

UNITED STATES BANKRUPTCY COURT

District of Delaware

PROOF OF CLAIM

Name of Debtor: Graceway Holdings, LLC (In re Graceway Pharmaceuticals, LLC et al.)

Case Number: 11-13038-PJW (Jointly administered under 11-13036-PJW)

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property): Bank of America, N.A., for itself as Lender, and as Agent

Check this box to indicate that this claim amends a previously filed claim.

Name and address where notices should be sent: Bank of America - Special Assets Group, Mailstop: R11-102-16-01, 111 Westminister Street, Providence, RI 02903, Attn: Daniel Butler, Senior Vice President, Telephone number: (401) 278-2907

Morgan, Lewis & Bockius LLP, 225 Franklin Street, 16th Floor, Boston, MA 02110, Attn: Sula Fiszman, Esq., (617) 341-7730

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Court Claim Number: (If known)

Filed on:

Name and address where payment should be sent (if different from above): Bank of America, Mail Code: TX1-492-14-12, Bank of America Plaza, 901 Main Street, Dallas, TX 75202-3714, Internal Reference Number: 00799288, Telephone number:

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ See Addendum

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

Wages, salaries, or commissions (up to \$11,725\*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).

Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).

Up to \$2,600\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).

Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

Other - Specify applicable paragraph of 11 U.S.C. §507 (a)( ).

Amount entitled to priority:

\$

\*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

2. Basis for Claim: See Addendum (See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor:

3a. Debtor may have scheduled account as: (See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: Real Estate Motor Vehicle Other Describe: Lien on all personal property assets. See Addendum.

Value of Property: \$ Annual Interest Rate %

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: \$ Basis for perfection:

Amount of Secured Claim: \$ Amount Unsecured: \$

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

FOR COURT USE ONLY

Graceway Pharmaceuticals LLC



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Date: 12/5/11

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Daniel Butler, Senior Vice President

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

**In re Graceway Pharmaceuticals, LLC, et al.**  
**Chapter 11 Case No. 11-13036 (PJW) (Jointly Administered)**

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**ADDENDUM TO PROOF OF CLAIM**

Debtor: Graceway Holdings, LLC  
Case No. 11-13038 (PJW)

**Claim of Bank of America, N.A. (the "Claimant")**

Bank of America - Special Assets Group  
Mailstop: RI1-102-16-01  
111 Westminster Street  
Providence, RI 02903  
Attn: Daniel Butler, Senior Vice President

-and-

Morgan, Lewis & Bockius LLP  
225 Franklin Street, 16th Floor  
Boston MA 02110  
Attn: Sula Fiszman, Esq.

1. Claimant's claim arises under that certain First Lien Credit Agreement dated as of May 3, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "First Lien Credit Agreement,") among Graceway Pharmaceuticals, LLC, as Borrower, and Graceway Holdings, LLC, the Lenders from time to time party thereto, Bank of America, N.A., as the Administrative Agent for the Lenders, Collateral Agent, L/C Issuer, and Swing Line Lender, Deutsche Bank Trust Company Americas, as Joint Lead Arranger, and Deutsche Bank Securities Inc. and Banc of America Securities, LLC, as Joint Lead Book Managers, pursuant to which the Lenders, the Swing Line Lender, and the L/C Issuer agreed to extend certain loans to, and issue letters of creditor for the account of, the Borrower (the "First Lien Loan").

2. The obligations of the Borrower are guaranteed pursuant to that certain Guaranty dated as of May 3, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty," and together with the First Lien Credit Agreement and any other agreements and documents executed or delivered in connection therewith, the "First Lien Documents"<sup>1</sup>) by Graceway Holdings, LLC and its other subsidiaries parties thereto from time to time (collectively, the "Guarantors," and together with the Borrower, as debtors and debtors-in-possession in the above captioned bankruptcy cases, the "Debtors").

3. The obligations of the Debtors are secured by substantially all of the personal property assets, including, without limitation, intellectual property, of the Debtors pursuant to the

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<sup>1</sup> Copies of the fully executed First Lien Credit Agreement, Guaranty, and Loan Party Accession Agreement are attached as Exhibit 1 to Claimant's Proof of Claim filed in the main proceeding, case no. 11-13036-PJW (which are fully incorporated by reference and made a part hereof) and not provided herewith. Additional documents in support of this claim, including other First Lien Documents, are voluminous, are in the Debtors' possession, and are, therefore, not attached hereto. However, copies of such documents will be made available upon request.

## First Lien Documents.

4. As of the Petition Date, the Debtors were liable to the Claimant for itself as a Lender, and as Agent on behalf of the Lenders, with respect to the obligations under the First Lien Documents (the "First Lien Obligations") in the principal amount of not less than \$430,348,397.58, *plus* a letter of credit (issued, but undrawn) in the amount of \$350,000, *plus* all unpaid accrued, and hereafter accruing, interest thereon (at the applicable rate under the First Lien Documents), and any additional fees and expenses (including, without limitation, attorneys', accountants', appraisers', financial advisors', and other any professionals' fees and expenses) that may be recovered pursuant to the terms of the First Lien Documents. In addition, the Debtors are liable to the Claimant under the First Lien Agreement, without limitation, (i) for all costs, fees and expenses incurred by the Claimant in connection with the enforcement of or other efforts by the Claimant to protect its rights thereunder and under the related First Lien Documents and the First Lien Loan, and (ii) with respect to certain indemnity obligations, all as further provided in the First Lien Agreement.

5. Accordingly, the Claimant hereby files this Proof of Claim with respect to (i) all amounts currently due and owing to the Claimant under the First Lien Documents, including, without limitation, costs, fees and expenses incurred by the Claimant in connection with the enforcement of or other efforts by the Claimant to protect its rights thereunder, and (ii) any and all contingent obligations currently owing, or which may become due and owing, to the Claimant under the First Lien Documents.

6. Although under the terms of the *Final Order (I) Authorizing Debtors to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; (II) Granting Adequate Protection to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364 and (III) Authorizing Debtors to Obtain Postpetition Financing Pursuant to 11 U.S.C. § 364* [Dkt. No. 219], the First Lien Obligations constitute an allowed claim against the Debtors, the Claimant nonetheless submits this Proof of Claim out of an abundance of caution.

7. The Claimant reserves the right to amend or supplement this Proof of Claim in any respect at any time and for any reason. The execution and filing of this Proof of Claim does not constitute: (a) a waiver or release of the Claimant's rights against any other entity or person liable for all or part of the claim; (b) a consent by such Claimant to the jurisdiction or adjudicatory authority of this Court with respect to any proceeding commenced against or otherwise involving such Claimant; (c) a consent by such Claimant to the treatment of any non-core claim against it as a core claim; (d) a waiver of the right to move to withdraw the reference with respect to the subject matter of the Claim or otherwise, including, without limitation, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced against or otherwise involving such Claimant; (e) a waiver of any right to the subordination, in favor of such Claimant, of indebtedness or liens held by other creditors of the Debtors; (f) an election of remedies that waives or otherwise affects any other remedies; (g) a waiver of any right to arbitration or other alternative dispute resolution mechanism that is otherwise applicable.

Morgan, Lewis & Bockius LLP  
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New York, NY 10178-0060  
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**Morgan Lewis**  
C O U N S E L O R S   A T   L A W

**Wendy S. Walker**  
Partner  
212.309.6306  
wwalker@MorganLewis.com

December 7, 2011

**VIA FEDERAL EXPRESS**

BMC Group, Inc.  
18750 Lake Drive East  
Chanhassen, MN 55137  
Attn: Graceway Claims Processing

Re: In re Graceway Pharmaceuticals, LLC (Case No. 11-130356)  
In re: Graceway Holdings, LLC (Case No. 11-13038)  
In re: Chester Valley Holdings, LLC (Case No. 11-13039)  
In re: Chester Valley Pharmaceuticals, LLC (Case No. 11-13041)  
In re: Graceway Canada Holdings, Inc. (Case No. 11-13042)  
In re: Graceway International, Inc. (Case No. 11-13043)

Dear Sir/Madam:

Enclosed please find an original and one copy of the proof of claim of Bank of America, N.A. for filing in each of the above-referenced cases. Please file each original proof of claim in the corresponding case, file stamp the copy and return the file-stamped copy to me in the enclosed, self-addressed, postage prepaid envelope.

Please do not hesitate to contact me with any questions.

Very truly yours,



Wendy S. Walker  
WSW:bsm  
Encs.