



EVENT NOTICE PURSUANT TO S.E.C. RULE 15c2-12 ECONOMIC DEFEASANCE

Dated: February 21, 2017

NOTICE IS HEREBY GIVEN by the City of Valdez, Alaska to the holders of \$33,865,000 of General Obligation 2012 Bonds, dated December 14, 2012, (CUSIP: 919060) that the City has established a partial economic defeasance of the above-referenced bonds.

During 2013, 2014, and 2015, the City has annually placed funds in irrevocable escrow, with a trustee (Bank of New York, Mellon) serving in the role as escrow agent for the Bonds, and has structured investments in State and Local Government Series Securities (SLGS) to match scheduled debt-service payments beginning in December, 2017. The escrow account is sufficiently funded to satisfy all debt service payments through the end of the GO 2012 series in June, 2032. ***See Exhibit B, following this page.***

The City currently has no plans to redeem any portion of the GO 2012 issue prior to maturity.

Inquiries may be directed to:

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EXHIBIT B

**CITY OF VALDEZ, ALASKA
PARTIAL DEFEASANCE OF THE
GENERAL OBLIGATION SCHOOL BONDS, 2012**

**DEBT SERVICE REQUIREMENTS FOR THE 2012 BONDS
ASSUMING NO OPTIONAL REDEMPTIONS PRIOR TO MATURITY
AS OF DECEMBER 22, 2015**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Original		Total Debt Payment	Requirements Defeased by the 2013 Securities (Exhibit A)	Requirements Defeased by the 2014 Securities (Exhibit A)	Requirements Defeased by the 2015 Securities (Exhibit A)	Remaining Debt Service
		Payment For Principal	Interest					
30-Dec-15			\$692,625.00	\$692,625.00				\$692,625.00
30-Jun-16	3.000%	\$1,270,000.00	692,625.00	1,962,625.00				1,962,625.00
30-Dec-16			673,575.00	673,575.00				673,575.00
30-Jun-17	4.000%	1,305,000.00	673,575.00	1,978,575.00				1,978,575.00
30-Dec-17			647,475.00	647,475.00			\$308,707.00	338,768.00
30-Jun-18	1.500%	1,360,000.00	647,475.00	2,007,475.00			2,007,475.00	0.00
30-Dec-18			637,275.00	637,275.00			637,275.00	0.00
30-Jun-19	5.000%	1,380,000.00	637,275.00	2,017,275.00			2,017,275.00	0.00
30-Dec-19			602,775.00	602,775.00			602,775.00	0.00
30-Jun-20	5.000%	1,450,000.00	602,775.00	2,052,775.00		\$1,747,260.21	305,514.79	0.00
30-Dec-20			566,525.00	566,525.00	\$22,500.00	544,025.00		0.00
30-Jun-21	5.000%	1,520,000.00	566,525.00	2,086,525.00	922,500.00	1,164,025.00		0.00
30-Dec-21			528,525.00	528,525.00	31,900.00	496,625.00		0.00
30-Jun-22	4.000%	1,595,000.00	528,525.00	2,123,525.00	1,626,900.00	496,625.00		0.00
30-Dec-22			496,625.00	496,625.00	41,500.00	455,125.00		0.00
30-Jun-23	5.000%	1,660,000.00	496,625.00	2,156,625.00	1,701,500.00	455,125.00		0.00
30-Dec-23			455,125.00	455,125.00	43,625.00	411,500.00		0.00
30-Jun-24	5.000%	1,745,000.00	455,125.00	2,200,125.00	1,785,733.25	414,391.75		0.00
30-Dec-24			411,500.00	411,500.00	62,202.56	349,297.44		0.00
30-Jun-25	5.000%	1,830,000.00	411,500.00	2,241,500.00	1,859,297.12	382,202.88		0.00
30-Dec-25			365,750.00	365,750.00	48,125.00	317,625.00		0.00
30-Jun-26	5.000%	1,925,000.00	365,750.00	2,290,750.00	1,973,125.00	317,625.00		0.00
30-Dec-26			317,625.00	317,625.00	50,500.00	267,125.00		0.00
30-Jun-27	5.000%	2,020,000.00	317,625.00	2,337,625.00	2,070,500.00	267,125.00		0.00
30-Dec-27			267,125.00	267,125.00	53,000.00	214,125.00		0.00
30-Jun-28	5.000%	2,120,000.00	267,125.00	2,387,125.00	2,173,000.00	214,125.00		0.00
30-Dec-28			214,125.00	214,125.00	55,625.00	158,500.00		0.00
30-Jun-29	5.000%	2,225,000.00	214,125.00	2,439,125.00	2,280,625.00	158,500.00		0.00
30-Dec-29			158,500.00	158,500.00	58,500.00	100,000.00		0.00
30-Jun-30	5.000%	2,340,000.00	158,500.00	2,498,500.00	2,398,500.00	100,000.00		0.00
30-Dec-30			100,000.00	100,000.00	61,375.00	38,625.00		0.00
30-Jun-31	5.000%	2,455,000.00	100,000.00	2,555,000.00	2,516,375.00	38,625.00		0.00
30-Dec-31			38,625.00	38,625.00	38,625.00			0.00
30-Jun-32	3.000%	2,575,000.00	38,625.00	2,613,625.00	2,613,625.00			0.00
		<u>\$30,775,000.00</u>	<u>\$14,347,550.00</u>	<u>\$45,122,550.00</u>	<u>\$24,489,157.93</u>	<u>\$9,108,202.28</u>	<u>\$5,879,021.79</u>	<u>\$5,646,168.00</u>