The following disclosure is provided for informational purposes only on a voluntary basis by Loyola University of Chicago (the "University"), and updates that certain joint press release dated March 4, 2011 (the "Press Release") previously filed by the University on EMMA on March 15, 2011. The following should be read in conjunction with the Press Release. There can be no assurance given that the required corporate and regulatory approvals relating to the described transaction will be obtained or that it will close when scheduled or at all. As a result, the ultimate financial impact of the transaction on the University cannot presently be fully determined. The University has no obligation to provide additional updates or information with respect to this transaction. The date of this voluntary disclosure information is May 27, 2011.

On March 4, 2011, the University entered into a Letter of Intent (the "Letter of Intent") with Trinity Health Corporation, an Indiana nonprofit corporation located in Novi, Michigan ("Trinity"). Pursuant to the Letter of Intent, the University and Trinity entered into a Definitive Agreement dated March 31, 2011 (the "Definitive Agreement"). The Letter of Intent and the Definitive Agreement describe the terms by which Trinity will replace the University as the sole member of Loyola University Health System (the "Health System"), and by which Trinity will otherwise directly or indirectly assume control of Loyola University Medical Center ("LUMC"), Gottlieb Memorial Hospital ("GMH"), Loyola University of Chicago Insurance Company, Ltd. ("LUCIC") and the other healthcare affiliates of the Health System pursuant to the Definitive Agreement (the "Trinity Transaction") on the "Effective Date" (now expected to be July 1, 2011) as defined in the Definitive Agreement.

As a result of the Trinity Transaction, the University will, as of the Effective Date, no longer be the parent or an affiliate of the Health System, LUMC, GMH, LUCIC, or the other healthcare affiliates, and these entities will no longer be included in the consolidated audited financial statements of the University. Upon closing, Trinity will control all of the assets of the Health System and its affiliates, and all of the liabilities will remain with the Health System and its affiliates, except for any assets or liabilities excluded from the transaction by the parties.

As part of the consideration under the Definitive Agreement, Trinity will provide a payment to the University of $100 million, $80 million of which will be paid at closing and the remaining $20 million of which will be used to establish an escrow in order to secure the University's obligations under the Definitive Agreement, including, without limitation, the payment of any unrecorded, misstated or under-reserved pre-closing liabilities or the breach of any representations, warranties or covenants made by the University in the Definitive Agreement. Certain assets and liabilities may be excluded from the Health System's net assets and these assets and liabilities will be transferred from LUMC to LUC and will be an addition to or subtraction from the aforementioned $100 million payment. The University will be given credit for overstated or over-reserved pre-closing liabilities, certain misstated assets and other gain contingencies. The escrow will be released to the University over a period of four years if not required to cover these potential liabilities and/or the indemnification owed to Trinity. However, there will also be a post-closing reconciliation based on a comparison of the Health System's net assets at closing and its net assets on December 31, 2010. The reconciliation will take place within 120 days following the closing, and may result in additional amounts either being paid by the University to Trinity, or being paid by Trinity to the University.

Trinity has committed, under the Definitive Agreement, a matching sum equal to $75 million towards a new research facility to be owned by the University. The construction and related start-up operating costs of the facility are estimated to be $150 million. The University will be responsible for the balance of the costs of the facility as provided by the Definitive Agreement. The specific terms regarding the funding of the new research facility will be included in a Research Facility Funding Agreement which will be executed by the University and Trinity at closing of the Trinity Transaction (now expected to be June 30, 2011).

As of the Effective Date, all assets and liabilities of LUHS and its affiliates will be removed from the statement of net assets of the University. Based on the value of the assets on the balance sheet of LUHS and its affiliates on the expected Effective Date and the consideration being received by the University as described above, it is presently expected that a loss on disposition as a result of the Trinity Transaction would be recorded in the non-operating section of the statement of activities of the University as of the Effective Date. Although this one time non-operating loss associated with the loss on disposition could be materially adverse depending upon the ultimate consideration paid for, and final recorded value of, the transferred assets, this non-cash item would not materially adversely impact the operations of the University, or its credit profile. With respect to management's belief regarding the impact of the Trinity Transaction on the University's credit profile, on April 10, 2011, Moody's Investors Service ("Moody's") published notice that it has placed the University's A3 long-term rating on Watchlist for possible upgrade pending closing of the Trinity Transaction. Not affected by this potential rating action is the rating of the Illinois Finance Authority's Commercial Paper Revenue Notes (Loyola University of Chicago Financing Program) that are currently rated P-1 (with a negative outlook) by Moody's based on a direct pay irrevocable letter of credit provided by JPMorgan Chase Bank, N.A..

The education and research components of the University's health sciences, including the Stritch School of Medicine (the "Medical School") and the Marcella Niehoff School of Nursing, will remain with the University. The University and Trinity will enter into an Academic Affiliation Agreement which will include negotiated terms and conditions and will provide for an annual academic support payment to the University. The annual academic support payment amount will be set at $22.5 million (with a mutually agreed upon inflation adjustment) for an initial term of 10 years. The specific terms and conditions of the continuing extensions and the ability to renegotiate, modify, or renew certain terms of the Academic Affiliation Agreement will be set forth in the Academic Affiliation Agreement which will be executed by the University and LUMC at closing.

The Definitive Agreement also provides the University with certain repurchase rights. If any of the following events occurs, the University will have the right to repurchase the Health System and its affiliates (as they are constituted at the time), at fair market value: (i) a change of control of Trinity, the Health System or LUMC as a result of which Trinity, the Health System or LUMC would no longer be bound by the Ethical and Religious Directives for Catholic Health Services as promulgated by the United States Conference of Catholic Bishops, (ii) any event that causes the failure of LUMC to maintain its status as an academic medical center as defined by and in accordance with the Academic Affiliation Agreement, or (iii) upon the expiration of the Academic Affiliation Agreement after failure of the parties to resolve a dispute related to the academic support payment amount or academic support payment calculation methodology for any period after the initial 10 year term of the Academic Affiliation Agreement. The specific terms and conditions of the University's right to repurchase the Health System and its affiliates are set forth in the Definitive Agreement and the Academic Affiliation Agreement.

In addition to the Research Facility Funding Agreement and the Academic Affiliation Agreement referred to above, other closing documents for the Trinity Transaction will include a Fundraising and Gift Acceptance Agreement among the University, the Health System and/or LUMC regarding fundraising and the acceptance of gifts; a Payroll Services Agreement among the University, the Health System and/or LUMC regarding the payment of salaries of the faculty of the University who are also employed physicians of LUMC; a Branding and Trademark License Agreement among the University, Trinity, the Health System, LUMC and certain of the other healthcare affiliates regarding the use of the Loyola name, logo, trademarks, service marks, and all related goodwill in connection with their healthcare operations; an Indemnification Escrow Agreement; a Shared Services Agreement among the University, the Health System and/or LUMC regarding sharing certain services; and various leases and other real estate agreements among the University, the Health System and/or LUMC providing for the sharing or transfer of certain real estate on the Medical Center Campus; and other instruments and documents. Conditions to closing include successful completion of due diligence by both parties, receipt of regulatory/lender approvals, and approval in June by the University Board and the Trinity Board. The Illinois Health Facilities and Services Review Board granted a Certificate of Exemption for the Trinity Transaction on May, 10, 2011, and early termination of the 30-day Hart-Scott-Rodino preacquistion waiting period was granted by the Federal Trade Commission on May 19, 2011.