

\$17,960,000

ILLINOIS EDUCATIONAL FACILITIES
AUTHORITY REVENUE BONDS,
MJH EDUCATION ASSISTANCE
ILLINOIS I LLC,
SERIES 1998A

Dated: September 1, 1998

\$2,690,000

ILLINOIS EDUCATIONAL FACILITIES
AUTHORITY REVENUE BONDS,
MJH EDUCATION ASSISTANCE
ILLINOIS I LLC,
SERIES 1998BSeries 1998A Bonds Due: September 1, 2023*
Series 1998B Bonds Due: September 1, 2028*

The Illinois Educational Facilities Authority Revenue Bonds, MJH Education Assistance Illinois I LLC, Series 1998A (the "Series 1998A Bonds") and the Illinois Educational Facilities Authority Revenue Bonds, MJH Education Assistance Illinois I LLC, Series 1998B (the "Series 1998B Bonds" and with the Series 1998A Bonds, the "Series 1998 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 1998 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 1998 Bonds purchased. See "BOOK-ENTRY-ONLY SYSTEM."

Interest on the Series 1998 Bonds is payable semiannually on each March 1 and September 1 of each year beginning on March 1, 1999, 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 by wire transfer to any Owner of at least \$1,000,000 in aggregate principal amount of the Series 1998 Bonds as of the close of business of LaSalle National Bank, Chicago, Illinois, as trustee (the "Trustee") on the Record Date for a particular interest payment date. Interest on the Series 1998 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Series 1998 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 September 1, 1998 (the "Indenture"), between the Illinois Educational Facilities Authority (the "Authority") and the Trustee. Principal of, premium, if any, and interest on the Series 1998 Bonds will be paid by the Trustee directly to DTC, as long as DTC or its nominee is the registered owner of the Series 1998 Bonds. Disbursement of such payment 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 1998 Bonds will be the responsibility of the participants of DTC.

The Series 1998A Bonds will bear interest at 4.05% per annum until September 1, 2003 (the "Mandatory Tender Date"). The Series 1998B Bonds will bear interest at 4.05% per annum until the Mandatory Tender Date. Salomon Smith Barney, New York, New York, appointed as the Indexing Agent pursuant to the Indenture (the "Indexing Agent"), is required by the Indenture to establish an interest rate or rates for the Series 1998 Bonds not later than August 15, 2003, to be effective on the Mandatory Tender Date. The interest rate or rates so determined by the Indexing Agent will remain in effect to the respective final maturity dates for the Series 1998 Bonds.

SERIES 1998 BONDS PRICE: 100%

Payment of the principal of and interest on the Series 1998 Bonds when due will be insured through a municipal bond insurance policy (the "Bond Insurance Policy") to be issued by Ambac Assurance Corporation ("Ambac Assurance") simultaneously with the delivery of the Series 1998 Bonds. Additionally, Ambac Assurance will enter into a Standby Property Purchase Agreement dated as of September 1, 1998, with the Institution (defined below) (the "Standby Property Purchase Agreement"), whereby Ambac Assurance will, under certain conditions, purchase the Institution's interest in the Acquisition Projects (defined below) on the Mandatory Tender Date for an amount equal to 100% of the principal amount of the Series 1998 Bonds then outstanding (the "Tender Price"). If, for whatever reason, the Institution does not sell and convey the Acquisition Projects to Ambac Assurance on the Mandatory Tender Date pursuant to the Standby Property Purchase Agreement, Ambac Assurance will issue, on the date of original issuance of the Series 1998 Bonds, its Surety Bond (the "Mandatory Tender Surety Bond") to the Trustee which will enable the Trustee to draw an amount sufficient to pay the Tender Price when due on the Mandatory Tender Date.

Ambac

See "THE BOND INSURANCE POLICY AND THE BOND INSURER" and "THE SERIES 1998 BONDS — STANDBY PROPERTY PURCHASE AGREEMENT; MANDATORY TENDER SURETY BOND" herein.

The Series 1998 Bonds are subject to mandatory tender and purchase on the Mandatory Tender Date for an amount equal to the Tender Price. The Series 1998 Bonds are also subject to mandatory sinking fund redemption and optional, mandatory and extraordinary optional redemption prior to maturity as described herein. Unless the Series 1998 Bonds have been redeemed in whole on or prior to the Mandatory Tender Date, the Series 1998 Bonds will be remarketed on the Mandatory Tender Date. Salomon Smith Barney has been appointed as the initial remarketing agent (the "Remarketing Agent").

The Series 1998 Bonds are being issued to finance the costs of (i) the Institution's acquisition from the University of an interest consisting of an estate for forty (40) years in, and renovation of, certain properties (the "Acquisition Projects") by MJH Education Assistance Illinois I LLC, an Illinois limited liability company organized for nonprofit purposes (the "Institution"), as more fully described herein, following which the Institution will lease the Acquisition Projects to the University pursuant to the Lease Agreement dated as of September 1, 1998, between the Institution and the University (the "Acquisition Projects Lease"), and (ii) paying certain costs of issuance of the Series 1998 Bonds, including paying to Ambac Assurance the premium for the Bond Insurance Policy, the Standby Property Purchase Agreement and the Mandatory Tender Surety Bond.

The Series 1998A Bonds and the Series 1998B Bonds are limited obligations of the Authority, payable solely from the payments to be made on the First Mortgage Note, Series 1998A (the "Series 1998A Note") and the First Mortgage Note, Series 1998B (the "Series 1998B Note"), respectively, of the Institution issued pursuant to the Loan Agreement, Mortgage and Security Agreement dated as of September 1, 1998, between the Authority and the Institution (the "Mortgage"), from amounts payable under the Mortgage, and from certain funds pledged under the Indenture, on an equal and ratable basis, respectively, except as provided in the Indenture (see APPENDIX D — "Definitions of Certain Terms and Summary of Principal Documents — SUMMARY OF PRINCIPAL DOCUMENTS — THE INDENTURE — DEFAULTS AND REMEDIES — Application of Moneys"), all as described herein. The Series 1998A Note will be a limited recourse obligation of the Institution payable solely and only from the Mortgaged Property, including the rentals under the Acquisition Projects Lease, and from any available amounts held by the Trustee established under the Indenture (other than the Rebate Fund, the Purchase Fund and the University Projects Fund). The Series 1998B Note will be a general unlimited obligation of the Institution. THE SERIES 1998 BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE AUTHORITY OR OF THE STATE OF ILLINOIS WITHIN THE MEANING OF THE PROVISIONS OF THE CONSTITUTION OR STATUTES OF THE STATE OF ILLINOIS OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE AUTHORITY OR OF THE STATE OF ILLINOIS OR GRANT TO THE OWNERS THEREOF ANY RIGHT TO HAVE THE AUTHORITY OR THE GENERAL ASSEMBLY OF THE STATE OF ILLINOIS LEVY ANY TAXES OR APPROPRIATE ANY FUNDS FOR THE PAYMENT THEREOF.

THIS COVER PAGE CONTAINS ONLY A SUMMARY OF INFORMATION REGARDING THE SERIES 1998 BONDS. POTENTIAL INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE SECTION ENTITLED "BONDHOLDERS' RISKS," PRIOR TO MAKING AN INVESTMENT DECISION.

Subject to compliance by the Authority, the Institution and DePaul University (the "University") with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under present law, interest on the Series 1998 Bonds will not be 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 corporate alternative minimum tax and the branch profits tax. Interest on the Series 1998 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 1998 Bonds. Interest on the Series 1998 Bonds is not exempt from present Illinois income taxes.

The Series 1998 Bonds are offered when, as and if issued by the Authority and received by Salomon Smith Barney, 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 1998 Bonds by Chapman and Cutler, Chicago, Illinois, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its general counsel, Burditt & Radtke, Chartered, Chicago, Illinois, for the Institution by its counsel, Peck, Shaffer & Williams, Cincinnati, Ohio, for the University by its counsel, Sonnenschein Nath & Rosenthal, Chicago, Illinois, and for the Underwriter by its counsel, Baker & Daniels, Indianapolis, Indiana. It is expected that the Series 1998 Bonds will be available for delivery in New York, New York on or about October 21, 1998.

Salomon Smith Barney

DATED: October 1, 1998

*The Series 1998 Bonds are subject to mandatory sinking fund redemption as described herein.