

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation
 Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

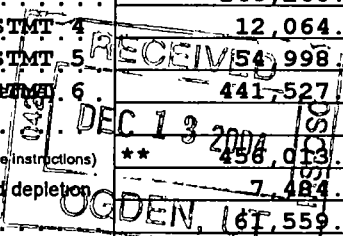
2003

For calendar year 2003, or tax year beginning **07/01**, 2003, and ending **06/30/2004**
 G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization MICHAEL REESE HEALTH TRUST		A Employer identification number 36-2170910
	Number and street (or P.O. box number if mail is not delivered to street address) 20 NORTH WACKER DRIVE	Room/suite 760	B Telephone number (see page 10 of the instructions) (312) 726-1008
	City or town, state, and ZIP code CHICAGO, IL 60606		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 102,930,417.		J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 10 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule). Check <input type="checkbox"/> if the foundation is not required to attach Sch B	951,032.	STMT 1		
	2 Distributions from split-interest trusts				
	3 Interest on savings and temporary cash investments	4,344.	4,344.		STMT 2
	4 Dividends and interest from securities	1,785,478.	1,785,478.		STMT 3
	5a Gross rents				
	b (Net rental income or (loss))				
	6a Net gain or (loss) from sale of assets not on line 10	1,897,225.			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		1,897,225.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	4,638,079.	3,687,047.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	208,260.	41,652.		166,608.
	14 Other employee salaries and wages	246,451.	16,780.		229,671.
	15 Pension plans, employee benefits	146,260.	19,201.		127,058.
	16a Legal fees (attach schedule) STMT 4	12,064.	NONE	NONE	12,064.
	b Accounting fees (attach schedule) STMT 5	54,998.	31,595.	NONE	23,403.
	c Other professional fees (attach schedule) STMT 6	441,527.	403,745.		34,066.
	17 Interest				
	18 Taxes (attach schedule) (see page 13 of the instructions)	456,013.			
	19 Depreciation (attach schedule) and depletion	7,484.	1,497.		
	20 Occupancy	167,559.	12,312.		49,247.
	21 Travel, conferences, and meetings	24,388.			24,383.
	22 Printing and publications	23,183.			23,183.
	23 Other expenses (attach schedule) STMT 8	28,723.	4,688.		24,036.
	24 Total operating and administrative expenses. Add lines 13 through 23	1,710,905.	531,470.	NONE	713,719.
	25 Contributions, gifts, grants paid STMT 9	3,258,737.			3,248,706.
26 Total expenses and disbursements. Add lines 24 and 25	4,969,642.	531,470.	NONE	3,962,425.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-331,563.				
b Net Investment Income (if negative, enter -0-)		3,155,577.			
c Adjusted net income (if negative, enter -0-)			-0-		

SCANNED DEC 15 2004
Operating and Administrative Expenses



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments	824,075.	1,203,673.	1,203,673.	
	3	Accounts receivable ▶ 750,000.				
		Less: allowance for doubtful accounts ▶	NONE	750,000.	750,000.	
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule)				
	c	Investments - corporate bonds (attach schedule)				
	11	Investments - land, buildings, and equipment basis ▶				
	Less accumulated depreciation (attach schedule) ▶					
12	Investments - mortgage loans					
13	Investments - other (attach schedule)	85,917,555.	100,944,325.	100,944,325.		
14	Land, buildings, and equipment basis ▶	71,664.				
	Less accumulated depreciation (attach schedule) ▶	63,068.	11,314.	8,596.		
15	Other assets (describe ▶ STMT 10)	31,437.	32,419.	32,419.		
16	Total assets (to be completed by all filers - see page 16 of the instructions Also, see page 1, item I)	86,784,381.	102,939,013.	102,930,417.		
Liabilities	17	Accounts payable and accrued expenses	1,774,489.	1,763,204.		
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶ STMT 11)	NONE	462,195.		
23	Total liabilities (add lines 17 through 22)	1,774,489.	2,225,399.			
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted	69,393,507.	83,427,760.		
	25	Temporarily restricted	4,092,841.	5,012,310.		
	26	Permanently restricted	11,523,544.	12,273,544.		
	Organizations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see page 17 of the instructions)	85,009,892.	100,713,614.			
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	86,784,381.	102,939,013.			

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	85,009,892.
2	Enter amount from Part I, line 27a	2	-331,563.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 12	3	16,035,285.
4	Add lines 1, 2, and 3	4	100,713,614.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	100,713,614.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col (k), but not less than -0-) or Losses (from col. (h))		
(j) F.M.V. as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (j) over col. (k), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	}		3		

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? . . . Yes No
If "Yes," the organization does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 17 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2002	4,340,398.	73,686,511.	0.05890356242
2001	3,867,823.	83,613,980.	0.04625808986
2000	4,164,737.	96,103,105.	0.04333613362
1999	3,740,581.	81,339,234.	0.04598741365
1998	3,126,621.	71,826,758.	0.04353003097
2 Total of line 1, column (d)			2 0.23801523052
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.04760304610
4 Enter the net value of noncharitable-use assets for 2003 from Part X, line 5			4 92,966,047.
5 Multiply line 4 by line 3			5 4,425,467.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 31,556.
7 Add lines 5 and 6			7 4,457,023.
8 Enter qualifying distributions from Part XII, line 4			8 3,966,238.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 17

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 17 of the instructions)

1 a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter. _____ (attach copy of ruling letter if necessary - see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	63,112.
c	All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2	3	63,112.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	NONE
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	63,112.
6	Credits/Payments:		
a	2003 estimated tax payments and 2002 overpayment credited to 2003	6 a	75,400.
b	Exempt foreign organizations - tax withheld at source	6 b	NONE
c	Tax paid with application for extension of time to file (Form 8868)	6 c	NONE
d	Backup withholding erroneously withheld	6 d	
7	Total credits and payments. Add lines 6a through 6d	7	75,400.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	174.
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	12,114.
11	Enter the amount of line 10 to be Credited to 2004 estimated tax <input type="checkbox"/> 12,114. Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a		X
1 b		X
1 c		X
2		X
3	X	
4 a		X
4 b		N/A
5		X
6	X	
7	X	
8 b	X	
9		X
10		X
11	X	
12		
13		

1 a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

1 b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 18 of the instructions for definition)?
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.

1 c Did the organization file Form 1120-POL for this year?

2 Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:
(1) On the organization ▶ \$ _____ (2) On organization managers. ▶ \$ _____

e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. ▶ \$ _____

2 Has the organization engaged in any activities that have not previously been reported to the IRS?
If "Yes," attach a detailed description of the activities.

3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*

4 a Did the organization have unrelated business gross income of \$1,000 or more during the year?

4 b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?
If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

- By language in the governing instrument or
- By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7 Did the organization have at least \$5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*

8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ ILLINOIS

8 b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*

9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2003 or the taxable year beginning in 2003 (see instructions for Part XIV on page 25)? *If "Yes," complete Part XIV*

10 Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses.*

11 Did the organization comply with the public inspection requirements for its annual returns and exemption application?
Web site address ▶ WWW.FDNCENTER.ORG/GRANTMAKER/HEALTH/

12 The books are in care of ▶ MICHAEL REESE HEALTH TRUST Telephone no. ▶ (312) 726-1008
Located at ▶ 20 N. WACKER DR., CHICAGO, IL ZIP+4 ▶ 60606

13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
and enter the amount of tax-exempt interest received or accrued during the year ▶ 13

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

Table with columns for question descriptions, Yes/No checkboxes, and summary columns labeled 1a, 1b, 1c, 2a, 2b, 3a, 3b, 4a, 4b, 5a, 5b, 6a, 6b. Includes questions about disqualifying acts, taxes on undistributed income, business holdings, and charitable investments.

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 20 of the instructions):

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 17		208,260.	49,976.	NONE

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 20 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JENNIFER ROSENKRANZ 20 NORTH WACKER DR. CHGO IL	SR PROGRAM 40	69,948.	21,419.	NONE
ELIZABETH A. LEE 20 NORTH WACKER DRIVE, CHGO IL	SR PROGRAM 40	109,384.	29,838.	NONE
WENDY PETERSEN 20 NORTH WACKER DR. CHGO IL	EXEC ASST. 40	67,118.	19,549.	NONE

Total number of other employees paid over \$50,000 **NONE**

3 Five highest-paid independent contractors for professional services - (see page 20 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation

Total number of others receiving over \$50,000 for professional services **NONE**

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc

	Expenses
1 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 21 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 <u>NONE</u>	
2	
All other program-related investments See page 21 of the instructions	
3 <u>NONE</u>	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 21 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	93,836,051.
b Average of monthly cash balances	1b	545,723.
c Fair market value of all other assets (see page 22 of the instructions)	1c	NONE
d Total (add lines 1a, b, and c)	1d	94,381,774.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	NONE
3 Subtract line 2 from line 1d	3	94,381,774.
4 Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 23 of the instructions)	4	1,415,727.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	92,966,047.
6 Minimum investment return. Enter 5% of line 5	6	4,648,302.

Part XI Distributable Amount (see page 23 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	4,648,302.
2a Tax on investment income for 2003 from Part VI, line 5	2a	63,112.
b Income tax for 2003. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	63,112.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	4,585,190.
4a Recoveries of amounts treated as qualifying distributions	4a	NONE
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b	4c	NONE
5 Add lines 3 and 4c	5	4,585,190.
6 Deduction from distributable amount (see page 23 of the instructions)	6	NONE
7 Distributable amount as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	4,585,190.

Part XII Qualifying Distributions (see page 23 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	3,962,425.
b Program-related investments - Total from Part IX-B	1b	NONE
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	3,813.
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	NONE
b Cash distribution test (attach the required schedule)	3b	NONE
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	3,966,238.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 24 of the instructions)	5	N/A
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	3,966,238.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2002	(c) 2002	(d) 2003
1 Distributable amount for 2003 from Part XI, line 7				4,585,190.
2 Undistributed income, if any, as of the end of 2002				
a Enter amount for 2002 only			3,182,390.	
b Total for prior years		NONE		
3 Excess distributions carryover, if any, to 2003:				
a From 1998	NONE			
b From 1999	NONE			
c From 2000	NONE			
d From 2001	NONE			
e From 2002	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2003 from Part XII, line 4. ▶ \$ 3,966,238.				
a Applied to 2002, but not more than line 2a			3,182,390.	
b Applied to undistributed income of prior years (Election required - see page 24 of the instructions)		NONE		
c Treated as distributions out of corpus (Election required - see page 24 of the instructions)	NONE			
d Applied to 2003 distributable amount				783,848.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2003 (If an amount appears in column (d), the same amount must be shown in column (a).)	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	NONE			
b Prior years' undistributed income. Subtract line 4b from line 2b		NONE		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		NONE		
d Subtract line 6c from line 6b. Taxable amount - see page 24 of the instructions		NONE		
e Undistributed income for 2002. Subtract line 4a from line 2a. Taxable amount - see page 24 of the instructions				
f Undistributed income for 2003. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2004				3,801,342.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 25 of the instructions)	NONE			
8 Excess distributions carryover from 1998 not applied on line 5 or line 7 (see page 25 of the instructions)	NONE			
9 Excess distributions carryover to 2004. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9.				
a Excess from 1999	NONE			
b Excess from 2000	NONE			
c Excess from 2001	NONE			
d Excess from 2002	NONE			
e Excess from 2003	NONE			

Part XIV Private Operating Foundations (see page 25 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2003, enter the date of the ruling

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5) 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		(e) Total
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(e)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year - see page 25 of the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2))

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see page 25 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed:

SEE STATEMENT 18

b The form in which applications should be submitted and information and materials they should include.

SEE STATEMENT 19

c Any submission deadlines:

SEE STATEMENT 20

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

SEE STATEMENT 21

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE STATEMENT 22				
Total				3,248,706.
				▶ 3a
b Approved for future payment				
				1,437,365.
Total				1,437,365.
				▶ 3b

Name of organization MICHAEL REESE HEALTH TRUST	Employer identification number 36-2170910
--	--

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule - see instructions.)

General Rule -

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules -

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization **MICHAEL REESE HEALTH TRUST**

Employer identification number

36-2170910**Part I** Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<u>CONTRIBUTIONS < \$19,021</u>	<u>8,174.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	<u>FOREMAN TRUST</u> <u>C/O THE NORTHERN TRUST COMPANY</u> <u>50 S. LASALLE STREET, CHICAGO, IL 60675</u>	<u>23,420.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	<u>LAZARUS CHARITABLE FUND</u> <u>C/O THE NORTHERN TRUST COMPANY</u> <u>50 S. LASALLE STREET, CHICAGO, IL 60675</u>	<u>24,069.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	<u>KIRCHHEIMER TRUST</u> <u>C/O BANK OF AMERICA PRIVATE BANK</u> <u>PO BOX 830259, DALLAS, TX 75283</u>	<u>26,369.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	<u>BLUM TRUST, C/O SACHNOFF & WEAVER, LTD.</u> <u>30 SOUTH WACKER DRIVE, 30TH FLOOR</u> <u>CHICAGO, IL 60606</u>	<u>119,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	<u>ALICE SCHIMBURG, C/O SEYFARTH SHAW</u> <u>55 EAST MONROE STREET, SUITE 4200</u> <u>CHICAGO, IL 60603</u>	<u>750,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FORM 990PF, PART I - CONTRIBUTIONS, GIFTS AND GRANTS RECEIVED

NAME AND ADDRESS -----	DATE ---	DIRECT PUBLIC SUPPORT -----
CONTRIBUTIONS < \$19,021	VARIOUS	8,174.
FOREMAN TRUST C/O THE NORTHERN TRUST COMPANY 50 S. LASALLE STREET, CHICAGO, IL 60675	VARIOUS	23,420.
LAZARUS CHARITABLE FUND C/O THE NORTHERN TRUST COMPANY 50 S. LASALLE STREET, CHICAGO, IL 60675	VARIOUS	24,069.
KIRCHHEIMER TRUST C/O BANK OF AMERICA PRIVATE BANK PO BOX 830259, DALLAS, TX 75283	VARIOUS	26,369.
BLUM TRUST, C/O SACHNOFF & WEAVER, LTD. 30 SOUTH WACKER DRIVE, 30TH FLOOR CHICAGO, IL 60606	1/16/2004	119,000.
ALICE SCHIMBURG, C/O SEYFARTH SHAW 55 EAST MONROE STREET, SUITE 4200 CHICAGO, IL 60603	3/29/2004	750,000.
TOTAL CONTRIBUTION AMOUNTS		951,032.

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INTEREST INCOME	4,344.	4,344.
TOTAL	4,344.	4,344.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS AND INTEREST FROM SECURITIES	1,785,478.	1,785,478.
TOTAL	1,785,478.	1,785,478.

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
LEGAL FEES	12,064.			12,064.
TOTALS	12,064.	NONE	NONE	12,064.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
ACCOUNTING FEES	34,325.	27,460.		6,865.
AUDITING	20,673.	4,135.		16,538.
TOTALS	54,998.	31,595.	NONE	23,403.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
INVESTMENT MANAGEMENT PROGRAM CONSULTANT	402,767.	402,767.	NONE
OTHER	31,362. 7,398.	978.	27,646. 6,420.
TOTALS	441,527.	403,745.	34,066.

FORM 990PF, PART I - TAXES

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
-----	-----
DEFERRED EXCISE TAXES	432,902.
EXCISE TAX	23,111.
TOTALS	----- 456,013. =====

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
OFFICE SUPPLIES	11,193.	1,745.	9,449.
INSURANCE	11,510.	2,302.	9,208.
POSTAGE AND SHIPPING	2,813.		2,813.
COMPUTER SUPPLIES AND EXPENSE	3,207.	641.	2,566.
TOTALS	28,723.	4,688.	24,036.

FORM 990PF, PART I - CONTRIBUTIONS, GIFTS, GRANTS PAID

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR
AND
FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

GRANTS PAID

SEE ATTACHED SCHEDULE

GENERAL

3,248,706.

GRANTEES ARE PUBLIC CHARITIES

3,248,706.

TOTAL CONTRIBUTIONS PAID

GRANTS ACCRUED

GENERAL

1,437,365.

TOTAL APPROVED CONTRIBUTIONS ACCRUED

1,437,365.

TOTAL CONTRIBUTIONS PAID AND ACCRUED

4,686,071.

FORM 990PF, PART II - OTHER ASSETS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
PREPAID EXPENSES	31,437.	32,419.	32,419.
TOTALS	31,437.	32,419.	32,419.

FORM 990PF, PART II - OTHER LIABILITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SELF INSURANCE TRUST	NONE	29,293.
DEFERRED TAX LIABILITY	NONE	432,902.
TOTALS	----- NONE =====	----- 462,195. =====

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION	AMOUNT
-----	-----
NET UNREALIZED GAIN	11,047,574.
SELF INSURANCE ACCRUAL DECREASE	4,980,000.
OTHER INCREASE IN SELF INSURANCE FUND	7,711.

TOTAL	16,035,285.
	=====

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
JOHN F. BENJAMIN C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	CHAIRMAN	NONE	NONE	NONE
ROBERT J. GREENEBAUM C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
HERBERT S. WANDER C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	VICE CHAIRMAN	NONE	NONE	NONE
FRANK D. MAYER, JR. C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
DOROTHY H. GARDNER C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	PRESIDENT	208,260.	49,976.	NONE
ENRIQUE BECKMAN, M.D., PH.D.	TRUSTEE	NONE	NONE	NONE

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606				
ANDREW K. BLOCK C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
JOHN C. COLMAN C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
LESTER CROWN C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
ROBERT G. DONNELLEY C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
SIDNEY EPSTEIN C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE	TRUSTEE	NONE	NONE	NONE

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SUITE 760 CHICAGO, IL 60606				
ALAN S. GRATCH C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
STEVEN A. HELFAND C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
SIDNEY J. HESS, JR. C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
LUCILE ISH C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
FREDERICK J. MANNING C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MICHAEL M. MITCHEL C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
STEVEN B. NASATIR, PH.D. C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
ELLARD PFAELZER, JR. C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TREASURER	NONE	NONE	NONE
GORDON S. PRUSSIAN C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
MARC H. SLUTSKY, M.D. C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
DANIEL R. SWETT	TRUSTEE	NONE	NONE	NONE

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606				
WALTER R. NATHAN C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	SECRETARY	NONE	NONE	NONE
BILLIE WRIGHT ADAMS, M.D. C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
HAROLD A. RICHMAN, PH.D. C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
JOHN L. WILHELM, M.D. C/O MICHAEL REESE HEALTH TRUST 20 NORTH WACKER DRIVE SUITE 760 CHICAGO, IL 60606	TRUSTEE	NONE	NONE	NONE
GRAND TOTALS		208,260.	49,976.	NONE

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

DOROTHY H. GARDNER, PRESIDENT
MICHAEL REESE HEALTH TRUST
20 NORTH WACKER DRIVE, SUITE 760
CHICAGO, IL 60606
TELEPHONE: (312) 726-1008

990PF, PART XV - FORM AND CONTENTS OF SUBMITTED APPLICATIONS
=====

A LETTER OF INQUIRY SHOULD BE NO MORE THAN TWO PAGES IN LENGTH AND INCLUDE THE FOLLOWING INFORMATION:

- * ANTICIPATED AMOUNT TO BE REQUESTED.
- * PERIOD OF TIME FOR WHICH FUNDS ARE REQUESTED.
- * PURPOSE OF THE PROJECT.
- * PROBLEM OR ISSUE TO BE ADDRESSED.
- * DESCRIPTION OF PROPOSED PROJECT.
- * GENERAL THOUGHTS FOR EVALUATION OF PROJECT.
- * ORGANIZATIONAL BACKGROUND AND QUALIFICATIONS.

THE LETTER OF INQUIRY ALSO SHOULD INCLUDE THE NAME, ADDRESS, PHONE, FAX, AND E-MAIL (IF AVAILABLE) OF THE GRANT-SEEKING ORGANIZATION, AS WELL AS THE NAME OF THE PRINCIPAL CONTACT PERSON FOR THE PROPOSED PROJECT.

IF THE LETTER OF INQUIRY MEETS THE INTERESTS OF THE MICHAEL REESE HEALTH TRUST THEN A LETTER REQUESTING A FORMAL PROPOSAL WILL BE SENT TO THE APPLICANT. SUCH LETTER WILL DETAIL THE PROPOSAL REQUIREMENTS.

990PF, PART XV - SUBMISSION DEADLINES

THE DEADLINE FOR RECEIVING LETTERS OF INQUIRY FOR THE FALL FUNDING CYCLE IS JUNE 15. LETTERS OF INQUIRY RECEIVED AFTER THAT DATE AND UNTIL DECEMBER 15 WILL BE PROCESSED FOR THE SPRING CYCLE.

990PF, PART XV - RESTRICTIONS OR LIMITATIONS ON AWARDS

ORGANIZATIONS MUST BE QUALIFIED UNDER SECTION 501(C)(3) AND HAVE A NON-PRIVATE FOUNDATION DETERMINATION LETTER FROM THE INTERNAL REVENUE SERVICE. THE TAXPAYER FUNDS ORGANIZATIONS IN METROPOLITAN CHICAGO, WITH AN EMPHASIS ON THE CITY OF CHICAGO. CURRENTLY, GRANTMAKING WILL EMPHASIZE THE DIRECT DELIVERY OF COMMUNITY BASED HEALTH SERVICES INTENDED TO REACH VULNERABLE AND UNDERSERVED POPULATIONS.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

SEE ATTACHED SCHEDULE

GENERAL

3,248,706.

GRANTEES ARE PUBLIC CHARITIES

TOTAL CONTRIBUTIONS PAID

3,248,706.

FEDERAL FOOTNOTES

PAGE 7 - PART X:

THE FAIR MARKET VALUE OF ASSESTS EXCLUDES ASSETS HELD IN THE SELF
INSURANCE TRUST SINCE THE VALUE, NET OF LIABILITIES, OF THE TRUST IS
EQUAL TO ZERO.

FEDERAL FOOTNOTES

=====

PAGE 1: PART I, LINE 6A:

REALIZED GAIN FROM INVESTMENT IN PARTNERSHIPS	\$1,907,187
REALIZED LOSS FROM INVESTMENT IN MUTUAL FUNDS	(9,962)

REALIZED GAIN	\$1,897,225
	=====

MICHAEL REESE HEALTH TRUST
 FEIN: 36-2170910
 FORM 990-PF
 FOR THE YEAR ENDED JUNE 30, 2004

FEDERAL FOOTNOTES

PAGE 2 LINE14, PART II

	<u>BOOK VALUE BEGINNING OF YEAR</u>	<u>BOOK VALUE END OF YEAR</u>	<u>FAIR VALUE END OF YEAR</u>
FURNITURE, FIXTURES & EQUIPMENT COST	\$ 159,992	71,664	71,664
ACCUMULATED DEPRECIATION ON FURNITURE AND EQUIPMENT	148,608	63,068	63,068
	<u>\$ 11,384</u>	<u>\$ 8,596</u>	<u>\$ 8,596</u>

PAGE 1, LINE 19, PART I

	<u>REVENUE AND EXPENSES PER BOOKS</u>
DEPRECIATION EXPENSE ON FURNITURE AND EQUIPMENT	<u>\$ 7,484</u>

MICHAEL REESE HEALTH TRUST
FEIN: 36-2170910
FORM 990-PF
FOR THE YEAR ENDED JUNE 30, 2004
PAGE 2, PART II, LINES - DETAIL OF INVESTMENTS HELD

	<u>BEGINNING BOOK VALUE</u>	<u>CORPORATE BOOK</u>	<u>ENDING BOOK VALUE</u>
MUTUAL FUNDS	58,412,378	61,945,319	61,945,319
INVESTMENT PARTNERSHIPS	27,505,177	38,999,006	38,999,006
TOTALS	<u>\$ 85,917,555</u>	<u>\$ 100,944,325</u>	<u>\$ 100,944,325</u>

MICHAEL REESE HEALTH TRUST
FEIN: 36-2170910
FORM 990-PF
FOR THE YEAR ENDED JUNE 30, 2004

SCHEDULE OF GRANTS PAID

Grants paid	Type	Date	Num	Name	Memo	Class	Amount
1	Check	08/12/2003	10877	Grantmakers in Aging	Community Response-Annual conference in Cleve	Unrestricted	1,000 00
2	Check	08/25/2003	10890	Youth Guidance	Community Response/Brenda Bannor/health integ	Unrestricted	5,000 00
3	Check	08/25/2003	10891	Independent Sector	Annual membership dues	Unrestricted	4,375.00
4	Check	09/11/2003	10921	Grantmakers in Aging	Annual Membership Support	Unrestricted	600 00
5	Check	10/09/2003	10967	Foundation Center	Annual contribution to general fund	Unrestricted	1,000 00
6	Check	10/09/2003	10941	Donors Forum of Chicago	Annual support	Unrestricted	7,726 00
7	Check	12/05/2003	11017	Community Health	F03-general operating support	Unrestricted	30,000 00
8	Check	12/05/2003	11018	Teen Living Programs, Inc	F03-Healthcare for Homeless Youth	Unrestricted	25,000 00
9	Check	12/05/2003	11019	Music Theatre Workshop	F03-West Pullman Violence Prevention Project	Unrestricted	20,000 00
10	Check	12/05/2003	11020	Interfaith Council for the Homeless	F03-Shelter Graduates Network-Housing First	Unrestricted	20,000 00
11	Check	12/05/2003	11022	Asian Human Services	F03-Share Program	Unrestricted	50,000 00
12	Check	12/05/2003	11023	Asian Health Coalition	F03-Opening Doors to Healthcare	Unrestricted	20,000 00
13	Check	12/05/2003	11024	Swedish Covenant Hospital	F03-Roosevelt High School Health Center	Unrestricted	27,600.00
14	Check	12/05/2003	11025	Rehabilitation Institute of Chicago	F03-Health Resource Center for Women	Unrestricted	25,000 00
15	Check	12/05/2003	11026	Family Focus	F03-Healthy Families	Unrestricted	27,250 00
16	Check	12/11/2003	11045	Health & Medicine Policy Res Group	F03-Chicago Areas Schweitzer Program	Unrestricted	25,000 00
17	Check	12/11/2003	11046	White Crane Wellness Center	F03-Health outreach to adult day supportive servi	Unrestricted	30,000 00
18	Check	12/11/2003	11047	Thresholds	F03-Client Assistance Fund	Unrestricted	20,000 00
19	Check	12/11/2003	11048	Rush University Medical Center	F03-Kids Shelter Health Improvement Project	Unrestricted	15,000 00
20	Check	12/11/2003	11049	Oral Health America	F03-Smiles across America	Unrestricted	39,100 00
21	Check	12/11/2003	11050	Gilead Outreach and Referral Center	F03-Community Health Outreach Partnership	Unrestricted	35,000 00
22	Check	12/11/2003	11051	Enkson Institute	F03-Expansion of the Fussy Baby Network	Unrestricted	45,500 00
23	Check	12/11/2003	11052	Community Counseling Centers of Chicago	F03-Quetzal Center	Unrestricted	25,000 00
24	Check	12/11/2003	11053	Chinese American Service League	F03-Community Health Program	Unrestricted	15,000 00
25	Check	12/19/2003	11061	Ene Family Health Center	F03-Responsive-School Based Health Center @ I	Unrestricted	30,000 00
26	Check	12/19/2003	11062	Illinois Health Education Consortium	F03-Responsive Bndges toHealth	Unrestricted	25,500 00
27	Check	12/19/2003	11064	The Ounce of Prevention Fund	3rd of 3 payments	Unrestricted	333,334 00
28	Check	12/19/2003	11065	Honzon Hospice	F03-Responsive Palliative Care Consultation @ M	Unrestricted	15,000 00
29	Check	01/08/2004	11078	Donors Forum of Chicago	Community Response, Foundation accountability	Unrestricted	3,500 00
30	Check	01/08/2004	11079	Jewish Federation of Metropolitan Chicago	Fund for Innovation Annual Payment	Unrestricted	265,730 00
31	Check	01/08/2004	11081	Jewish Federation of Metropolitan Chicago	Subsidy-Dept of Community Services, Grants and	Unrestricted	7,102 00
32	Check	01/15/2004	11110	Foundation Financial Officers Group (FFOG	Annual membership dues-operating expenses	Unrestricted	500 00
33	Check	01/21/2004	11120	Disability Funders Network	Annual Membership-General Operating	Unrestricted	1,000 00
34	Check	02/23/2004	11138	Peace Games	Community Response	Unrestricted	10,000 00

Type	Date	Num	Name	Memo	Class	Amount
Check	03/04/2004	11154	Youth Guidance	Community Response/Chicago Public Schools co	Unrestricted	4,000.00
Check	03/04/2004	11160	Independent Secotr	Community Response-Support for IS Annual conf	Unrestricted	8,000.00
Check	03/12/2004	11174	Rush University Medical Center	Community Response	Unrestricted	500.00
Check	04/12/2004	11206	Advocate Charitable Foundation	Honorarium from Barb Giloth-3 proposal reviews	Unrestricted	450.00
Check	04/22/2004	11216	The Susan G Komen Breast Cancer Fndt	Community Response-Pam Seubert's Mother	Unrestricted	50.00
Check	05/07/2004	11233	Grantmakers in Health	annual membership	Unrestricted	5,000.00
Check	05/07/2004	11234	Grantmakers in Aging	Conference 2004	Unrestricted	1,000.00
Check	05/07/2004	11237	The Family Institute	Community Response	Unrestricted	5,000.00
Check	06/15/2004	11298	The Family Institute	Community Response S04	Unrestricted	5,000.00
Check	06/15/2004	11306	B U I L D	S04 Responsive	Unrestricted	20,000.00
Check	06/15/2004	11307	Catholic Health Partners	S04 Responsive	Unrestricted	25,000.00
Check	06/15/2004	11308	Chicago Center for Health Systems Develop	S04 Responsive	Unrestricted	50,000.00
Check	06/15/2004	11309	Chicago House and Social Service Agency	S04 Responsive	Unrestricted	25,000.00
Check	06/15/2004	11310	Chicago-Cook County Community Health Coun	S04 Responsive	Unrestricted	35,116.00
Check	06/15/2004	11311	Corporation of Supportive Housing	S04 Responsive	Unrestricted	25,000.00
Check	06/15/2004	11312	Health and Disability Advocates	S04 Responsive	Unrestricted	30,000.00
Check	06/15/2004	11313	Illinois Maternal & Child Health Coalitio	S04 Responsive	Unrestricted	35,000.00
Check	06/15/2004	11314	Interfaith House	S04 Responsive	Unrestricted	25,000.00
Check	06/15/2004	11315	The Night Ministry	S04 Responsive	Unrestricted	25,000.00
Check	06/15/2004	11316	PCC Community Wellness Center	S04 Responsive	Unrestricted	35,000.00
Check	06/15/2004	11317	Rape Victim Advocates	S04 Responsive	Unrestricted	30,000.00
Check	06/15/2004	11318	Sargent Shvrer National Ctr on Poverty L	S04 Responsive	Unrestricted	50,000.00
Check	06/15/2004	11319	TARGET Area Development Corporation	S04 Responsive	Unrestricted	45,000.00
Check	06/15/2004	11320	Trilogy	S04 Responsive	Unrestricted	21,300.00
Check	06/15/2004	11321	Westside Health Authority	S04 Responsive	Unrestricted	25,000.00
Check	06/18/2004	11326	Apna Ghar, Inc	Responsive S04	Unrestricted	30,000.00
Check	06/18/2004	11328	Chicago Community Fund	Responsive S04	Unrestricted	35,000.00
Check	06/18/2004	11329	Chicago Family Health Center	Responsive S04	Unrestricted	25,000.00
Check	06/18/2004	11330	Children's Memorial Foundation	Responsive S04	Unrestricted	40,000.00
Check	06/18/2004	11331	Hektoen Institute for Medical Research	Responsive S04	Unrestricted	50,016.00
Check	06/18/2004	11332	Hektoen Institute for Medical Research	Responsive S04	Unrestricted	46,277.00
Check	06/18/2004	11333	Free People's Clinic	Responsive S04	Unrestricted	25,000.00
Check	06/18/2004	11334	IL Foundation of Dentistry for the Handic	Responsive S04	Unrestricted	30,000.00
Check	06/18/2004	11335	Lawrence Hall Youth Services	Responsive S04	Unrestricted	25,000.00
Check	06/18/2004	11336	Research & Education Foundation	Responsive S04	Unrestricted	35,000.00
Check	06/18/2004	11337	Campaign for Better Health Care	Community Response	Unrestricted	2,000.00
Check	06/18/2004	11338	Access Living	Responsive S04	Unrestricted	20,000.00
Check	06/18/2004	11339	Beth Emet Foundation Inc	Responsive S04	Unrestricted	20,000.00
Check	06/18/2004	11340	Chicago Chnstan Industrial League	Responsive S04	Unrestricted	25,000.00
Check	06/18/2004	11342	Young Women's Leadership Charter	Responsive S04	Unrestricted	35,000.00
Check	06/29/2004	11344	Youth Guidance	Community Response S04	Unrestricted	5,000.00
Check	06/29/2004	11345	St Colletta's of Illinois, Inc	Community Response S04	Unrestricted	10,000.00
Check	06/30/2004	11351	Retirement Research Foundation	Community Response S04-expenses related to M	Unrestricted	1,500.00

	Type	Date	Num	Name	Memo	Class	Amount
78	Check	06/15/2004	11378	World Relief Corp of Natinl Assoc. of Ev	S04 Responsive	Unrestricted	45,175 00
							2,241,201 00
	Total Unrestricted						
	Temporarily Restricted						
	Edelstone Educational Event						
	Check	05/18/2004	11256	Northwestern Memorial Foundation	Annual Bendix Lecture-Restricted/Special Purpose	Temporarily Restrict	18,000 00
							18,000 00
	Total Edelstone Educational Event						
	Goldsmith						
	Check	05/18/2004	11257	Syed Zaki Ahmed	Annual Goldsmith Award-Restricted/Special Purpct	Temporarily Restrict	1,000 00
							1,000 00
	Total Goldsmith						
	Gutknecht Ark						
	Check	06/04/2004	11279	The Ark	Annual Special Purpose Grant	Temporarily Restrict	2,869 95
							2,869 95
	Total Gutknecht Ark						
	Gutknecht Mount Sinai						
	Check	06/04/2004	11278	Mount Sinai Hospital	Annual Special Purpose Grant	Temporarily Restrict	8,609 87
							8,609 87
	Total Gutknecht Mount Sinai						
	Kuppenheimer						
	Check	07/01/2003	10832	Illinois Center for Violence Prevention	Proactive-Advancing Violence Prevention Through	Temporarily Restrict	67,500 00
	Check	01/08/2004	11076	Illinois Center for Violence Prevention	Proactive-Advancing Violence Prevention Through	Temporarily Restrict	67,500 00
							135,000 00
	Total Kuppenheimer						
	Regensburg						
	Check	12/11/2003	11054	Beth Emet Foundation Inc	F03-Resource Center on Jewish Health Care Ethk	Temporarily Restrict	20,000 00
							20,000 00
	Total Regensburg						
	Stone						
86	Check	07/01/2003	10833	Jewish Federation of Metropolitan Chicago	Proactive-Center for Jewish Genetic Disorders	Temporarily Restrict	67,500 00
87	Check	09/11/2003	10920	Campaign for Better Health Care	Community Response-	Temporarily Restrict	10,000 00
88	Check	09/11/2003	10924	Advocate Charitable Foundation	Honorarium from Barb Giloth (instead of paying he	Temporarily Restrict	600 00
89	Check	10/03/2003	10940	University of Chicago	Special Purpose/Kissel Fund/Pancreatic Cancer R	Temporarily Restrict	10,000 00
90	Check	10/27/2003	10943	Jewish Federation of Metropolitan Chicago	Proactive Grant Payment	Temporarily Restrict	64,000 00
91	Check	11/06/2003	10944	Center for Impact Research	Community Response-Medicare research	Temporarily Restrict	10,000 00
92	Check	12/05/2003	11021	DePaul University College of Law Family L	F03 chicago Family Violence Report Card	Temporarily Restrict	25,000 00
93	Check	12/11/2003	11055	University of Chicago	F03-Chapin Hall-After School Matters Initiative & C	Temporarily Restrict	50,000 00
94	Check	12/19/2003	11063	Howard Brown Health Center	F03 Responsive Enhancing Quality in Patient Care	Temporarily Restrict	25,000 00
95	Check	01/08/2004	11075	AIDS Foundation of Chicago	Proactive-Chicago Housing for Health Partnership	Temporarily Restrict	100,000 00
96	Check	01/08/2004	11077	Jewish Federation of Metropolitan Chicago	Proactive-Chicago Ctr for Jewish Genetic Disorder	Temporarily Restrict	67,500 00
97	Check	01/08/2004	11080	Council For Jewish Elderly	Proactive-Partners in Care	Temporarily Restrict	60,000 00

	Type	Date	Num	Name	Memo	Class	Amount
98	Check	01/08/2004	11082	Jewish Federation of Metropolitan Chicago	Proactive-Informing Public Policy for Better Health	Temporarily Restrict	18,664.00
99	Check	01/08/2004	11083	Mount Sinai Hospital	Proactive-Sinai Urban Health Institute	Temporarily Restrict	60,000.00
100	Check	01/08/2004	11084	Unicef of Prevention Fund	Proactive-Enhancing Developmentally Oriented P1	Temporarily Restrict	18,999.00
101	Check	01/08/2004	11085	Illinois Chapter, American Academy of Pediatrics	Proactive-Enhancing developmentally oriented primary	Temporarily Restrict	21,805.00
102	Check	01/08/2004	11086	Advocate Charitable Foundation	Proactive-Enhancing developmentally oriented primary	Temporarily Restrict	37,735.00
103	Check	01/08/2004	11087	Advocate Charitable Foundation	Proactive-Improving access to health and mental health	Temporarily Restrict	39,925.00
104	Check	01/08/2004	11088	Mount Sinai Hospital	Proactive-Improving Access to health and mental health	Temporarily Restrict	40,142.00
105	Check	03/12/2004	11175	Campaign for Better Health Care	Community Response	Temporarily Restrict	1,000.00
106	Check	06/04/2004	11270	University of Chicago	Proactive IL Medicaid Research Project	Temporarily Restrict	36,655.00
107	Check	06/15/2004	11305	AIDS Foundation of Chicago	S04 Responsive	Temporarily Restrict	12,500.00
108	Check	06/18/2004	11327	Campaign for Better Health Care	Responsive S04	Temporarily Restrict	25,000.00
109	Check	06/18/2004	11341	The Foundation Fighting Blindness	Responsive S04	Temporarily Restrict	20,000.00
				Total Stone			822,025.00
				Total Temporarily Restricted			1,007,504.82
				TOTAL			3,248,705.82

Michael Reese Health Trust
 Accounts Payable as of 6/30/04

Project	Organization	Payments	Due/Contingent
Advancing Violence Prevention Through Evaluation Capacity	Illinois Center for Violence Prevention	62,500.00	Contingent Scheduled: 7/1/2004
		62,500.00	Scheduled Scheduled: 1/10/2005
			\$125,000.00
Chicago Center for Jewish Genetic Disorders	Jewish Federation of Metropolitan Chicago	67,500.00	Contingent Scheduled: 7/1/2004
		67,500.00	Contingent Scheduled: 1/10/2005
			\$135,000.00
Chicago Housing for Health Partnership	AIDS Foundation of Chicago	75,000.00	Contingent Scheduled: 7/15/2004
		75,000.00	Contingent Scheduled: 1/10/2005
		150,000.00	Scheduled Scheduled: 7/1/2005
			\$300,000.00
Enhancing Developmentally Oriented Primary Care	Advocate Health Care	37,500.00	Scheduled Scheduled: 7/15/2004
		21,500.00	Scheduled Scheduled: 7/15/2004
			\$21,500.00

**Michael Reese Health Trust
Accounts Payable as of 6/30/04**

Project	Organization	Payments	Due/Contingent
	The Ounce of Prevention Fund	18,999.00	Scheduled Scheduled: 7/15/2004 \$18,999.00
<i>Improving Access to Health and Mental Health for Chicago's Deaf Community</i>	Advocate Health Care	39,500.00	Contingent Scheduled: 7/15/2004
		40,000.00	Contingent Scheduled: 1/14/2005
		40,000.00	Contingent Scheduled: 7/15/2005
		40,000.00	Contingent Scheduled: 1/15/2006
		40,000.00	Contingent Scheduled: 7/15/2006 \$199,500.00
	Mount Sinai Hospital	39,500.00	Contingent Scheduled: 7/15/2004
		40,000.00	Contingent Scheduled: 1/14/2005
		40,000.00	Contingent Scheduled: 7/15/2005
		40,000.00	Contingent Scheduled: 1/13/2006
		40,000.00	Contingent Scheduled: 7/14/2006 \$199,500.00

**Michael Reese Health Trust
Accounts Payable as of 6/30/04**

Project	Organization	Payments	Due/Contingent
<i>Informing Public Policy for Better Health</i>	Jewish Federation of Metropolitan Chicago	74,656.00	Contingent Scheduled: 7/15/2004 \$74,656.00
<i>Sinai Urban Health Institute: Support for the Health Trust's Proactive Grants Program</i>	Mount Sinai Hospital	59,458.00	Contingent Scheduled: 7/1/2004
		58,786.00	Contingent Scheduled: 1/14/2005
		58,786.00	Contingent Scheduled: 7/1/2005
		60,458.00	Contingent Scheduled: 1/13/2006
		60,458.00	Contingent Scheduled: 7/3/2006 \$298,000.00
<i>Subsidy Department of community Services, Grants and Government Relations</i>	Jewish Federation	27,710.00	Scheduled: 7/15/2004 \$27,710.00
Grand Total			<u>\$1,437,365.00</u>

RESTATED BYLAWS
of
MICHAEL REESE HEALTH TRUST

(as adopted on January 22, 1991,
effective January 31, 1991, and
amended through November 19, 2003)

An Illinois Not for Profit Corporation

ARTICLE I
PURPOSES AND SCOPE

Section 1.1 Purposes. The Corporation is organized exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code"), and, more particularly: To make expenditures to support health care activities in the Chicago Metropolitan Area, with an emphasis on the City of Chicago and with substantially all of the support to be dedicated to the following areas: (i) health care research, (ii) health care education, (iii) provision of care to the indigent and those whose care (including the elderly, immigrants and the physically and mentally handicapped and disabled) is provided substantially by public or charitable funds, and (iv) innovative and improved forms of health care delivery.

Although the Corporation will not actually operate any facilities or conduct any activities (other than the provision of financial support), the purposes stated above shall be carried out in the spirit of the following statement of purpose contained in the 1970 Articles of Amendment of Michael Reese Hospital and Medical Center:

to assist and aid the sick, injured and convalescent; to prevent and cure disease and suffering; to train and educate, and assist in any manner in the education or training of, persons in or associated with the medical profession or associated with any aspect of hospital care; to engage in medical and basic biological research; to build, maintain and conduct, and to assist in any manner in building, maintaining and conducting, hospitals, dispensaries, sanatoria and research and educational institutions.

The Corporation was formerly known as Michael Reese Hospital Foundation, and is the surviving corporation of a merger among Michael Reese Hospital Foundation, Michael Reese Second Century Foundation and Michael Reese Health Plan Foundation that became effective June 30, 1999. These constituent corporations themselves were the continuations of corporations that prior to March 1, 1991, were known respectively as Michael Reese Hospital and Medical Center ("MRH"), Michael Reese Second Century Foundation ("SCF") and Michael Reese Health Plan, Inc. ("MRHPF") (collectively, the "Prior Organizations").

If funds are held by the Corporation subject to a restriction prior to the effectiveness of the restatement of these bylaws adopted by resolution of the Board of Trustees as of January 22, 1991, that restriction shall be honored by the Corporation.

None of the property of the Corporation shall be distributed directly or indirectly to any member of the Corporation [other than the Jewish Federation of Metropolitan Chicago or its corporate successors (the "JF Member")]. No part of the net earnings of the Corporation shall inure to the benefit of any private individual, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Corporation may consist of carrying on propaganda or attempting to influence legislation. The Corporation shall not participate in, or intervene in, any political campaign on behalf of or in opposition to any candidate for public office.

The Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code.

At any time that the Corporation is a private foundation as described in Section 509(a) of the Code, and notwithstanding any other provision of these bylaws, the Corporation (a) shall distribute its income and, to the extent income is insufficient, principal for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; and (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code, nor retain any excess business holdings as defined in Section 4943(c) of the Code, nor make any investments in such manner as to incur tax liability under Section 4944 of the Code, nor make any taxable expenditures as defined in Section 4945(d) of the Code.

In the event of dissolution or liquidation of the Corporation, any assets then remaining, after paying or making provisions for the payment of all the liabilities of the Corporation, shall be distributed to the JF Member to be maintained and distributed by it for the purposes set forth in the first paragraph of this Section 1.1.

The Corporation also has such powers as are now or may hereafter be granted by the General Not For Profit Corporation Act of the State of Illinois, including the power to guarantee, with or without compensation therefor, obligations of other organizations that qualify as exempt organizations under Section 501(c)(3) of the Code.

Section 1.2 Limitations and Expenditure Policy. The Corporation shall not: (a) engage in (i) the direct delivery of health care, (ii) the performance of health care research or education functions, or (iii) active fund-raising, or (b) invade the principal of its assets except (i) to the extent necessary so as not to become subject to tax pursuant to Section 4942 of the Code, if applicable, and (ii) that the Board of Trustees may authorize total expenditures for "qualifying distributions" as defined in Section 4942(g) of the Code in each fiscal year aggregating not more than 140 percent of the minimum required so as not to become subject to tax pursuant to Section 4942 of the Code. The expenditures authorized by this Section shall be in addition to reasonable investment-related expenditures and taxes imposed by law.

ARTICLE II

LOCATION

Section 2.1 Registered Office. The Corporation shall have and continuously maintain in Cook County, Illinois, a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without Cook County, Illinois, as the Board of Trustees may from time to time determine.

ARTICLE III

JF MEMBER

Section 3.1 JF Member. The JF Member shall: (i) be the sole member of the Corporation; (ii) have the right to elect the JF Trustees, but not have the right to vote with respect to the election of any other Trustees; and (iii) have no other rights except for those specifically provided for in these bylaws or as otherwise specifically required by law.

ARTICLE IV

BOARD OF TRUSTEES

Section 4.1 General Powers. The management, control and operation of the business, affairs and properties of the Corporation shall vest and be in the Trustees of the Corporation.

Section 4.2 Nomination and Election of Trustees.

A. The Trustees in office as of June 30, 1999, shall continue in office until the annual meeting of Trustees to be held in 2000.

B. Commencing with the annual meeting of Trustees to be held in 2000 and until the annual meeting of Trustees to be held in 2006 the Board of Trustees shall consist of 25 persons and shall be divided into, and be nominated and elected by, classes as follows:

Name of Class of Trustees:	<u>JF Trustees</u>	<u>Community Trustees</u>	<u>Physician Trustees</u>	<u>Reese Trustees</u>
Number:	7	3	2	13
Nominated By Committee of Board of Trustees:	N/A	Community Trustee Nominating Committee	Community Trustee Nominating Committee	Reese Trustee Nominating Committee
Elected By:	JF Member	Board of Trustees	Board of Trustees	Reese Trustees

C. Commencing with the annual meeting of Trustees to be held in 2006 the Board of Trustees shall consist of 17 persons and shall be divided into, and be nominated and elected by, classes as follows:

Name of Class of Trustees:	<u>JF Trustees</u>	<u>Community Trustees</u>	<u>Reese Trustees</u>
Number:	9	3	5
Nominated By Committee of Board of Trustees:	N/A	Community Trustee Nominating Committee	Reese Trustee Nominating Committee
Elected By:	JF Member	Board of Trustees	Reese Trustees

D. All Trustees other than the JF Trustees shall be elected by the designated electors at the annual meeting of Trustees. The JF Member shall elect the JF Trustees annually and give written notice to the Chairman of the Board or the President of the results of the election prior to the annual meeting of Trustees.

E. No person may serve as a Trustee for more than six consecutive years; except that a person may serve as a Trustee for one additional year for each year such person was Chairman of the Board, Vice Chairman, Treasurer, Secretary or Chairman of a Board committee other than a nominating committee. No service as a Trustee prior to the annual meeting of Trustees held in 2006 shall be counted as service as a Trustee for purposes of this Section 4.2E.

Section 4.3 Process for Nominating Community, Physician and Reese Trustees. One nominee for each Community, Physician and Reese Trustee position shall be presented to the Board of Trustees by the responsible Nominating Committee. Each nominee must, at the time of nomination, be a resident of the Chicago Metropolitan Area, and any nominee for Physician Trustee must be a medical doctor licensed in Illinois for more than ten years. The responsible Nominating Committee shall, in the

selection process, strive to present a slate commensurate with the goal of best reflecting the traditions of the Prior Organizations, the purposes of the Corporation and the need to bring new perspectives to the Board and consider as to each potential nominee, among other matters it deems relevant:

A. In the case of an incumbent Trustee, the individual's record of attendance at meetings of the Board of Trustees and Board committees and demonstrated commitment to the work of the Corporation.

B. The individual's relationships with any of the Prior Organizations and with organizations that have received support from the Corporation.

C. The individual's record of leadership in the areas of interest of the Corporation.

D. In the case of a Community Trustee, the individual's ability to represent the perspective of a community which is meaningful to the mission of the Corporation and to broaden the diversity of points of view represented on the Board.

E. In the case of a Physician Trustee, or a physician being considered as a nominee for Community Trustee beginning with the annual meeting in 2006, the individual's record of leadership in the community, in such individual's peer groups and in issues of community health and access to health care for the needy.

In considering Physician Trustees, the Community Trustee Nominating Committee shall consider only individuals who are active members of and recommended by the medical staff of the institution then using the name "Michael Reese" for the operation of a tertiary care general hospital ("Current MRH"), which medical staff shall give strong preference to individuals who were also members of the medical staff of MRH and shall recommend two individuals for each position; provided, however, that the Community Trustee Nominating Committee shall be limited to considering such recommended individuals only if Current MRH at the time nominations are being considered:

(a) is licensed by the Department of Public Health of the State of Illinois in accordance with the Hospital Licensing Act, is accredited by the Joint Commission on Accreditation of Healthcare Organizations, and maintains a broad spectrum of accredited residency programs;

(b) serves as a significant teaching site for undergraduate and graduate medical education;

(c) in its most recently completed fiscal year as to the hospital facility at 31st and Lake Shore Drive, Chicago, Illinois:

(i) regularly maintained and serviced not fewer than 300 beds;

(ii) provided patient days to Medicaid, self-pay and no-pay patients in an aggregate amount equal to at least 85% of the number of such days provided at MRH in the fiscal year ended June 30, 1990; and

(iii) had a staff consisting of full-time and voluntary physicians engaged in clinical and basic research which received aggregate funding from national and regional sources other than the Corporation, SCF and MRHPF (together, the "Foundations") aggregating more than \$3 million [adjusted annually for changes in price levels from the base year of fiscal 1995 on the basis of the change (upward or downward) in the Gross National Product Implicit Price Deflator Index];

(d) is not in material default of its obligations with respect to any grant made to it by any Foundation;

(e) has in place appropriate human and experimental research protocols;

(f) has not been declared by any lender to be in default under any indebtedness for borrowed money, which default has not been cured within any allowable cure period; and

(g) has not been adjudicated a bankrupt or insolvent, and has not instituted or consented to any bankruptcy, insolvency or similar proceeding relating to it, and no such proceeding has been instituted against it that has not been dismissed or stayed within a 60-day period.

Section 4.4 Term of Office. Trustees shall serve for a one-year term from their election until the next annual meeting of the Board of Trustees and until their successors shall be duly elected and qualify.

Section 4.5 Quorum. A majority of the Trustees then in office shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than a majority of the Trustees are present at the meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice.

Section 4.6 Manner of Acting. The act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, except where otherwise provided by law or by the Articles of Incorporation or by these bylaws.

Section 4.7 Use of Conference Telephone. Trustees may participate in and act at any meeting of the Board of Trustees through the use of a conference telephone or other communications equipment that allows all persons participating in the meeting to communicate with each other, and such participation in a meeting shall be deemed presence in person at such meeting.

Section 4.8 Vacancies. Any vacancy occurring in the position of JF Trustee shall be filled by election by the JF Member acting alone. Any vacancy occurring in the position of Reese Trustee shall be filled by the remaining Reese Trustees by election of an individual nominated by the Reese Trustee Nominating Committee. The JF Member or the Reese Trustees shall give prompt written notice of the results of any election to the Chairman of the Board or the President. Any vacancy occurring in the position of any other Trustee shall be filled by the Trustees in office, provided that the person to fill such vacancy be qualified to be nominated by the Community Trustee Nominating Committee as set forth in Section 4.3. A Trustee elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 4.9 Special Meetings of the Reese Trustees. Special meetings of the Reese Trustees may be called by or at the request of any two Reese Trustees for the purpose of filling a vacancy or vacancies in the office of Reese Trustees or to approve the membership of the Reese Trustee Nominating Committee. Written notice of each special meeting shall be given to each Reese Trustee not less than five days before the date of such meeting. A majority of the Reese Trustees shall constitute a quorum of the Reese Trustees. If a quorum is not present, a majority of the Reese Trustees present may adjourn the meeting from time to time without further notice. The Reese Trustees may adopt further rules for their own governance not inconsistent with these bylaws. Without limiting the foregoing, the Reese Trustees may act by unanimous consent in writing without a meeting.

Section 4.10 Annual Meetings and Regular Meetings of the Board of Trustees. The annual meeting of the Board of Trustees shall be held in the month of June of each year at such time and place as the Board of Trustees may determine for the purposes of: the election of the various classes of Trustees other than the JF Trustees by the designated electors as provided in Section 4.2, the election of officers, and the transaction of such other business as may come before the meeting. Written notice of each annual meeting of the Board of Trustees shall be given personally, by mail or by fax to each Trustee (and to the JF Member) not fewer than 15 nor more than 40 days before the date of such meeting. If the election of Trustees or officers is not held at the annual meeting, it shall be held as soon thereafter as may be convenient. All newly elected Trustees shall take office at the conclusion of the elections of all classes of Trustees. There shall be at least two regular meetings of the Board held each year at the same times and places provided by resolution of the Board.

Section 4.11 Special Meetings of the Board of Trustees. Special meetings of the Board of Trustees may be called at any time by the Chairman of the Board or the President and shall be called upon the written request of one-fourth or more of the Trustees addressed to the Secretary. The person or persons authorized to call special meetings of the Board may fix the time and place (but only within Chicago, Illinois) for holding any special meeting of the Board called by him, her or them.

Section 4.12 Notice of Meeting. Notice of any regular meeting (other than the annual meeting) or special meeting of the Board of Trustees shall be given by written notice delivered personally or sent by mail, fax or telegram. Such notice shall be sent at least three days in advance, except if delivered by mail it shall be sent at least five

days in advance. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice, except as otherwise provided by these bylaws.

Section 4.13 Removal. A Trustee may be removed for cause by a vote of three-fourths of all Trustees then in office, except that removal of: (i) a Reese Trustee shall also require the vote of a majority of the Reese Trustees and (ii) a JF Trustee shall also require the vote of the JF Member. Such action shall be taken at a regular meeting of the Board of Trustees or at a special meeting called for such purpose, and the proposed removal shall be set forth in the notice (when required) of any such regular or special meeting, sent at least twenty days prior thereto. In addition, a JF Trustee may be removed with or without cause by the JF Member at any time.

Section 4.14 Informal Action by Trustees. Any action required to be taken at a meeting of the Trustees of the Corporation, or any other action which may be taken at such a meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Trustees entitled to vote with respect to the subject matter thereof.

Section 4.15 Compensation of Trustees. Trustees shall not be paid any compensation for their services as Trustees, but the Board of Trustees may, by resolution, reimburse a Trustee for reasonable expenses incurred by him or her in behalf of the Corporation.

ARTICLE V

OFFICERS

Section 5.1 Number and Titles. The officers of the Corporation shall be a Chairman of the Board, one or more Vice Chairmen, a President, a Treasurer and a Secretary. The Board of Trustees may in addition elect or appoint Assistant Treasurers and Assistant Secretaries and such other officers as the Trustees shall deem appropriate.

Section 5.2 Election and Term of Office. The officers of the Corporation shall be elected for one-year terms by the Board of Trustees at its annual meeting, but if such election is not held at such meeting, it shall be held as soon thereafter as may be convenient. New offices may be created at any meeting of the Board of Trustees. Each officer shall hold office until his or her successor shall have been duly elected or appointed and shall have qualified or until his or her death, resignation or removal in the manner hereinafter provided. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5.3 Removal. Any officer or agent may be removed by the Board of Trustees whenever in its judgment the best interests of the Corporation would be served thereby. Removal pursuant to this Section shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Trustees at any meeting for the unexpired portion of the term.

Section 5.5 Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Trustees and the Executive Committee and perform such other duties and have such other powers as the Board of Trustees may determine or these bylaws may prescribe. The Chairman of the Board shall be an *ex officio* voting member of each Board or other committee of the Corporation, other than nominating committees.

Section 5.6 Vice Chairmen. In the absence of the Chairman of the Board or in the event of his or her death, inability or refusal to act, the Vice Chairmen, with respect to such areas of activity as the Board of Trustees shall have specified, shall perform the duties of the Chairman of the Board and, as to any other matters, the Vice Chairmen, in the order of their seniority of tenure, shall perform such duties. When so acting, a Vice Chairman shall have all the powers and be subject to all the restrictions upon the Chairman of the Board, subject always to such policies as may be adopted and such orders as may be issued by the Board of Trustees.

Section 5.7 President. The President shall be the principal executive officer of the Corporation. The President may sign, with the Chairman or the Secretary or with any other proper officer of the Corporation thereunto authorized by the Board of Trustees, any deeds, mortgages, bonds, contracts or other instruments which the Board of Trustees has authorized to be executed, except in cases where the signature and execution thereof shall be expressly delegated by the Board of Trustees or by these bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise signed or executed. The President shall be an *ex officio* non-voting member of the Board of Trustees and of all standing committees and other committees and shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 5.8 Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation. The Treasurer shall cause all funds of the Corporation to be deposited in the name of the Corporation in such banks as may be designated by the Board of Trustees; shall cause all stocks, bonds, mortgages and other securities to be deposited in the name of the Corporation (or in the name of a nominee) in custodian, agency or similar accounts with such banks or brokers as may be designated by the Board; and shall in general perform all duties incident to the office of Treasurer.

Section 5.9 Secretary. The Secretary shall keep the minutes of the meetings of the Board of Trustees; see that all notices are duly given; be the custodian of the corporate records and the seal of the Corporation; maintain a record of the attendance of the Trustees at the various meetings of committees; and in general perform all duties incident to the office of the Secretary.

Section 5.10 Assistant Treasurers and Assistant Secretaries. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the Chairman of the Board or the Board of Trustees and, in the event of the absence, inability or refusal to act of the Treasurer or the Secretary, the Assistant Treasurers and Assistant Secretaries (in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the Treasurer or the Secretary, respectively.

Section 5.11 Bonds. The President, the Treasurer, the senior financial officer and such other officers and persons as the Board of Trustees may deem advisable shall execute bonds in such amounts and with such surety as shall be required by and be satisfactory to the Board, and the premium on such bonds shall be paid by the Corporation.

Section 5.12 Salaries. The salaries of any employee-officers shall be fixed from time to time by the Board of Trustees and no employee-officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Trustee of the Corporation.

ARTICLE VI

COMMITTEES

Section 6.1 Executive Committee. The Board of Trustees shall have an Executive Committee, which shall consist of the Chairman of the Board (who shall chair the Executive Committee), the immediate past Chairman of the Board, the Vice Chairman or Vice Chairmen, the Treasurer, the Secretary and such additional Trustees, if any, as shall be necessary to ensure that the representation requirements specified in Section 6.7 are satisfied. The Executive Committee shall have and exercise the power and authority of the Board of Trustees to act by majority vote of its members between meetings of the Board, reporting to the Board of Trustees at its succeeding meetings any action taken; however, the Executive Committee shall not have the authority of the Board of Trustees in reference to (1) amending, altering or repealing these bylaws; (2) electing, appointing or removing any members of any Board committee or any Trustee or officer of the corporation; (3) amending the Articles of Incorporation; (4) adopting a plan of merger or adopting a plan of consolidation with another corporation; (5) authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the corporation; (6) authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; (7) adopting a plan for the distribution of the assets of the corporation; or (8) amending, altering or repealing any resolution of the Board of Trustees which by its terms provides that it shall not be amended, altered or repealed by such committee.

Section 6.2 Nominating Committees. The Board of Trustees shall have the following nominating committees with respect to Trustees other than the JF Trustees, each subject to the procedures set forth in paragraph C.

A. Community Trustee Nominating Committee. The Community Trustee Nominating Committee shall include no fewer than five Trustees (with the immediate past Chairman of the Board as committee chairman). The committee must include at least two JF Trustees, two Reese Trustees and one Community Trustee. If the immediate past Chairman of the Board is not a member of the committee or declines to chair the committee, the Community Trustee member (or, if more than one, the one with seniority of tenure as a Trustee) shall chair the committee.

B. Reese Trustee Nominating Committee. Until the annual meeting of Trustees to be held in 2006, the Reese Trustee Nominating Committee shall be chaired by the immediate past Chairman of the Board and shall consist of the committee chairman and four additional Reese Trustees as designated by the Chairman of the Board and approved by the Reese Trustees. Thereafter, the Reese Trustees in office from time to time shall constitute the Reese Trustee Nominating Committee, and the immediate past Chairman of the Board, if a member of the committee, shall chair the committee, and if not, the committee members shall elect a committee member to chair the committee.

C. Nominating Committee Procedures. Each nominating committee member shall have the right to cast one vote at any committee meeting. A quorum shall consist of at least a majority of committee members, such a majority to include at least one committee member who is also a Trustee. Each nominating committee shall adopt its own procedures for electing nominees for Trustee positions. Without limiting the foregoing, a nominating committee may act by unanimous consent in writing without a meeting. Nominees of nominating committees shall be submitted to the Secretary at least 10 days before the annual meeting of the Trustees.

Section 6.3 Finance Committee. The Board of Trustees shall have a Finance Committee, which shall carry out the responsibilities of the Board with respect to the financial affairs of the Corporation including policy guidance. The Finance Committee shall develop the annual budget for approval by the Board of Trustees; shall periodically review the insurance coverage and needs of the Foundation and report its recommendations to the Board of Trustees; shall make periodic reviews of the fiscal and business operations of the Foundation, including a review of the quarterly and annual financial statements and the operating funds of the Foundation; and shall make a report and recommendations relative thereto at each regular meeting of the Board of Trustees. Not fewer than five Trustees shall serve on the Finance Committee. The Finance Committee shall have such authority as is necessary to enable it to carry out the foregoing responsibilities, and the Finance Committee shall carry out or act in accordance with such resolutions with respect to its functions as the Board of Trustees shall adopt.

Section 6.4 Investment Committee. The Board of Trustees shall have an Investment Committee, which shall consist of at least five members. The Investment Committee shall: (1) recommend an investment policy, which shall include investment guidelines, to the Board of Trustees and, pursuant to the policy, hire investment managers and make decisions relating to the retention of investment managers, and make decisions relating to the purchase and sale of the Foundation's investment assets, and (2) review investment

performance at least quarterly and report on investment matters periodically to the Board of Trustees. Without limiting the foregoing, the Investment Committee shall have and may exercise all of the authority of the Board of Trustees with respect to all decisions of the Foundation relating to the investment, purchase, and sale of assets of the Foundation within the investment policy approved by the Board of Trustees. In carrying out its functions, the Investment Committee shall on behalf of the Corporation be authorized to acquire and cause the retention of every kind of property, real, personal or mixed, and every kind of investment, including specifically, but without in any way limiting the generality of the foregoing, bonds, debentures and other corporate obligations, stocks preferred or common, and real estate mortgages, as the Investment Committee deems advisable, and shall be permitted to make investments on a pooled or coordinated basis with the JF Member or otherwise as the Investment Committee deems advisable. The Investment Committee may cause the retention of any property received by gift, donation or bequest if retention (a) is determined by the Investment Committee to be in the best interests of the Corporation regardless of the property's merit as an investment or (b) is so required by the terms of the transfer.

Section 6.5 Audit Committee. The Board of Trustees shall have an Audit Committee, which shall consist of at least three members. The Audit Committee shall recommend, for Board approval, a certified public accountant to undertake an annual audit of the Corporation's financial statements and shall meet with the auditor at least annually to review the audit and the auditor's report in preparation for presentation and recommendation to the Board of Trustees.

Section 6.6 Grants Committee. The Board of Trustees shall have a Grants Committee, which shall make recommendations to the Board of Trustees with respect to grant-making policies and procedures and specific grants. Not fewer than five Trustees shall serve on the Grants Committee. The Board of Trustees shall adopt a policy providing for appropriate rotation of membership on the Grants Committee.

Section 6.7 Creation of Committees. The Board of Trustees may create additional standing committees and other committees to carry out the responsibilities of the Board of Trustees with respect to such areas of the Corporation's affairs as the Board of Trustees shall specify.

Section 6.8 Designation of Committee Members. Except as otherwise specifically provided, all committee members shall be designated by the Chairman of the Board and approved by the Board of Trustees.

Section 6.9 Representation on Committees. At all times, the membership of each of the Executive Committee, the Finance Committee, the Investment Committee and the Grants Committee shall include not fewer than two Reese Trustees and not fewer than two JF Trustees. Trustees shall constitute a majority of the membership of each Board committee.

ARTICLE VII

INDEMNIFICATION

Section 7.1. The Corporation shall (to the fullest extent permitted by law), subject to Section 7.4, indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a Trustee, a member of any committee or subcommittee, or an officer of the Corporation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 7.2. The Corporation shall (to the fullest extent permitted by law), subject to Section 7.4, indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a Trustee, a member of any committee or subcommittee, or an officer of the Corporation, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Section 7.3. To the extent that a person who comes within the coverage of Sections 7.1 or 7.2 has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in such Sections, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 7.4. Any indemnification under Sections 7.1 and 7.2 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case, upon a determination that indemnification of the person who comes within the coverage of

Section 7.1 or 7.2 is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such Section and such a payment will not constitute an act of self-dealing as defined in Section 4941(d) of the Code. Such determination shall be made (1) by the Board of Trustees by a majority vote of a quorum consisting of Trustees who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Trustees so directs, by independent legal counsel in a written opinion.

Section 7.5. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Trustees in the specific case, upon receipt of an undertaking by or on behalf of the person who comes within the coverage of Sections 7.1 or 7.2 to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation as authorized in this Article; provided, however, that no payment shall be made that would constitute an act of self-dealing as defined in Section 4941(d) of the Code.

Section 7.6. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of disinterested Trustees, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a person who comes within the coverage of Sections 7.1 and 7.2, and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7.7. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Trustee, a member of any committee or subcommittee, or an officer of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article.

ARTICLE VIII

BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its member and Board of Trustees and all Board committees, and shall keep at the registered or principal office a record giving the name and address of the member entitled to vote. All books and records of the Corporation may be inspected by the member or any Trustee or his, her or its agent or attorney for any proper purpose at any reasonable time.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall begin with the first day of July and end on the 30th day of June of each year.

ARTICLE X

SEAL

The Board of Trustees shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Illinois."

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice whatsoever is required to be given under the provisions of the General Not For Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation or by the bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

CERTAIN DISTRIBUTIONS

If the Corporation receives a distribution pursuant to any will or trust executed in circumstances such that a majority of the Trustees determines that the provision in such will or trust would not have been made but for the affiliation between Michael Reese Hospital and Medical Center and the JF Member prior to March 1, 1991, the Trustees shall hold such distribution in a separate account and shall not make any distribution with respect to such account except with the approval of a majority of the JF Trustees.

ARTICLE XIII

FUNDING OF CERTAIN COMPETING PROPOSALS

Section 13.1 New MRH. When (i) competing proposals have been received with respect to programs at the Humana Inc. successor to Michael Reese Hospital and Medical Center ("New MRH") and at some other institution, (ii) the Corporation determines in the sole discretion of its Trustees to make a distribution to support medical research, medical education or indigent care in response to one of such competing proposals, and (iii) in the sole discretion of the Trustees, such proposals are

of comparable merit, the Corporation shall give preference to the New MRH proposal, provided that the following conditions are satisfied:

(a) funding such New MRH proposal would not jeopardize the status of the Corporation under Section 501(c)(3) of the Code;

(b) for so long as the Corporation is a private foundation, the amounts to be distributed by the Corporation pursuant to the New MRH proposal would qualify as "qualifying distributions" under Code Section 4942(g)(1), and satisfy the Corporation's "expenditure responsibility" under Code Section 4945(d)(4)(B) and (h);

(c) New MRH at the time of the Corporation's action on the proposal:

(i) is licensed by the Department of Public Health of the State of Illinois in accordance with the Hospital Licensing Act, is accredited by the Joint Commission on Accreditation of Healthcare Organizations, and maintains a broad spectrum of accredited residency programs;

(ii) is affiliated with the College of Medicine of the University of Illinois (or other accredited medical school) as a major teaching hospital for the provision of undergraduate and graduate education on a broad scale;

(iii) in its most recently completed fiscal year as to the hospital facility at 31st and Lake Shore Drive, Chicago, Illinois:

(x) regularly maintained and serviced not less than 350 beds;

(y) provided patient days to Medicaid and indigent patients in an aggregate amount equal to at least 85% of the number of such days provided at MRH in the fiscal year ended June 30, 1990; and

(z) had a staff consisting of full time and voluntary physicians engaged in clinical and basic research which received aggregate funding from national and regional sources other than the Corporation, SCF and MRHPF (together, the "Foundations") aggregating more than \$3 million [adjusted annually for changes in price levels from the base year of fiscal 1995 on the basis of the change (upward or downward) in the Gross National Product Implicit Price Deflator Index]; and

(iv) is not in material default of its obligations with respect to any grant made to it by any Foundation; and

(v) has in place appropriate human and experimental research protocols.

Section 13.2 New MRHP. When (i) competing proposals have been received with respect to programs at the Humana Inc. successor to Michael Reese Health Plan, Inc.

("New MRHP") and at some other institution, (ii) the Corporation determines in the sole discretion of its Trustees to make a distribution to support prepaid health care in response to one of such competing proposals, and (iii) in the sole discretion of the Trustees, such proposals are of comparable merit, the Corporation shall give preference to the New MRHP proposal, provided that the following conditions are satisfied:

(a) funding such New MRHP proposal would not jeopardize the status of the Corporation under Section 501(c)(3) of the Code;

(b) for so long as the Corporation is a private foundation, the amounts to be distributed by the Corporation pursuant to the New MRHP proposal would qualify as "qualifying distributions" under Section 4942(g)(1) of the Code, and satisfy the Corporation's "expenditure responsibility" under Section 4945(d)(4)(B) and (h) of the Code;

(c) New MRHP at the time of the Corporation's action on the proposal:

(i) has a certificate of authority to operate as an HMO in Illinois and is federally qualified as an HMO (as long as the Federal Government maintains an HMO qualification program);

(ii) is engaged in a broad base of programs involving the education of medical care consumers and health care professionals;

(iii) in its most recently completed fiscal year:

(x) was responsible for no less than 15% of the total patient days at New MRH;

(y) had more than 100,000 enrollees from the City of Chicago; and

(z) had an employed staff of physicians which provided more than 50% of the primary care to its enrollees; and

(iv) is not in material default of its obligations with respect to any grant made to it by any Foundation.

ARTICLE XIV

CONTRACTS, CHECKS, DEPOSITS & FUNDS

Section 14.1 Contracts. The Board of Trustees may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 14.2 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner, as shall from time to time be determined by resolution of the Board of Trustees. In the absence of such determination by the Board of Trustees, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the Chairman of the Board, the President or a Vice Chairman of the Corporation.

Section 14.3 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Trustees may select. -

Section 14.4 Gifts. Subject to the provisions of Article XII, the Board of Trustees or the President may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE XV

AMENDMENTS TO BYLAWS AND ARTICLES OF INCORPORATION

The vote of all of the Trustees in office is required to change the Corporation's focus to something other than the support of health care activities in the Chicago Metropolitan Area.

The bylaws and the Articles of Incorporation of the Corporation may be amended in any other respect (including to make the changes necessary in order that the Corporation will qualify under Section 509(a)(3) of the Code, with respect to the JF Member) by the Board of Trustees at any meeting thereof by the affirmative vote of not less than: (i) until the annual meeting of Trustees to be held in 2006, seventy-five percent of the Trustees in office and (ii) commencing with the annual meeting of Trustees to be held in 2006, a majority of the Trustees in office, provided that such majority must include at least one member of each class of Trustees.

Notwithstanding any other provision hereof, neither the Articles of Incorporation nor the bylaws of this Corporation may be amended after January 22, 1991, without the consent of the JF Member.

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service
Name

▶ See separate instructions.
▶ Attach to the corporation's tax return.

2003

MICHAEL REESE HEALTH TRUST

Employer identification number

36-2170910

Note: In most cases, the corporation does not need to file Form 2220. (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 36 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1 The corporation is using the adjusted seasonal installment method.
- 2 The corporation is using the annualized income installment method.
- 3 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part II Figuring the Underpayment

4 Total tax (see instructions)	4	63,112.
5 a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4	5 a	
b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	5 b	
c Credit for Federal tax paid on fuels (see instructions)	5 c	
d Total. Add lines 5a through 5c	5 d	
6 Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	6	63,112.
7 Enter the tax shown on the corporation's 2002 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 6 on line 8	7	21,044.
8 Enter the smaller of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6	8	21,044.

	(a)	(b)	(c)	(d)	(e)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9 11/15/2003		12/15/2003	03/15/2004	06/15/2004
Exception. If one of your installment due dates is September 15, 2003, or September 15, 2004, see the instructions					
10 Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 38. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column	10 5,261.		5,261.	5,261.	5,261.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11 5,400.				15,000.
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column			139.		
13 Add lines 11 and 12			139.		15,000.
14 Add amounts on lines 16 and 17 of the preceding column				5,122.	10,383.
15 Subtract line 14 from line 13. If zero or less, enter -0-	15 5,400.		139.		4,617.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-				5,122.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18			5,122.	5,261.	644.
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18 139.				

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

For Paperwork Reduction Act Notice, see separate instructions.

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)	(e)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see Instructions) (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2003 and before 10/1/2003	21				
22 Underpayment on line 17 x Number of days on line 21 x 5% 365	22				
23 Number of days on line 20 after 9/30/2003 and before 1/1/2004	23				
24 Underpayment on line 17 x Number of days on line 23 x 4% 365	24				
25 Number of days on line 20 after 12/31/2003 and before 4/1/2004	25	SEE PENALTY COMPUTATION WHITEPAPER DETAIL			
26 Underpayment on line 17 x Number of days on line 25 x 4% 366	26				
27 Number of days on line 20 after 3/31/2004 and before 7/1/2004	27				
28 Underpayment on line 17 x Number of days on line 27 x % 366	28				
29 Number of days on line 20 after 6/30/2004 and before 10/1/2004	29				
30 Underpayment on line 17 x Number of days on line 29 x % 366	30				
31 Number of days on line 20 after 9/30/2004 and before 1/1/2005	31				
32 Underpayment on line 17 x Number of days on line 31 x % 366	32				
33 Number of days on line 20 after 12/31/2004 and before 2/18/2005	33				
34 Underpayment on line 17 x Number of days on line 33 x % 365	34				
35 Add lines 22, 24, 26, 28, 30, 32, and 34	35				

36 **Penalty.** Add columns (a) through (e) of line 35. Enter the total here and on Form 1120, line 33; Form 1120-A, line 29; or the comparable line for other income tax returns **36** **174 .**

***For underpayments paid after March 31, 2004:** For lines 28, 30, 32, and 34, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

PENALTY COMPUTATION DETAIL - FORM 2220

DATE PD	UNDERPAYMENT	BEG. DATE	END DATE	DAYS	%	PENALTY
<u>QUARTER 2, RATE PERIOD 1 (12/15/2003 - 12/31/2003)</u>						
	5,122.	12/15/2003	12/31/2003	16	4	9.
TOTAL FOR QUARTER 2, RATE PERIOD 1						9.
<u>QUARTER 2, RATE PERIOD 2 (12/31/2003 - 03/31/2004)</u>						
	5,122.	12/31/2003	03/31/2004	91	4	51.
TOTAL FOR QUARTER 2, RATE PERIOD 2						51.
<u>QUARTER 2, RATE PERIOD 3 (03/31/2004 - 06/30/2004)</u>						
06/09/2004	5,122.	03/31/2004	06/09/2004	70	5	49.
TOTAL FOR QUARTER 2, RATE PERIOD 3						49.
<u>QUARTER 3, RATE PERIOD 2 (03/15/2004 - 03/31/2004)</u>						
	5,261.	03/15/2004	03/31/2004	16	4	9.
TOTAL FOR QUARTER 3, RATE PERIOD 2						9.
<u>QUARTER 3, RATE PERIOD 3 (03/31/2004 - 06/30/2004)</u>						
06/09/2004	5,261.	03/31/2004	06/09/2004	70	5	50.
TOTAL FOR QUARTER 3, RATE PERIOD 3						50.
<u>QUARTER 4, RATE PERIOD 3 (06/15/2004 - 06/30/2004)</u>						
	644.	06/15/2004	06/30/2004	15	5	1.
TOTAL FOR QUARTER 4, RATE PERIOD 3						1.
<u>QUARTER 4, RATE PERIOD 4 (06/30/2004 - 11/15/2004)</u>						
09/15/2004	644.	06/30/2004	09/15/2004	77	4	5.
TOTAL FOR QUARTER 4, RATE PERIOD 4						5.

PENALTY COMPUTATION DETAIL - FORM 2220

DATE PD	UNDERPAYMENT	BEG. DATE	END DATE	DAYS	%	PENALTY
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TOTAL UNDERPAYMENT PENALTY

174.

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization MICHAEL REESE HEALTH TRUST	Employer Identification number 36-2170910
	Number, street, and room or suite no. If a P.O. box, see instructions 20 NORTH WACKER DRIVE	760
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CHICAGO, IL 60606	

Check type of return to be filed (file a separate application for each return):

<input type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T(sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input checked="" type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the **whole group**, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until 02/15, **2005**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year _____ or

▶ tax year beginning 07/01, **2003**, and ending 06/30, **2004**.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ 63,112.

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ 75,400.

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ Beverly Tomascu Title ▶ C.P.A. Date ▶ 11/9/04

For Paperwork Reduction Act Notice, see Instruction Form **8868** (12-2000)