

**NEW ISSUE-BOOK ENTRY ONLY**

**\$13,015,000**

**ILLINOIS EDUCATIONAL FACILITIES  
AUTHORITY REVENUE BONDS,  
MJH EDUCATION ASSISTANCE  
ILLINOIS II LLC,  
SERIES 1999A**

Dated: July 15, 1999

RATINGS: (See "Description of Bond Ratings" herein)

**\$4,005,000**

**ILLINOIS EDUCATIONAL FACILITIES  
AUTHORITY REVENUE BONDS,  
MJH EDUCATION ASSISTANCE  
ILLINOIS II LLC,  
SERIES 1999B**

Series 1999A Bonds Due: September 1, 2024\*

Series 1999B Bonds Due: September 1, 2029\*

The Illinois Educational Facilities Authority Revenue Bonds, MJH Education Assistance Illinois II LLC, Series 1999A (the "Series 1999A Bonds") and the Illinois Educational Facilities Authority Revenue Bonds, MJH Education Assistance Illinois II LLC, Series 1999B (the "Series 1999B Bonds" and with the Series 1999A Bonds, the "Series 1999A and B 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 1999A and B 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 1999A and B Bonds purchased. See "BOOK-ENTRY-ONLY SYSTEM."

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

The Series 1999A Bonds will bear interest at 4.625% per annum until September 1, 2004 (the "Mandatory Tender Date"). The Series 1999B Bonds will bear interest at 4.625% 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 1999A and B Bonds not later than August 15, 2004, 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 1999A and B Bonds.

**SERIES 1999A AND B BONDS PRICE: 100%**

Payment of the principal of and interest on the Series 1999A and B 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 1999A and B Bonds. Additionally, Ambac Assurance will enter into a Standby Property Purchase Agreement dated as of June 1, 1999, with the Institution (defined below) (the "Standby Property Purchase Agreement"), whereby Ambac Assurance will, under certain conditions, purchase the Institution's interest in the Munroe Project (defined below) on the Mandatory Tender Date for an amount equal to 100% of the principal amount of the Series 1999A and B Bonds and the Series 1999C Bonds (as defined herein) then outstanding (the "Tender Price"). In order to provide for a circumstance where, for whatever reason, the Institution does not sell and convey the Munroe Project to Ambac Assurance on the Mandatory Tender Date pursuant to the Standby Property Purchase Agreement, Ambac Assurance will issue to the Trustee, on the date of original issuance of the Series 1999A and B Bonds, its Surety Bond (the "Mandatory Tender Surety Bond") 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 1999A AND B BONDS — STANDBY PROPERTY PURCHASE AGREEMENT; MANDATORY TENDER SURETY BOND" herein.

The Series 1999A and B Bonds and the Series 1999C Bonds are subject to mandatory tender and purchase on the Mandatory Tender Date for an amount equal to the Tender Price. The Series 1999A and B 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 1999A and B Bonds have been redeemed in whole or prior to the Mandatory Tender Date, the Series 1999A and B 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 1999A and B Bonds are being issued to finance a portion of the costs of (i) the acquisition from DePaul University (the "University") and renovation of, including an addition to, an existing student residence facility (the "Munroe Building") and the acquisition from the University of a leasehold interest for approximately forty (40) years in the land (the "Munroe Land") underlying said Munroe Building (collectively, the "Munroe Project"), by MJH Education Assistance Illinois II LLC, an Illinois limited liability company organized for nonprofit purposes (the "Institution"), as more fully described herein, following which the Institution will lease the Munroe Project to the University pursuant to the Lease Agreement dated as of June 1, 1999, with terms commencing respectively on (a) June 1, 1999 (the "Initial Munroe Project Lease") and (b) August 15, 2000 (the "Long Term Munroe Project Lease"), between the Institution and the University (collectively, the "Munroe Project Lease"), (ii) paying certain capitalized interest on the Series 1999A and B Bonds and (iii) paying certain costs of issuance of the Series 1999A and B 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 1999A Bonds and the Series 1999B Bonds are limited obligations of the Authority, payable solely from the payments to be made on the First Mortgage Note, Series 1999A (the "Series 1999A Note") and the First Mortgage Note, Series 1999B (the "Series 1999B Note" and with the Series 1999A Note, the "Series 1999A and B Notes"), of the Institution issued pursuant to the Loan Agreement, Mortgage and Security Agreement dated as of June 1, 1999, 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 (see APPENDIX D - "Definitions of Certain Terms and Summary of Principal Documents — SUMMARY OF PRINCIPAL DOCUMENTS — THE INDENTURE — DEFAULTS AND REMEDIES — Application of Money"), all as described herein. The Series 1999A and B Notes will be limited recourse obligations of the Institution payable solely and only from the Mortgaged Property, including the rentals under the Munroe Project Lease, and from any available amounts held by the Trustee established under the Indenture (other than amounts in the Rebate Fund, the Purchase Fund and the University Projects Fund). THE SERIES 1999A AND B BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE AUTHORITY OR OF THE STATE OF ILLINOIS OR OF THE STATE OF ILLINOIS 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 1999A AND B 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 the University with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under present law, interest on the Series 1999A and B 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 corporate alternative minimum tax and the branch profits tax. Interest on the Series 1999A and B 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 1999A and B Bonds. Interest on the Series 1999A and B Bonds is not exempt from present Illinois income taxes.

The Series 1999A and B 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 1999A and B 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, Arnstein & Lehr, Chicago, Illinois, for the Institution by its counsel, Akre, Bryan & Malin, LLP, Los Angeles, California, for the University by its counsel, Sonnenstein Nath & Rosenthal, Chicago, Illinois, and for the Underwriter by its counsel, Peck, Shaffer & Williams LLP, Cincinnati, Ohio. It is expected that the Series 1999A and B Bonds will be available for delivery in New York, New York on or about August 4, 1999.

**Salomon Smith Barney**

DATED: July 21, 1999

\*The Series 1999A and B Bonds are subject to mandatory sinking fund redemption as described herein.

\$600,000

**ILLINOIS EDUCATIONAL FACILITIES  
AUTHORITY REVENUE BONDS,  
MJH EDUCATION ASSISTANCE  
ILLINOIS II LLC, SERIES 1999C**

Dated: July 15, 1999

Due: September 1, 2029\*

The Illinois Educational Facilities Authority Revenue Bonds, MJH Education Assistance Illinois II LLC, Series 1999C (the "Series 1999C Bonds"), will be issuable as fully registered bonds without coupons in minimum denominations of \$100,000. The Series 1999C Bonds are being sold only to Accredited Investors (as defined herein) and are not eligible for book-entry registration.

Interest on the Series 1999C Bonds is payable semiannually on March 1 and September 1 of each year beginning on September 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 mailed to the registered Owners thereof or by wire transfer to any requesting registered Owner as of the close of business of LaSalle Bank National Association, Chicago, Illinois, as trustee (the "Trustee"), on the Record Date for a particular interest payment date. Interest on the Series 1999C Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Series 1999C 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 June 1, 1999 (the "Indenture"), between the Illinois Educational Facilities Authority (the "Authority") and the Trustee.

The Series 1999C Bonds will bear interest at 7.65% per annum until September 1, 2004 (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 1999C Bonds not later than August 15, 2004, 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 final maturity date for the Series 1999C Bonds.

**SERIES 1999C BONDS PRICE: 100%**

Ambac Assurance Corporation ("Ambac Assurance") will enter into a Standby Property Purchase Agreement dated as of June 1, 1999, with the Institution (defined below) (the "Standby Property Purchase Agreement"), whereby Ambac Assurance will, under certain conditions, purchase the Institution's interest in the Munroe Project (defined below) on the Mandatory Tender Date for an amount equal to 100% of the principal amount of the Series 1999A and B Bonds (as defined herein) and the Series 1999C Bonds then outstanding (the "Tender Price"). In order to provide for a circumstance where, for whatever reason, the Institution does not sell and convey the Munroe Project to Ambac Assurance on the Mandatory Tender Date pursuant to the Standby Property Purchase Agreement, Ambac Assurance will issue to the Trustee, on the date of original issuance of the Series 1999A and B Bonds and the Series 1999C Bonds, its Surety Bond (the "Mandatory Tender Surety Bond") which will enable the Trustee to draw an amount sufficient to pay the Tender Price when due on the Mandatory Tender Date.

The Series 1999A and B Bonds and the Series 1999C Bonds are subject to mandatory tender and purchase on the Mandatory Tender Date for an amount equal to the Tender Price. The Series 1999C 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 1999C Bonds have been redeemed in whole on or prior to the Mandatory Tender Date, the Series 1999C 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 1999C Bonds are being issued to finance a portion of the costs of (i) the acquisition from DePaul University (the "University") and renovation of, including an addition to, an existing student residence facility (the "Munroe Building") and the acquisition from the University of a leasehold interest for approximately forty (40) years in the land (the "Munroe Land") underlying said Munroe Building (collectively, the "Munroe Project"), by MJH Education Assistance Illinois II LLC, an Illinois limited liability company organized for nonprofit purposes (the "Institution"), as more fully described herein, following which the Institution will lease the Munroe Project to the University pursuant to two Lease Agreements, each dated as of June 1, 1999, with terms commencing respectively on (a) June 1, 1999 (the "Initial Munroe Project Lease") and (b) August 15, 2000 (the "Long Term Munroe Project Lease"), between the Institution and the University (collectively, the "Munroe Project Lease"), (ii) paying certain capitalized interest on the Series 1999C Bonds and (iii) paying certain costs of issuance of the Series 1999C Bonds, including paying to Ambac Assurance the premium for the Standby Property Purchase Agreement and the Mandatory Tender Surety Bond.

The Series 1999C Bonds are limited obligations of the Authority, payable solely from the payments to be made on the Capital Certificate, Series 1999C (the "Capital Certificate") of the Institution issued pursuant to a Security Agreement dated as of June 1, 1999, between the Authority and the Institution (the "Security Agreement"), from amounts payable under the Security Agreement, and from certain funds pledged under the Indenture, on an equal and ratable basis (see APPENDIX D), all as described herein. The Capital Certificate will be a general obligation of the Institution secured by the Collateral (as defined in the Security Agreement) and by any available amounts held by the Trustee in the funds established under the Indenture (other than amounts in the Rebate Fund). THE SERIES 1999C 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 1999C BONDS. POTENTIAL INVESTORS SHOULD READ THE ENTIRE LIMITED OFFERING MEMORANDUM, INCLUDING THE SECTION ENTITLED "BONDHOLDERS' RISKS," PRIOR TO MAKING AN INVESTMENT DECISION. THE CAPITAL CERTIFICATE IS FULLY SUBORDINATED TO ALL OTHER OBLIGATIONS OF THE INSTITUTION.

THE SERIES 1999C BONDS ARE SUBJECT TO A SIGNIFICANT DEGREE OF RISK. THE SERIES 1999C BONDS ARE SUITABLE FOR INVESTMENT CONSIDERATION ONLY FOR THOSE PURCHASERS WHO ARE ACCREDITED AND EXPERIENCED IN THE FIELD OF HIGH YIELD BONDS PAYABLE ONLY FROM, ON A FULLY SUBORDINATED BASIS, RENTAL INCOME FROM REAL ESTATE. NO RATING FOR THE SERIES 1999C BONDS HAS BEEN APPLIED FOR. SEE "SECURITY FOR THE SERIES 1999C BONDS" AND "BONDHOLDERS' RISKS" HEREIN. THE SERIES 1999C BONDS SHALL BE SOLD INITIALLY ONLY TO ACCREDITED INVESTORS WHO HAVE EXECUTED AND DELIVERED AN "INVESTOR'S LETTER," IN FORM AND SUBSTANCE SATISFACTORY TO THE AUTHORITY, INCLUDING, AMONG OTHER THINGS, (A) STATING THAT THE PURCHASE OF THE SERIES 1999C BONDS WILL BE SOLELY FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES, (B) STATING THAT IT IS AN ACCREDITED INVESTOR AND CAN BEAR THE ECONOMIC RISK OF ITS INVESTMENT IN THE SERIES 1999C BONDS, (C) STATING THAT SUCH ACCREDITED INVESTOR 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 1999C BONDS, (D) STATING THAT SUCH ACCREDITED INVESTOR HAS MADE THE DECISION TO PURCHASE THE SERIES 1999C BONDS BASED ON ITS OWN INDEPENDENT INVESTIGATION REGARDING THE SERIES 1999C BONDS, THE INSTITUTION, THE UNIVERSITY AND THE MUNROE PROJECT AND THIS LIMITED OFFERING MEMORANDUM AND HAS RECEIVED THE INFORMATION IT CONSIDERS NECESSARY TO MAKE AN INFORMED DECISION TO INVEST IN THE SERIES 1999C BONDS, AND (E) ACKNOWLEDGING THAT THE AUTHORITY, ITS COUNSEL AND ITS ADVISORS BEAR NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF INFORMATION WITH RESPECT TO THE INSTITUTION, THE UNIVERSITY AND THE MUNROE PROJECT CONTAINED IN ANY DISCLOSURE DOCUMENT RELATED TO ITS PURCHASE OF THE SERIES 1999C BONDS, INCLUDING THIS LIMITED OFFERING MEMORANDUM.

*Subject to compliance by the Authority, the Institution and the University with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under present law, interest on the Series 1999C 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 corporate alternative minimum tax and the branch profits tax. Interest on the Series 1999C 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 1999C Bonds. Interest on the Series 1999C Bonds is not exempt from present Illinois income taxes.*

*The Series 1999C 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 1999C 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, Armstein & Lehr, Chicago, Illinois, for the Institution by its counsel, Akre, Bryan & Malin, LLP, Los Angeles, California, for the University by its counsel, Sonnenschein Nath & Rosenthal, Chicago, Illinois, and for the Underwriter by its counsel, Peck, Shaffer & Williams LLP, Cincinnati, Ohio. It is expected that the Series 1999C Bonds will be available for delivery in New York, New York on or about August 4, 1999.*

**Salomon Smith Barney**

DATED July 21, 1999

\* The Series 1999C Bonds are subject to mandatory sinking fund redemption as described herein.