

SUPPLEMENT TO OFFICIAL STATEMENT DATED DECEMBER 11, 2001

NEW ISSUE—BOOK-ENTRY ONLY

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Series 2001 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2001 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2001 Bonds. See "TAX MATTERS" herein.

\$197,615,000

California Infrastructure and Economic Development Bank

Revenue Bonds

(Kaiser Hospital Assistance I-LLC)

\$169,505,000 Series 2001A

\$28,110,000 Series 2001B

Dated: Date of Issuance

Due: August 1, 2031

The Series 2001A Bonds and Series 2001B Bonds (collectively, the "Series 2001 Bonds") will be issued in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Beneficial owners of the Series 2001 Bonds will not receive physical certificates representing the Series 2001 Bonds purchased but will receive a credit balance on the books of the nominee of such purchasers. Principal of, premium, if any, and interest on the Series 2001 Bonds will be paid by BNY Western Trust Company, as trustee (the "Bond Trustee"), to DTC, which, in turn, will be required to remit such principal, premium, if any, and interest to its participants for subsequent disbursement to the beneficial owners of the Series 2001 Bonds as described herein. See "THE SERIES 2001 BONDS—Book-Entry System" herein. Interest on the Series 2001 Bonds is payable on February 1 and August 1 of each year and on the maturity date thereof, commencing August 1, 2002. The Series 2001 Bonds are available in denominations of \$5,000 or any integral multiple thereof. The Series 2001 Bonds are subject to optional, mandatory and extraordinary redemption prior to their respective maturities as described herein. The purchase of the Series 2001 Bonds involves certain investment risks. See "BONDHOLDERS' RISKS" herein.

The Series 2001 Bonds are limited obligations of the California Infrastructure and Economic Development Bank (the "Issuer"), secured under the provisions of the Bond Indenture and the Loan Agreement, as described herein, and will be payable solely from Loan Repayments, as defined herein, made by Kaiser Hospital Assistance I-LLC (the "Borrower") under the Loan Agreement and from certain funds held under the Bond Indenture. As described herein, Loan Repayments are a limited obligation of the Borrower, payable solely from Facility Revenues, which generally consist of amounts payable to the Borrower by Kaiser Health Plan Asset Management, Inc. ("HPAMI") under the Lease Agreement, Construction Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing and the Purchase Agreement, each between the Borrower and HPAMI, and the Participation Agreement, among the Borrower, HPAMI, Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc. and Kaiser Hospital Asset Management, Inc., and by amounts payable to the Borrower by Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc. and Kaiser Hospital Asset Management, Inc. (collectively, the "Guarantors") under the Guarantee Agreement, all as described herein.

THE SERIES 2001 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE ISSUER, THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF CALIFORNIA OR ANY SUCH POLITICAL SUBDIVISION BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. NEITHER THE STATE OF CALIFORNIA NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2001 BONDS OR THE INTEREST OR ANY PREMIUM THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE LOAN AGREEMENT AND THE BOND INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE ISSUER, THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST OR ANY PREMIUM ON THE SERIES 2001 BONDS. THE ISSUANCE OF THE SERIES 2001 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

The Official Statement, dated November 30, 2001, contained certain inaccuracies. This Supplement contains revised information to correct these inaccuracies. This Supplement should be read in conjunction with the Official Statement, dated November 30, 2001.

This cover page contains information for general reference only. It is not intended as a summary of this transaction. Potential investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision.

MATURITY SCHEDULE

Series 2001A Bonds			
<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
August 1, 2031	\$169,505,000	5.55%	100%
Series 2001B Bonds			
<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
August 1, 2031	\$28,110,000	5½%	100%

The Series 2001 Bonds are offered when, as and if received by the Underwriter, subject to prior sale and to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Sacramento, California, Bond Counsel, the approval of certain matters for the Issuer by its counsel, Brooke Bassett, Esq., San Francisco, California, for the Borrower by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, for HPAMI and the Guarantors by their General Counsel, and for the Underwriter by its counsel, Sidley Austin Brown & Wood LLP, San Francisco, California. It is expected that the Series 2001 Bonds in book-entry form will be available for delivery to DTC in New York, New York, on or about December 13, 2001.

Salomon Smith Barney

Date: November 30, 2001

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, yield on the Series 2001 Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, yield on the Series 2001 Certificates is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such yield is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of yield on, the Series 2001 Certificates. See "TAX MATTERS" herein.

\$6,930,000

**California Infrastructure and Economic Development Bank
Capital Certificates
(Kaiser Hospital Assistance I-LLC)
Series 2001C**

Dated: Date of Delivery

Due: August 1, 2031

The Series 2001C Certificates (the "Series 2001 Certificates") will be issued in fully registered form only. The Series 2001 Certificates are available in denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof. Yield on the Series 2001 Certificates is payable on February 1 and August 1 of each year and on the maturity date thereof, commencing August 1, 2002. Yield on the Series 2001 Certificates is payable in lawful money of the United States by BNY Western Trust Company, as trustee (the "Trustee"), by mail or, in the case of any owner of \$1,000,000 or more in aggregate par value of Series 2001 Certificates, by wire transfer as described herein. The Series 2001 Certificates are subject to optional, mandatory and extraordinary redemption prior to their maturity as described herein. The purchase of the Series 2001 Certificates involves certain investment risks. See "RISK FACTORS" herein.

The Series 2001 Certificates are subject to optional tender for purchase on February 1, 2007, and on each fifth February 1 thereafter (or the next succeeding Business Day if such day is not a Business Day) (each a "Tender Date") at a purchase price equal to the par value of such Series 2001 Certificates, plus accrued yield to the Tender Date, if any (the "Purchase Price"), upon delivery to the Trustee at its Principal Office on or before 3:00 p.m., New York City time, on or before the immediately preceding August 1, of an irrevocable written notice electing to tender the Series 2001 Certificates for purchase, as described herein.

Funds for the purchase of Series 2001 Certificates that are tendered for purchase will be provided, first, from the proceeds of the remarketing of such Series 2001 Certificates and then, from funds provided by the Borrower pursuant to the Loan Agreement, as described herein. The obligation to purchase Series 2001 Certificates is not supported by a liquidity facility. The failure to purchase tendered Series 2001 Certificates constitutes an event of default under the Certificate Indenture.

Yield on the Series 2001 Certificates shall be determined by Salomon Smith Barney Inc., as remarketing agent (together with any successor remarketing agent, the "Remarketing Agent"), for each Interest Rate Period. "Interest Rate Period" means (i) initially, the period from the date of issuance of the Series 2001 Certificates to but excluding the next succeeding Tender Date and (ii) thereafter, the period from and including each Tender Date to but excluding the next succeeding Tender Date. The Series 2001 Certificates shall have a yield for the initial Interest Rate Period equal to 5¼%. The yield on the Series 2001 Certificates for each succeeding Interest Rate Period shall be equal to the minimum yield that, if borne by the Series 2001 Certificates during such Interest Rate Period, would enable the Remarketing Agent to sell the Series 2001 Certificates on the applicable Tender Date at a price (without regard to accrued yield) equal to the par value thereof, as more fully described herein.

As more fully described herein, the payment of the par value of and yield on the Series 2001 Certificates is subordinate to the payment of the Issuer's \$197,615,000 Revenue Bonds (Kaiser Hospital Assistance I-LLC) Series 2001A and Series 2001B.

The Series 2001 Certificates are limited obligations of the California Infrastructure and Economic Development Bank (the "Issuer"), secured under the provisions of the Certificate Indenture and Loan Agreement, as described herein, and will be payable solely from Loan Repayments, as defined herein, made by Kaiser Hospital Assistance I-LLC (the "Borrower") under the Loan Agreement and from certain funds held under the Certificate Indenture. As described herein, Loan Repayments are a limited obligation of the Borrower, payable solely from Facility Revenues that constitute "net assets" (as defined herein) of the Borrower and that are remaining after payment of interest and principal with respect to the Series 2001A Bonds and the Series 2001B Bonds. Facility Revenues generally consist of amounts payable to the Borrower by Kaiser Health Plan Asset Management, Inc. ("HPAMI") under the Lease Agreement, Construction Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing and the Purchase Agreement, each between the Borrower and HPAMI, and the Participation Agreement, among the Borrower, HPAMI, Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc. and Kaiser Hospital Asset Management, Inc., and by amounts payable to the Borrower by Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc. and Kaiser Hospital Asset Management, Inc. (collectively, the "Guarantors") under the Guarantee Agreement, all as described herein.

THE SERIES 2001 CERTIFICATES SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE ISSUER, THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF CALIFORNIA OR ANY SUCH POLITICAL SUBDIVISION BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. NEITHER THE STATE OF CALIFORNIA NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2001 CERTIFICATES, OR THE YIELD OR ANY PREMIUM THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE LOAN AGREEMENT AND THE CERTIFICATE INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE ISSUER, THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE YIELD OR ANY PREMIUM ON THE SERIES 2001 CERTIFICATES. THE ISSUANCE OF THE SERIES 2001 CERTIFICATES SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

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The Series 2001 Certificates are offered when, as and if received by the Underwriter, subject to prior sale and to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Sacramento, California, Bond Counsel, the approval of certain matters for the Issuer by its counsel, Brooke Bassett, Esq., San Francisco, California, for the Borrower by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, for HPAMI and the Guarantors by their General Counsel, and for the Underwriter by its counsel, Sidley Austin Brown & Wood LLP, San Francisco, California. It is expected that the Series 2001 Certificates will be available for delivery on or about December 13, 2001.

Salomon Smith Barney

Date: November 30, 2001