



## **INTRODUCTION**

This Material Event Notice (“Material Event Notice”) is filed by Panhandle-Plains Higher Education Authority, Inc. (the “Issuer”), pursuant to the terms of a Restated and Amended Indenture, dated as of August 30, 2007, as supplemented and amended, between Wells Fargo Bank, National Association, as trustee, and the Issuer (the “Indenture”). This Material Event Notice relates to the bonds issued under the Indenture (the “Bonds”). Terms used herein that are not defined herein shall have the meanings ascribed to such terms in the Indenture.

The information in this Material Event Notice is provided solely to comply with the contractual commitment established by the Indenture to provide the information specified therein. This Material Event Notice is not made by the Issuer in connection with a purchase or sale of Bonds and accordingly is not intended to contain all information material to a decision to purchase or sell Bonds.

The information set forth herein has been obtained from records of the Issuer and other sources which are considered reliable. Any statement in this Material Event Notice which includes a matter of opinion, whether or not expressly so stated, is intended as such, and not as a representation of fact. The information contained in this Material Event Notice is provided as of the respective dates specified herein and is subject to change without notice, and the filing of this Material Event Notice shall not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or in the other matters described herein since the date as of which such information is provided.

Certain information in this Material Event Notice may not be required to be provided by the Indenture. By providing such information, the Issuer does not undertake or agree to provide such information in any future year.

## **SUPPLEMENTAL INDENTURE**

The Issuer and the Trustee have entered into a Supplemental Indenture of Trust (the “Supplemental Indenture”), dated as of April 1, 2010, but effective on July 6, 2010, the date of receipt of confirmation from the rating agencies rating the Bonds that the Supplemental Indenture would not result in a withdrawal or reduction in any of their ratings on the Bonds.

The Supplemental Indenture is designed to facilitate the Issuer’s ongoing efforts to restructure and/or refinance the Bonds, which are failed auction rate Bonds.

The Supplemental Indenture allows the Issuer to use money in the Subsequent Taxable Bond Redemption Account and the Subsequent Tax-Exempt Bond Redemption Account during certain time periods to purchase Subsequent Taxable Bonds and Subsequent Tax-Exempt Bonds, respectively, from owners which offer them for sale at a discount. The purchased Bonds will then be cancelled.

The Supplemental Indenture also provides that the proceeds of refunding bonds issued by the Issuer may be placed in a special account and used to purchase student loans from the trust estate created by the Indenture, with the sales proceeds devoted to the purchase of Bonds offered for sale at a discount or otherwise redeemed. The Bonds so purchased or otherwise redeemed will be cancelled. No such sale will occur unless the Asset Coverage Ratio after the disposition of the student loans and the purchase and cancellation of the Bonds is equal to at least 103%.

With the Supplemental Indenture in place, the Issuer intends to respond to offers from holders of its Subsequent Taxable Bonds and Subsequent Tax-Exempt Bonds to sell their Bonds to the Issuer at a discount. The decision to purchase any of the Bonds will be at the sole discretion of the Issuer and is subject to the availability of moneys from time to time to make such purchases and compliance with the terms of the Indenture. The redemption of Bonds tendered for purchase at a discount with money in the

Bond Redemption Fund under the Indenture will reduce the funds in the Bond Redemption Fund that are available for redemption of other Bonds at par or otherwise and may reduce or delay the redemption of such Bonds.

The Issuer may from time to time engage in efforts to refinance Bonds issued under the Indenture, which may include the redemption of Bonds, by purchase or otherwise.

Copies of the documents and agreements described in this Material Event Notice, in reasonable quantity, may be obtained by a beneficial owner of the Bonds upon request directed to the Issuer at its office located at 1303 23<sup>rd</sup> Street, Canyon, Texas 79015.

### **CONCLUSION**

The Issuer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreements or from any statement made pursuant to its agreements, although legal and beneficial holders of Bonds may seek a writ of mandamus to compel the Issuer to comply with its agreements. See “Continuing Disclosure of Information” in the Official Statements.

**PANHANDLE-PLAINS HIGHER  
EDUCATION AUTHORITY, INC.**