

**NOTICE OF INTENT TO BID FOR BONDS IN APRIL 7, 2009 AUCTION AND
RESULTS OF MARCH 31, 2009 AUCTION**

**\$50,000,000 Industrial Development Authority of the City of
Harrisonburg, Virginia
Auction Rate Hospital Facilities Revenue Bonds
(Rockingham Memorial Hospital),
Series 2007, CUSIP 415669 BP4**

Rockingham Memorial Hospital (the "Corporation") hereby gives the following notice with respect to its intent to bid for the Auction Rate Hospital Facilities Revenue Bonds (Rockingham Memorial Hospital), Series 2007, Cusip No. 415669 BP4 (the "Bonds"), issued for the benefit of the Corporation by the Industrial Development Authority of the City of Harrisonburg, Virginia (the "Authority"), on April 4, 2007. Payment of the Bonds is insured by a financial guaranty insurance policy issued by Ambac Assurance Corporation ("Ambac").

Auction Rate Securities

The Bonds were issued as Auction Rate Bonds, and since their issuance have borne interest at Auction Rates for each Auction Period, all determined in accordance with the Bond Trust Indenture dated as of April 1, 2007 (the "2007 Indenture"), between the Authority and U.S. Bank National Association (the "Bond Trustee"). The Auction Period for the Bonds currently is a 7-day period. The Bonds were offered as 7-day Auction Rate Bonds.

Auction Rate Experience

According to the Auction Agent, during the last auction for the Bonds (March 31, 2009), there were hold orders for \$3,000,000 of the Bonds, sell orders for \$200,000 of the Bonds, and one order by the Corporation to continue to hold the Bonds it already owned at a rate at or above a certain level (a "Hold at Rate Order"). In addition, there was one bid by the Corporation for the Bonds it did not own (the "Buy Order.") The Buy Order, the Hold at Rate Order, and the results of such Orders are described in the following chart:

<u>Order Type</u>	<u>Rate</u>	<u>Amount Ordered</u>	<u>Amount Filled</u>
Buy*	0.540**	\$3,200,000	\$200,000
Hold at Rate*	0.540	\$46,800,000	\$46,800,000

* The Corporation submitted this Bid.

**Clearing rate for the Bonds.

Corporation's Intent To Purchase or Bid for the Bonds

To reduce interest rate expense for the Corporation's benefit, beginning with the auction for the Bonds on April 1, 2008, the Corporation began submitting bids for all outstanding Bonds. On April 1, 2009, the Corporation tendered to the Bond Trustee all of the Bonds it owned on such date (\$47,000,000 in outstanding principal amount) for payment and cancellation. The

Bonds are currently outstanding in the amount of \$3,000,000. The Corporation expects that in the auction for the Bonds on April 7, 2009, it will submit a Buy Order for 100% of the remainder of the outstanding Bonds at a rate of 0.480%. The Corporation expects to purchase any Bonds allocated to the Corporation in the April 7, 2009, auction with funds of the Corporation.

The Corporation's interests in bidding for the Bonds are different from every other current or potential holder of the Bonds in that the Corporation wants the lowest possible interest rate on the Bonds.

As an indication of current interest rates, the Corporation notes that the SIFMA municipal swap index for April 1, 2009, was 0.480%.

Planned Redemption of Bonds

Reference is made to the notice filed by the Corporation with DisclosureUSA on March 24, 2009, relating to the Corporation's plan to redeem all Bonds outstanding no later than April 15, 2009. The Corporation's intent is to tender for payment and cancellation all Bonds that it owns on April 8, 2009, after the April 7, 2009, auction, and to provide for the redemption of all Bonds it does not own on April 8, 2009, on April 15, 2008. Notice of the redemption of Bonds has been given to the holders of the Bonds in accordance with the terms of the 2007 Indenture.

No auction for the Bonds will occur on April 14, 2009.

Investors who currently hold the Bonds should understand that pursuant to the bids to be submitted by the Corporation, the interest rate on the Bonds for the next Auction Period will be not more than 0.480% , and such investors should not place a hold order in unless they are prepared to hold the Bonds at such rate.

While the Corporation may purchase Bonds in the secondary market, it currently does not plan to offer to purchase Bonds directly from other holders.

Additional Financial Information Concerning the Corporation and Related Entities

The Bonds were sold initially on April 4, 2007, pursuant to an Official Statement dated March 20, 2007 (the "2007 Official Statement"). Since that date, the Corporation has filed certain limited information pursuant to its continuing disclosure obligations as described in the 2007 Official Statement. The Corporation is not providing any additional information regarding its business and affairs or financial performance and is not making any representations as to its current financial condition. The Corporation will provide a paper or electronic copy of the 2007 Official Statement, at no cost, to any person upon request submitted to Mike King at os_request@rhcc.com

ROCKINGHAM MEMORIAL HOSPITAL