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, and the related disclosure statement dated May 27, 2011 which was posted on EMMA as of May 31, 2011 (the "May Filing"). The following should be read in conjunction with the Press Release and the May Filing. The University has no obligation to provide additional updates or information with respect to this transaction. The date of this voluntary disclosure information is July 8, 2011.

Effective on July 1, 2011, Loyola University of Chicago, an Illinois not for profit corporation (the "University") completed a transaction with Trinity Health Corporation, an Indiana not for profit corporation located in Novi, Michigan ("Trinity") pursuant to a Definitive Agreement dated March 31, 2011 (the "Definitive Agreement"). Pursuant to the Definitive Agreement, Trinity replaced the University as the sole member of Loyola University Health System (the "Health System") and Trinity directly or indirectly assumed 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 (other than Loyola University Physician Foundation ("LUPF")), pursuant to the Definitive Agreement effective July 1, 2011.

As a result of the Trinity Transaction, the University, effective July 1, 2011, is no longer the parent or an affiliate of the Health System, LUMC, GMH, LUCIC, or the other healthcare affiliates (other than LUPF), and these entities no longer will be included in the consolidated audited financial statements of the University effective for the fiscal year beginning July 1, 2011 (and LUPF has not, and will not be, so consolidated). Effective July 1, 2011, Trinity controlled all of the assets of the Health System and its affiliates, and all of the liabilities remain with the Health System and its affiliates, except for any assets or liabilities excluded from the Trinity Transaction by the parties.

As part of the consideration under the Definitive Agreement, Trinity provided a payment to the University of $100 million, $80 million of which was paid on July 1, 2011, and the remaining $20 million of which was 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. 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 June 30, 2011 and its net assets on December 31, 2010. The reconciliation will take place within 120 days following June 30, 2011, 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 and a Research Facility Funding 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 Research Facility Funding Agreement which was executed by the University and Trinity effective July 1, 2011 and which contains the specific terms regarding the funding of the new research facility.

Effective as of July 1, 2011, 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 June 30, 2011 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 will be recorded in the non-operating section of the statement of activities of the University as of June 30, 2011. 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 will 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 July 8, 2011, Moody's Investors Service ("Moody's") published notice that it had upgraded the University's long-term rating from "A3" (stable) to "A2" (stable). Not affected by this 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, remain with the University following the Trinity Transaction. The University, LUHS and LUMC have entered into an Academic Affiliation Agreement which includes negotiated terms and conditions and which provides for an annual academic support payment to the University from LUHS and LUMC (which payment is guaranteed by Trinity). The annual academic support payment amount is set at $22.5 million (subject to an 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 are set forth in the Academic Affiliation Agreement. Among these provisions is one which provides that following the fifth anniversary of the Academic Affiliation Agreement, either party may give notice to the other party to that agreement that the support payment be modified. If so modified, the modified agreement would become effective as of the 6th year following the next anniversary of the Agreement following the completion of successful negotiations. Otherwise, the Academic Affiliation Agreement would automatically renew for an additional year unless the support payment is modified as described above, or unless the Academic Affiliation Agreement is terminated (triggering a right in the University described below to repurchase the LUMC facilities during the next succeeding five years of the remaining term of the Academic Affiliation Agreement). The Academic Affiliation Agreement superseded and replaced the existing LUMC Affiliation Agreement (except as otherwise provided in the Academic Affiliation Agreement), effective July 1, 2011.

The Definitive Agreement also provides the University with certain repurchase rights. If any of the following events occurs, the University has 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 agreements delivered in connection with the Trinity Transaction included 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; a Real Estate Swap Agreement which will provide for transfers of real estate between the University and LUMC as described below; 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.

As a result of the Real Estate Swap Agreement, the University will own the central part of the Medical Center Campus. This central part will be the "Academic/Health Sciences Zone" and will include, among other facilities, the Cuneo Center for the Stritch School of Medicine, the Center for Collaborative Studies/School of Nursing, the Center for Health and Fitness, the Cardinal Bernardin Cancer Center (subject to a 99-year leasehold interest in LUMC for the portion of the Bernardin Center currently used by LUMC) and the new research facility. The north end of the campus will be owned by LUMC, and will include the primary hospital building and other inpatient facilities and related infrastructure. The south end of the campus will also be owned by LUMC and will include outpatient/ambulatory facilities. In order to achieve this result, pursuant to the Real Estate Swap Agreement, the University will transfer to LUMC certain properties it presently owns and LUMC will transfer to the University certain properties it owns. The transfer of the properties will be based on book value, and the total value of the properties transferred by each party will be approximately equal when measured on this basis. The transfer of real estate under the Real Estate Swap Agreement is expected to take place within 90 days of July 1, 2011.