0	\$ 0	\$ 0	\$ 1,245,000	6.56%	\$ 1,245,000	0
2013	480,000	335,000	275,000	90,000	120,000	0	15,000	0	1,315,000	13.49%	2,560,000	0
2014	0	340,000	285,000	95,000	125,000	0	15,000	0	860,000	18.02%	3,420,000	0
2015	0	350,000	295,000	95,000	130,000	0	115,000	(95,000)	890,000	22.71%	4,310,000	0
2016	0	365,000	315,000	100,000	135,000	300,000	115,000	(100,000)	1,230,000	29.20%	5,540,000	0
2017	0	380,000	325,000	105,000	140,000	450,000	120,000	(105,000)	1,415,000	36.65%	6,955,000	0
2018	0	390,000	345,000	110,000	150,000	600,000	125,000	(110,000)	1,610,000	45.14%	8,565,000	0
2019	0	0	355,000	115,000	155,000	650,000	125,000	(115,000)	1,285,000	51.91%	9,850,000	0
2020	0	0	370,000	120,000	165,000	675,000	130,000	(120,000)	1,340,000	58.97%	11,190,000	0
2021	0	0	390,000	125,000	170,000	725,000	130,000	(125,000)	1,415,000	66.43%	12,605,000	0
2022	0	0	0	135,000	175,000	750,000	140,000	(135,000)	1,065,000	72.04%	13,670,000	0
2023	0	0	0	140,000	185,000	800,000	145,000	(140,000)	1,130,000	78.00%	14,800,000	0
2024	0	0	0	145,000	195,000	900,000	145,000	(145,000)	1,240,000	84.53%	16,040,000	0
2025	0	0	0	150,000	200,000	1,000,000	150,000	(150,000)	1,350,000	91.65%	17,390,000	0
2026	0	0	0	160,000	210,000	1,000,000	155,000	(160,000)	1,365,000	98.84%	18,755,000	0
2027	0	0	0	0	220,000	0	0	0	270,000	100.00%	18,975,000	0
Total	\$940,000	\$2,485,000	\$3,215,000	\$1,770,000	\$2,590,000	\$7,850,000	\$1,625,000	\$(1,500,000)	\$18,975,000			

Notes: (1) Source: the Village.  
(2) Mandatory sinking fund redemption amounts are shown for term bonds.

**Statement of Bonded Indebtedness**  
(As of October 27, 2011)

	Amount Applicable	Ratio To		Per Capita (2010 Census 25,113)
		Equalized Assessed	Estimated Actual	
Assessed Valuation of Taxable Property, 2010.....	\$1,245,751,097	100.00%	33.33%	\$ 49,605.83
Estimated Actual Value, 2010.....	\$3,737,253,291	300.00%	100.00%	\$148,817.48
Village Direct Bonded Debt(2).....	\$ 18,975,000	1.52%	0.51%	\$ 755.58
Less: Self Supporting(2)(3).....	(18,975,000)	(1.52%)	(0.51%)	(755.58)
Net Direct Bonded Debt.....	\$ 0	0.00%	0.00%	\$ 0.00
Overlapping Bonded Debt				
Schools.....	\$ 44,241,630	3.55%	1.18%	\$ 1,761.70
All Others.....	26,181,701	2.10%	0.70%	1,042.56
Total Overlapping Bonded Debt.....	\$ 70,423,331	5.65%	1.88%	\$ 2,804.26
Total Net Direct and Overlapping Bonded Debt(2).....	\$ 70,423,331	5.65%	1.88%	\$ 2,804.26

- Note: (1) Source: The Village.  
(2) Includes general obligation alternate bonds and excludes capital leases.  
(3) Alternate bonds and the Bonds. The Village anticipates paying debt service on the Bonds from sources other than property taxes.

**MANDATORY REDEMPTION**

The 2012B Bonds maturing on March 30, 2022, are subject to mandatory redemption, in part by lot, on March 30, 2020-2021, consisting of a sinking fund payment at a redemption price equal to the principal amount set forth below:

<u>Year</u>	<u>Principal Amount</u>
2020 .....	\$130,000
2021 .....	130,000

The final principal amount of the 2012B Bonds maturing on March 30, 2022, is \$140,000.

The 2012B Bonds maturing on March 30, 2024, are subject to mandatory redemption, in part by lot, on March 30, 2023, consisting of a sinking fund payment at a redemption price equal to the principal amount set forth below:

<u>Year</u>	<u>Principal Amount</u>
2023 .....	\$145,000

The final principal amount of the 2012B Bonds maturing on March 30, 2024, is \$145,000.

The 2012B Bonds maturing on March 30, 2026, are subject to mandatory redemption, in part by lot, on March 30, 2025, consisting of a sinking fund payment at a redemption price equal to the principal amount set forth below:

<u>Year</u>	<u>Principal Amount</u>
2025 .....	\$150,000

The final principal amount of the 2012B Bonds maturing on March 30, 2026, is \$155,000.

All of the 2012B Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The 2012B Bond Registrar is authorized and directed to mail notice of mandatory sinking fund redemption of the 2012B Bonds in the manner provided in the 2012B Bond Ordinance.

Whenever the 2012B Bonds subject to mandatory sinking fund redemption are redeemed at the option of the Village, the principal amount thereof so redeemed shall be credited against the unsatisfied balance of further sinking fund installments or final maturity amount established with respect to such 2012B Bonds, in such amount and against such installments or final maturity amount as shall be determined by the Village in the proceedings authorizing such optional redemption or, in the absence of such determination, shall be credited against the unsatisfied balance of the applicable sinking fund installments next ensuing, and with respect to which notice of redemption has not yet been given.

The Registrar will give notice of redemption, identifying the 2012B Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each 2012B Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Registrar. Failure to give such notice by mail to any registered owner of the 2012B Bonds (or portion thereof) or any defect therein shall not affect the validity of any proceedings for the redemption of other 2012B Bonds (or portions thereof). All 2012B Bonds (or portions thereof) so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

#### **INVESTMENT RATING**

The 2012B Bonds have been rated "Aaa" by Moody's Investors Service. The Village has supplied certain information and material concerning the 2012B Bonds and the Village to the rating service shown on the cover page as part of its application for an investment rating on the 2012B Bonds. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the 2012B Bonds. An explanation of the significance of investment ratings may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

#### **UNDERWRITING**

The 2012B Bonds were offered for sale by the Village at a public, competitive sale on February 7, 2012. The best bid submitted at the sale was submitted by Robert W. Baird & Co., Inc., Milwaukee, Wisconsin, and associates (the "2012B Underwriter"). The Village awarded the contract for sale of the 2012B Bonds to the 2012B Underwriter at a price of \$1,637,242.72. The 2012B Underwriter has represented to the Village that the 2012B Bonds have been subsequently re-offered to the public initially at the yields set forth in this Addendum.

#### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Village has designated the 2012B Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265 (b) (3) of the Code.

**AUTHORIZATION**

The Official Statement dated January 27, 2012, and this Addendum dated February 7, 2012, for the \$1,625,000 General Obligation Bonds, Series 2012B, have been prepared under the authority of the Village and have been authorized for distribution by the Village.



/s/ **LAURENCE M. NAKRIN**  
*Village Treasurer*  
**VILLAGE OF VERNON HILLS**  
Lake County, Illinois



/s/ **ROGER BYRNE**  
*President*  
**VILLAGE OF VERNON HILLS**  
Lake County, Illinois

**APPENDIX A**  
**Series 2012B Bonds**  
**PROPOSED FORM OF OPINION OF BOND COUNSEL**  
**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**  
**[TO BE DATED CLOSING DATE]**

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois (the "*Village*"), passed preliminary to the issue by the Village of its fully registered General Obligation Bonds, Series 2012B (the "*Series 2012B Bonds*") to the amount of \$1,625,000, dated the date hereof, of the denomination of \$5,000 or authorized integral multiples thereof, and due serially on March 30 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
2013	15,000	2.00
2014	15,000	2.00
2015	115,000	2.00
2016	115,000	2.00
2017	120,000	2.00
2018	125,000	2.00
2019	125,000	2.00
***	***	***
2022	400,000	2.00
***	***	***
2024	290,000	2.20
***	***	***
2026	305,000	2.40

Each Series 2012B Bond bears interest from the later of the dated date as stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of each Series 2012B Bond, respectively, is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on March 30 and September 30 of each year, commencing on September 30, 2012.

The Series 2012B Bonds coming due on March 30 of the years 2022, 2024 and 2026, inclusive, are Term Bonds and are subject to mandatory redemption (as Term Bonds) by operation of the Bond Fund at a price of not to exceed par and accrued interest, without premium, on March 30 of the years and in the amounts as follows:

FOR THE TERM BONDS DUE MARCH 30, 2022:

YEAR	REDEMPTION AMOUNT (\$)
2020	130,000
2021	130,000

with \$140,000 remaining to be paid at maturity in 2022.

FOR THE TERM BONDS DUE MARCH 30, 2024:

YEAR	REDEMPTION AMOUNT (\$)
2023	145,000

with \$145,000 remaining to be paid at maturity in 2024.

FOR THE TERM BONDS DUE MARCH 30, 2026:

YEAR	REDEMPTION AMOUNT (\$)
2025	150,000

with \$155,000 remaining to be paid at maturity in 2026.

Those of the Series 2012B Bonds due on or after March 20, 2020, are subject to redemption prior to maturity at the option of the Village, from any available funds, in whole or in part, on any date on or after March 30, 2019, and if in part, in any order of maturity as selected by the Village, and if less than an entire maturity, in integral multiples of \$5,000, selected by lot and as applicable to any mandatory redemption requirements as selected by the Village, at a redemption price of par plus accrued interest to the date fixed for redemption.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the Series 2012B Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of Series 2012B Bond prescribed and find the same in due form of law, and in our opinion the Series 2012B Bonds, to the amount named, are valid and legally binding obligations of the Village, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Series 2012B Bonds and the enforceability of the Series 2012B Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Series 2012B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "Code"), but we express no opinion as to whether interest on the Series 2012B Bonds is taken into account in computing adjusted current earnings, which is used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Series 2012B Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012B Bonds. Ownership of the Series 2012B Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2012B Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Series 2012B Bonds and the yield on certain investments by Dunbar, Breitweiser & Company, LLP, Bloomington, Illinois.

It is also our opinion that the Series 2012B Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2012B Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

