



## NOTICE OF INTENT TO BID BY CONDUIT BORROWER

- *Name of Conduit Borrower:* Stanford Hospital and Clinics (the “Borrower”)
- *Name of Issuer:* California Health Facilities Financing Authority
- *Name of Bonds:* California Health Facilities Financing Authority Revenue Bonds (Stanford Hospital and Clinics), Series 2006
- *Series of Bonds:* 2006 SERIES B-1
- *CUSIP No.:* 13033FH94
- *Official Statement dated:* March 1, 2006, as supplemented by the Supplement dated April 8, 2008
- *Date of Next Auction:* April 29, 2008
- *Date of this Notice of Intent to Bid:* April 24, 2008

**Intent to Bid:** Stanford Hospital and Clinics (the “Borrower”) hereby gives notice that it intends to submit one or more bids in connection with the auction to be held on the date set forth above as the “Next Auction” of the series of bonds referenced above (the “Bonds”) that will be conducted by Wilmington Trust Company, as auction agent (the “Auction Agent”). All interested parties are directed to review carefully the auction procedures described in the final official statement delivered in connection with the issuance of the Bonds referenced above (as supplemented by the Supplement dated April 8, 2008, the “Official Statement”), which is on file with the Nationally Recognized Information Repositories (“NRMSIRs”) and State Information Depositories (“SIDs”). A copy of the existing bidding procedures and further disclosure concerning the auction process may be obtained from Morgan Stanley & Co. Incorporated as broker-dealer for the Bonds (the “Broker-Dealer”), at the following addresses:

MORGAN STANLEY & CO. INCORPORATED  
1221 AVENUE OF THE AMERICAS, 30TH FLOOR  
NEW YORK, NEW YORK 10020  
ATTENTION: SHORT TERM PRODUCTS  
FAX: (212) 762-6946  
TELEPHONE: (212) 507-2103  
E-MAIL: muni-short-term@morganstanley.com

**Specifics of Borrower's Proposed Bid:** The Borrower has notified the Broker Dealer that it wishes to submit a bid on the Borrower's behalf in the Next Auction. The Borrower expects to bid for approximately \$84,100,000 of Bonds at an annual interest rate of 2.43% (which is 100% of the Securities Industry And Financial Markets Association Municipal Swap Index (the "SIFMA Index") for the period ending April 23, 2008). The completion of the Borrower's bid is subject to the availability of funds on the date of the Auction.

**Pre- and Post-Bid Disclosure Process:** The Borrower may, but is not required to, submit bids in future auctions based on then-prevailing market conditions. The Borrower will provide notice at least two business days prior to any bid in a future auction by the following methods: (1) filing a copy of the notice with the NRMSIRs and SIDs listed in the Official Statement, as well as on Exhibit A hereto; (2) issuing a press release to Bloomberg.com, a division of Bloomberg, L.P., and BusinessWire, a Berkshire Hathaway company; and (3) posting the notice on the Borrower's website, [www.stanfordmed.org](http://www.stanfordmed.org).

The Borrower is providing information on certain characteristics of the most recent auction on the attached Exhibit A.

Promptly following the Next Auction, the Borrower will provide through the three methods listed above the following information with respect to the Next Auction: (1) the amount of securities for sale in the Auction; (2) the number and aggregate dollar amount of bids made; (3) the number of bidders other than the Broker-Dealers and Borrower; (4) the number, interest rate(s) and amounts of bids, if any, made by the Broker-Dealers; (5) the number, interest rate(s) and amount(s) of bids, if any, made by the Borrower; (6) the clearing rate; and (7) the high, low, and median bids received.


**Borrower to Bid on All or Substantially All Outstanding Bonds:** The Borrower intends to bid for all or substantially all (90% or more) of the Bonds presently outstanding. **It should be noted that Borrower's interests are different from and, in fact, may be contrary to the interests of an investor because the Borrower is seeking to establish the lowest interest rate on the Bonds while an investor generally seeks the highest interest rate on the Bonds.**

If the Borrower purchases all or substantially all of the outstanding Bonds, the Borrower will purchase from any requesting bondholder any Bonds tendered for purchase to a Broker-Dealer, in accordance with the same procedures currently applicable to the submission of Sell Orders by Existing Owners, for a period of up to five (5) business Days after the Auction Date. The Bonds will be purchased at par plus accrued interest. Accrued interest shall be calculated using the clearing rate of interest from the last completed auction.

**Effect on Auction Rate: Existing Holders and prospective bidders should take into account in their decision whether to buy, sell, or hold the Bonds that the Borrower will likely affect the Auction Rate by virtue of the Borrower's proposed bid in the Next Auction. For additional considerations relating to bidding on the Bonds, see "Special Considerations Relating to Certificates in an Auction Rate Period" in the Official Statement.**

Interested parties are advised to check with the NRMSIRs and SIDs for supplements to the Official Statement. No assurance can be given that the Official Statement published at the time of the original issuance of the Bonds has not been updated, amended or supplemented (in addition to the Supplement dated April 8, 2008) so as to affect the auction process, characteristics of the Bonds or risks of investment in the Bonds.

**STANFORD HOSPITAL AND CLINICS**

By: 

Name: Thomas E. Malm  
Title: Director of Treasury Services,  
Stanford Hospital and Clinics

Date: April 24, 2008

**Exhibit A**

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY REVENUE BONDS  
(STANFORD HOSPITAL AND CLINICS), 2006 SERIES B-1

CUSIP: 13033FH94

**Information Concerning Most Recent Auction (Held March 25, 2008)**

- (1) The amount of securities for sale in the most recent auction (i.e. Bonds for which Sell Orders were submitted): \$26,975,000
- (2) The number and aggregate dollar amount of bids made: 24 bids \$100,375,000
- (3) The number of bidders other than the Broker-Dealers and Borrower: 24
- (4) The number, interest rate(s) and amounts of bids, if any, made by the Broker-Dealers:
  - Number of Bids: 0
  - Interest rates: NA
  - Amount of Bids: \$0
- (5) The number, interest rate(s) and amount(s) of bids, if any, made by the Borrower:
  - Number of Bids: 0
  - Interest Rates: NA
  - Amount of Bids: \$0
- (6) The clearing rate: 7.50%
- (7) The high, low, and median bids received:
  - High Bid: 10.00%
  - Low Bid: 4.99%
  - Median Bid: 7.24%