

Subject to compliance by the Authority and the Institution with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Series 2004 Bonds is not includable in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Series 2004 Bonds is not exempt from present Illinois income taxes. See "TAX EXEMPTION" for a more complete discussion.

\$73,390,000

ILLINOIS FINANCE AUTHORITY
Student Housing Revenue Bonds,
MJH Education Assistance Illinois IV LLC
(Fullerton Village Project), Series 2004

\$58,340,000
Senior Series 2004A

\$15,050,000
Subordinate Series 2004B

Dated: Date of Issuance

Due: See Inside Cover Page

The \$73,390,000 Illinois Finance Authority Student Housing Revenue Bonds, MJH Education Assistance Illinois IV LLC (Fullerton Village Project), Series 2004 (the "Series 2004 Bonds"), consists of two series of bonds: \$58,340,000 Student Housing Revenue Bonds, MJH Education Assistance Illinois IV LLC (Fullerton Village Project), Senior Series 2004A (the "Series 2004A Bonds"), and \$15,050,000 Student Housing Revenue Bonds, MJH Education Assistance Illinois IV LLC (Fullerton Village Project), Subordinate Series 2004B (the "Series 2004B Bonds"). The proceeds of the Series 2004 Bonds will be loaned by the Illinois Finance Authority (the "Authority") to MJH Education Assistance Illinois IV LLC, an Illinois limited liability company (the "Institution"), pursuant to a Loan Agreement, Mortgage and Security Agreement, dated as of December 1, 2004 (the "Mortgage"), and will be used by the Institution for the purpose of (i) financing the acquisition of student housing facilities (the "Project"), (ii) funding capitalized interest on the Series 2004 Bonds through and including February 15, 2007, (iii) funding an initial deposit for the operations and maintenance of, and a capital maintenance reserve for, the Project, (iv) funding debt service reserve accounts for the benefit of the Series 2004A Bonds and the Series 2004B Bonds, and (v) paying certain costs relating to the issuance of the Series 2004 Bonds and to the financing of the Project. For additional information, see "THE PROJECT."

The Series 2004 Bonds will be issuable as fully registered bonds without coupons and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Series 2004 Bonds. Individual purchases may be made in book-entry-only form, in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in the Series 2004 Bonds purchased. See "THE SERIES 2004 BONDS - Book-Entry-Only System."

Interest on the Series 2004 Bonds is payable semiannually on each June 1 and December 1 of each year, beginning on June 1, 2005, to the registered Owners thereof as of the fifteenth day of the month immediately preceding the month in which an interest payment is due (the "Record Date") by check or draft or by wire transfer to any Owner of at least \$1,000,000 in aggregate principal amount of the Series 2004 Bonds upon written request from such owner as of the close of business of U.S. Bank National Association, St. Paul, Minnesota as trustee (the "Trustee"), on the Record Date for a particular interest payment date. Interest on the Series 2004 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal of and premium, if any, on the Series 2004 Bonds is payable at the principal corporate trust office of the Trustee, or any alternate paying agent appointed under the Trust Indenture, dated as of December 1, 2004 (the "Indenture"), between the Authority and the Trustee. Principal of, premium, if any, and interest on the Series 2004 Bonds will be paid by the Trustee directly to DTC, as long as DTC or its nominee is the registered owner of the Series 2004 Bonds. Disbursement of such payments to the participants of DTC will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the beneficial owners of the Series 2004 Bonds will be the responsibility of the participants of DTC.

The Series 2004 Bonds are also subject to mandatory sinking fund, special mandatory, optional and extraordinary optional redemption prior to maturity as described herein. See "THE BONDS - Redemption."

The Series 2004 Bonds are limited obligations of the Authority, payable solely from the payments on the Series 2004 Notes (as hereinafter defined), from amounts payable under the Mortgage and from certain funds and accounts pledged to the Trustee under the Indenture. Under the terms of the Mortgage, the Institution will pay the Authority amounts sufficient to enable the Authority to pay the principal of, redemption premium, if any, and interest on the Series 2004 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2004 BONDS."

THE SERIES 2004 BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FULL FAITH OR A LOAN OF CREDIT OF THE AUTHORITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2004 BONDS AND OTHER COSTS INCIDENTAL THERETO ONLY FROM THE SOURCES SPECIFIED IN THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS, IF ANY, OF THE AUTHORITY OR THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2004 BONDS OR OTHER COSTS INCIDENTAL THERETO, EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE. NO OWNER OF ANY SERIES 2004 BONDS SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2004 BONDS. THE AUTHORITY DOES NOT HAVE THE POWER TO LEVY TAXES FOR ANY PURPOSES WHATSOEVER.

THIS COVER PAGE CONTAINS ONLY A SUMMARY OF INFORMATION REGARDING THE SERIES 2004 BONDS. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY FOR OR TERMS OF THE SERIES 2004 BONDS.

INVESTMENT IN THE SERIES 2004 BONDS INVOLVES SIGNIFICANT RISK. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE SECTION ENTITLED "BONDHOLDERS' RISKS" TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2004 Bonds are offered when, as and if issued by the Authority and received by Underwriters, subject to prior sale, to withdrawal or modification of the offer without any notice, and subject to the approval of the legality of the Series 2004 Bonds by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its special counsel, Freebarn & Peters LLP, Chicago, Illinois, for the Institution by its counsel, Davis Wright Tremaine LLP, Los Angeles, California, and Evans, Froehlich, Beth & Chamley, Champaign, Illinois, and for the Underwriters by their counsel, Mayer, Brown, Rowe & Maw LLP, Chicago, Illinois. It is expected that the Series 2004 Bonds will be available for delivery in New York, New York on or about December 15, 2004.

Citigroup

Lehman Brothers

DATED: December 9, 2004

PRIVATE PLACEMENT MEMORANDUM

Subject to compliance by the Authority and, the Institution with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Series 2004C Bonds is not includible in gross income of the owners thereof for federal income tax purposes, and, therefore, is exempt from present federal income taxation, except to the extent that such interest is taken into account in computing the alternative minimum tax. Interest on the Series 2004C Bonds is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal tax consequences of owning the Series 2004C Bonds. Interest on the Series 2004C Bonds is not exempt from present Illinois income taxes.

NEW ISSUE

RATING: No rating has been sought for the Series 2004C Bonds.

\$13,800,000

**ILLINOIS FINANCE AUTHORITY
STUDENT HOUSING REVENUE BONDS,
MJH EDUCATION ASSISTANCE ILLINOIS IV LLC
(FULLERTON VILLAGE PROJECT), JUNIOR SUBORDINATE SERIES 2004C**

Dated: Date of Issuance

Due: June 1, 2035

The \$13,800,000 Illinois Finance Authority Student Housing Revenue Bonds, MJH Education Assistance Illinois IV LLC (Fullerton Village Project), Junior Subordinate Series 2004C (the "Series 2004C Bonds") will be issued by the Illinois Finance Authority (the "Authority"). See "INTRODUCTION" included as a part of the Official Statement which is attached as Exhibit A to this Private Placement Memorandum. The Series 2004C Bonds will be privately placed with Smithfield Properties XXX L.L.C., an Illinois limited liability company ("SF30") (an entity affiliated with Smithfield Properties XXXV L.L.C., an Illinois limited liability company (the "Developer")). The Authority and the Institution will receive no cash from the issuance of the Series 2004C Bonds. See "INTRODUCTION - General."

The Series 2004C Bonds will be issued pursuant to the Trust Indenture, dated as of December 1, 2004 (the "Indenture"), between the Authority and U.S. Bank National Association, St. Paul, Minnesota, as trustee (the "Trustee"). In connection with the issuance of the Series 2004C Bonds, the Authority will enter into a Loan Agreement, Mortgage and Security Agreement, dated as of December 1, 2004 (the "Mortgage"), with MJH Education Assistance Illinois IV LLC, an Illinois limited liability company (the "Institution"), pursuant to which the Institution agrees to issue to the Authority the Institution's Mortgage Note, Junior Subordinate Series 2004C (the "Series 2004C Note"). The Institution will receive no cash from the issuance of the Series 2004C Bonds.

The Series 2004C Bonds will be issuable as fully registered bonds without coupons in denominations of \$1,000,000 and integral multiples of \$5000 in excess thereof. The Series 2004C Bonds will be issued in certificated form and will not be available in book-entry form.

The Series 2004C Bonds will bear interest at 8.50% per annum and shall mature on June 1, 2035. Interest on the Series 2004C Bonds is payable annually on each June 1, commencing on the initial June 1 (other than a Special Interest Payment Date) upon which the Trustee is permitted to make payments on the Series 2004C Bonds from moneys in the Residual Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2004 BONDS - Application of Revenues" included as a part of the Official Statement which is attached as Exhibit A to this Private Placement Memorandum. If moneys are paid out of the Project Fund in connection with the Project Completion Closing on or prior to August 15, 2006, all moneys remaining in the Capitalized Interest Subaccount of the Series 2004A Interest Account and the Capitalized Interest Subaccount of the Series 2004B Interest Account in excess of the amounts necessary to pay interest on the Series 2004A Bonds and the Series 2004B Bonds on December 1, 2006 shall be transferred to the Capitalized Interest Subaccount of the Series 2004C Interest Account and used to pay interest on the Series 2004C Bonds as soon as practicable following the Project Completion Closing (a "Special Interest Payment Date"). Otherwise interest is not expected to be paid on the Series 2004C Bonds until June 1, 2007.

If the Project Completion Closing does not occur on or before June 1, 2007, the Series 2004C Bonds will be cancelled and deemed discharged. See "BONDHOLDERS' RISKS - Consequences of Failure to Achieve Timely Completion of the Project."

Interest and principal on the Series 2004C Bonds is payable only as and to the extent that there are sufficient moneys in the Residual Fund to make deposits into the Series 2004C Interest Account of the Bond Fund and the Series 2004C Redemption Account of the Bond Fund. See "THE SERIES 2004 BONDS" herein and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2004 BONDS - Application of Revenues" included as a part of the Official Statement which is attached as Exhibit A to this Private Placement Memorandum.

The Series 2004C Bonds shall not bear interest on overdue and unpaid interest.

Interest on the Series 2004C Bonds is payable to the registered Owners thereof as of the fifteenth day of the month immediately preceding the month in which an interest payment is due (the "Record Date") by check mailed by the Trustee (as defined herein) to the registered Owners thereof or by wire transfer to any requesting registered Owner as of the close of business of U.S. Bank National Association, St. Paul, Minnesota, as trustee (the "Trustee"), on the Record Date for a particular interest payment date. Interest on the Series 2004C Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Series 2004C Bonds is payable at the principal corporate trust office of the Trustee, or at the principal corporate trust office of any successor trustee or additional paying agent appointed under the Trust Indenture, dated as of December 1, 2004 (the "Indenture"), between the Authority and the Trustee.

The Series 2004C Bonds are subject to extraordinary optional redemption prior to maturity as described herein. See "THE SERIES 2004C BONDS - Redemption."

The Series 2004C Bonds are limited obligations of the Authority, payable solely from the payments to be made on the Series 2004C Note (as hereinafter defined), from amounts payable under the Mortgage and from certain funds and accounts pledged to the Trustee under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2004 BONDS" included as a part of the Official Statement which is attached as Exhibit A to this Private Placement Memorandum.

THE SERIES 2004C BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FULL FAITH OR A LOAN OF CREDIT OF THE AUTHORITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2004C BONDS AND OTHER COSTS INCIDENTAL THERETO ONLY FROM THE SOURCES SPECIFIED IN THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS, IF ANY, OF THE AUTHORITY OR THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2004C BONDS OR OTHER COSTS INCIDENTAL THERETO, EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE. NO OWNER OF ANY SERIES 2004C BONDS SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2004C BONDS. THE AUTHORITY DOES NOT HAVE THE POWER TO LEVY TAXES FOR ANY PURPOSES WHATSOEVER.

THE SERIES 2004C BONDS ARE SUBJECT TO A SIGNIFICANT DEGREE OF RISK AND ARE HIGHLY SPECULATIVE. THE SERIES 2004C BONDS ARE SUITABLE FOR INVESTMENT CONSIDERATION ONLY FOR THOSE PURCHASERS WHO ARE SOPHISTICATED AND EXPERIENCED IN THE FIELD OF HIGH YIELD BONDS PAYABLE ONLY FROM, ON A FULLY SUBORDINATED BASIS, RENTAL INCOME FROM THE PROJECT. NO RATING FOR THE SERIES 2004C BONDS HAS BEEN APPLIED FOR.

ACQUISITION OR PURCHASE OF THE SERIES 2004C BONDS IS CONTINGENT UPON THE EXECUTION AND DELIVERY BY THE PURCHASER OF AN "INVESTOR LETTER," IN THE FORM ATTACHED AS EXHIBIT B AND IN SUBSTANCE SATISFACTORY TO THE TRUSTEE TO THE EFFECT THAT (A) THE ACQUISITION OR PURCHASE OF THE SERIES 2004C BONDS WILL BE SOLELY FOR INVESTMENT PURPOSES, (B) THE PURCHASER IS A SOPHISTICATED INVESTOR AND CAN BEAR THE ECONOMIC RISKS OF ITS INVESTMENT IN THE SERIES 2004C BONDS, (C) THE PURCHASER HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL BUSINESS MATTERS IN GENERAL AND TAX-EXEMPT OBLIGATIONS IN PARTICULAR, THAT IT IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF PURCHASING THE SERIES 2004C BONDS, (D) ALTHOUGH THE PURCHASER DOES NOT INTEND AT THIS TIME TO DISPOSE OF ALL OR ANY PART OF THE SERIES 2004C BONDS THE PURCHASER ACKNOWLEDGES THAT IT HAS THE RIGHT TO SELL AND TRANSFER THE SERIES 2004C BONDS ONLY IN DENOMINATIONS OF \$1,000,000 OR MULTIPLES OF \$5,000 IN EXCESS THEREOF TO ACCREDITED INVESTORS AFTER THE PROJECT FUND HAS BEEN RELEASED AT THE PROJECT COMPLETION CLOSING (WITH THE PURCHASER HAVING THE RIGHT TO TRANSFER THE SERIES 2004C BONDS TO ENTITIES AFFILIATED WITH THE INITIAL PURCHASER), (E) THE TRANSFERS DESCRIBED IN (D) ABOVE ARE SUBJECT TO THE EXECUTION AND DELIVERY OF AN INVESTOR LETTER TO THE SAME EFFECT AS THE INITIAL INVESTOR LETTER AND IF THE TRANSFEREE IS NOT AN ENTITY AFFILIATED WITH THE INITIAL PURCHASER, THE INVESTOR LETTER SHALL CONTAIN AN ADDITIONAL CERTIFICATION THAT THE TRANSFEREE IS AN ACCREDITED INVESTOR, AND (F) THE PURCHASER HAS MADE THE DECISION TO PURCHASE THE SERIES 2004C BONDS BASED ON ITS OWN INDEPENDENT INVESTIGATION REGARDING THE SERIES 2004C BONDS, THE INSTITUTION, AND THE PROJECT AND HAS RECEIVED THE INFORMATION IT CONSIDERS NECESSARY TO MAKE AN INFORMED DECISION TO INVEST IN THE SERIES 2004C BONDS, WITHOUT ANY RELIANCE UPON THE PLACEMENT AGENT, THE AUTHORITY, THE INSTITUTION AND THEIR RESPECTIVE COUNSEL.

The Series 2004C Bonds will be issued and delivered subject to the approval of the legality of the Series 2004C Bonds by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its special counsel, Freeborn & Peters LLP, Chicago, Illinois, for the Institution by its counsel, Davis, Wright Tremaine LLP, Los Angeles, California, and Evans, Froehlich, Beth & Chamley, Champaign, Illinois, Illinois and for the Placement Agent by its counsel, Mayer, Brown, Rowe & Maw LLP, Chicago, Illinois. It is expected that the Series 2004C Bonds will be issued and delivered on or about December 15, 2004.

Citigroup

Dated: December 9, 2004