

**NEW ISSUE — BOOK ENTRY ONLY**



**\$79,145,000**  
**City of Oakland, California**  
**Insured Revenue Bonds**  
**(1800 Harrison Foundation)**  
**\$63,425,000 Series 1999A**  
**\$15,720,000 Series 1999B**

**Dated: October 1, 1999**

**Due: January 1, 2029**

The Series A Bonds and Series B Bonds (collectively, the "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 Bonds will not receive physical certificates representing the Bonds purchased, but will receive a credit balance on the books of the nominee of such purchasers. Principal of and premium, if any, and interest on the Bonds will be paid by BNY Western Trust Company, as trustee (the "Bond Trustee"), to DTC, which, in turn, will remit such principal and premium, if any, and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "THE BONDS — Book-Entry System" herein. Interest on the Bonds is payable on February 1 and August 1 of each year and on the maturity date thereof, commencing February 1, 2000. The Bonds are available in denominations of \$5,000 or any integral multiple thereof. The Bonds are subject to optional and extraordinary redemption prior to their respective maturities as described herein.

The Bonds are limited obligations of the City of Oakland, California (the "City"), secured under the provisions of the Bond Indenture and Loan Agreement, as described herein, and will be payable solely from Loan Repayments made by 1800 Harrison Foundation (the "Corporation") under the Loan Agreement, from payments made by the Corporation on the Series A Note and the Series B Note issued under the Note Indenture (all as described herein), and from certain funds held under the Bond Indenture. Payments of interest on the Series A Note and the Series B Note will secure payments of interest due on the Series A Bonds, the Series B Bonds and the Series A Taxable Bonds (described herein), on a parity basis. Payments of principal on the Series A Note will secure only the payments of principal due on the Series A Bonds and the Series A Taxable Bonds on a pro rata basis. Payments of principal on the Series B Note will secure only the payments of principal due on the Series B Bonds.

The scheduled payments of principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy issued by Ambac Assurance Corporation.

**Ambac**

THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE CITY, THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, 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 CITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE INTEREST OR ANY PREMIUM THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE LOAN AGREEMENT, THE NOTES AND THE BOND INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE CITY, 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 BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

See Appendix A — "Information Concerning Kaiser Permanente — Forward Looking Information" on page A-22 for a discussion of anticipated losses associated with the divestiture of certain affiliated Health Plan Organizations.

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 1999A Bonds			
<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
January 1, 2029	\$63,425,000	6%	6.07%

  

Series 1999B Bonds			
<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
January 1, 2029	\$15,720,000	6%	6.07%

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 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 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 Bonds. See "Tax Matters" herein.

The Bonds are offered when, as and if received by the Underwriters, 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 City by the City Attorney, for the Corporation by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, for Kaiser Foundation Health Plan, Inc. and the Guarantors by their Senior Vice President and General Counsel, and for the Underwriters by their Counsel, Broner & Wood LLP, San Francisco, California. It is expected that the Bonds in book-entry form will be available for delivery to DTC in New York, New York, on or about November 9, 1999.

**MORGAN STANLEY DEAN WITTER**

**SALOMON SMITH BARNEY**

Date: October 15, 1999



**\$27,000,000**  
**City of Oakland, California**  
**Insured Revenue Bonds**  
**(1800 Harrison Foundation)**  
**Series 1999A Taxable**

Dated: October 1, 1999

Due: January 1, 2029

The Series 1999A Taxable Bonds (the "Bonds") will be issued in fully registered form only. Interest on the Bonds is payable on February 1 and August 1 of each year and on the maturity date thereof, commencing February 1, 2000. The Bonds are available in denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof. The Bonds are subject to optional and extraordinary redemption prior to their maturity as described herein.

The Bonds are limited obligations of the City of Oakland, California (the "City"), secured under the provisions of the Bond Indenture and Loan Agreement, as described herein, and will be payable solely from Loan Repayments made by 1800 Harrison Foundation (the "Corporation") under the Loan Agreement, from payments made by the Corporation on the Series A Note and Series B Note issued under the Note Indenture (all as described herein) and from certain funds held under the Bond Indenture. Payments of interest on the Series A Note and the Series B Note will secure payments of interest due on the Bonds, the Series A Bonds and the Series B Bonds (described herein), on a parity basis. Payments of principal due on the Series A Note will secure only the payments of principal due on the Bonds and the Series A Bonds, on a pro rata basis. Payments of principal on the Series B Note will secure only the payments of principal due on the Series B Bonds.

The scheduled payments of principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy issued by Ambac Assurance Corporation.

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THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE CITY, THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, 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 CITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE INTEREST OR ANY PREMIUM THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE LOAN AGREEMENT, THE NOTES AND THE BOND INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE CITY, 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 BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

The Bonds have not been registered under the Securities Act of 1933, as amended, and are being offered only to (1) qualified institutional buyers under Rule 144A and (2) a limited number of institutional accredited investors. The Bonds are subject to certain restrictions on transfer. Under certain conditions, such transfer restrictions may be removed. See "Transfer Restrictions" herein.

See Appendix A — "Information Concerning Kaiser Permanente — Forward Looking Information" on page A-22 for a discussion of anticipated losses associated with the divestiture of certain affiliated Health Plan Organizations.

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 Offering Memorandum to obtain information essential to making an informed investment decision.

### MATURITY SCHEDULE

<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
January 1, 2029	\$27,000,000	8 5/8%	8.66%

The Bonds are offered when, as and if received by the Initial Purchasers, 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 City by the City Attorney, for the Corporation by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, for Kaiser Foundation Health Plan, Inc. and the Guarantors by their Senior Vice President and General Counsel, and for the Initial Purchasers by their Counsel, Brown & Wood LLP, San Francisco, California. The Initial Purchasers expect to deliver the Bonds to purchasers on or about November 9, 1999.

MORGAN STANLEY DEAN WITTER

SALOMON SMITH BARNEY

Date: October 15, 1999