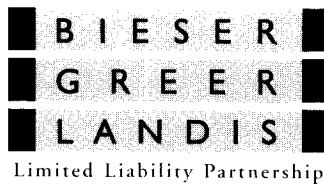


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November 6, 2007

The Board of Trustees
The Grandview Foundation
405 West Grand Avenue
Dayton, OH 45405

Re: Classification of The Grandview Foundation
as Section 509(a)(3) Supporting Organization

Ladies and Gentlemen:

Following my conversations with Kelly Fackel, Vice President for Development of The Grandview Foundation (the "Foundation"), and my meeting with the Board of Trustees on June 27, 2007, I wanted to prepare a letter setting forth our legal opinion as to the classification of the Foundation in light of new requirements of the Tax Reform Act of 2006. Specifically, under new Internal Revenue Code Sections 509(d) and 4943(f)(5) [Section 1243(f)(5) of the 2006 Act] and Advanced Proposed Regulations NPRM REG-155929-06 dated August 2, 2007, new requirements of functional integration and responsiveness have been imposed upon organizations classified as Section 509(a)(3), Type III supporting organizations.

Up to this point, it appears that the Foundation has self-classified as a Type III supporting organization in Form 990 tax filings for the years 2005 and 2006. Thus, the question arose as to whether this classification is proper (and consequently whether the Foundation must follow these new requirements¹) or whether the Foundation might actually be eligible for classification as a Section 509(a)(3) Type 1, a category which does not impose such expenditure requirements.

¹ The Advanced Proposed Regulations state that a functionally integrated Type III supporting organization must meet three requirements:

(1) The existing "but for" test that requires the Type III supporting organization to demonstrate that the public charity would engage in the activities it conducts but for its involvement,

(2) an expenditure test that will require the Type III supporting organization to make qualifying expenditures equal to 85% of the lesser of its adjusted net income or 5% of the value of its assets not used in furtherance of its exempt activities; and

(3) an asset test that will require the Type III supporting organization to devote at least 65% of the value of its assets in furtherance of its exempt activities.

The Board of Trustees
The Grandview Foundation
Page Two
November 6, 2007

The Articles of Incorporation of the Foundation state that “the corporation is organized ... to perform the functions of and/or to carry out the purposes of, within the meaning of Section 509(a)(3), the osteopathic medical education and osteopathic medical research programs (“osteopathic education and research programs”) of (i) Dayton Osteopathic Hospital d/b/a Grandview Hospital and Medical Center (“Grandview”) . . . and (ii) Kettering Medical Center In furtherance thereof, the corporation shall use its assets exclusively to support osteopathic education and research programs of the supported organizations throughout the Dayton, Ohio and surrounding areas”

The Articles of Incorporation therefore describe an unusual, but certainly permissible, situation in which there are **two** supported organizations, Grandview and Kettering, operating in common and in tandem. Along with this is the restrictive Board structure which was negotiated and set forth in the corporation’s Code of Regulations (adopted April 29, 1999), providing in Section 2.2 that certain appointed trustees are beholden to Kettering and certain appointed trustees are beholden to Grandview. Although there would never be a majority beholden to one hospital or another, if the two hospitals are considered in common, there is without doubt a majority of trustees supporting two hospitals and supporting the osteopathic education and research programs carried out by those two organizations.

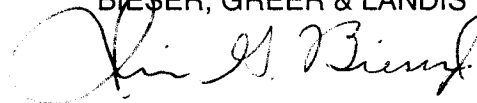
Under these circumstances it is our opinion that The Grandview Foundation can properly be classified as a Type 1 Supporting Organization because the majority of its trustees are appointed by the supported organization (or, in this case, more correctly, supported organizations). There is no question that Kettering and Grandview together appoint a majority of trustees even in a situation such as this where different trustee categories have been created in order to ensure that the osteopathic and research mission is never abandoned.

In addition to meeting the operational tests of a Type 1 organization, it is also our opinion that the Foundation is functionally integrated with its supported organizations. This is demonstrated by the fact that but for the grants and activities of the Foundation, Kettering and Grandview would have to be carrying out the same functions.

It is therefore our opinion that The Grandview Foundation may be properly classified as a 509(a)(3) Type 1 organization under both the organization test and the functionally integrated test such that contributions to Grandview will not be subject to the new expenditure responsibility requirements imposed by Section 1243(f)(5) of the 2006 Act.

Very truly yours,

BIESER, GREER & LANDIS LLP



By: Irvin G. Bieser, Jr.