

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE	PROOF OF CLAIM
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1. Name of Debtor (Check Only One):
 Graceway Pharmaceuticals, LLC (11-13036) Chester Valley Pharmaceuticals, LLC (11-13041)
 Graceway Pharma Holding Corp. (11-13037) Graceway Canada Holdings, Inc. (11-13042)
 Graceway Holdings, LLC (11-13038) Graceway International, Inc. (11-13043)
 Chester Valley Holdings, LLC (11-13039)

This form should not be used to assert a claim for an administrative expense arising after the commencement of the case, which should be filed pursuant to 11 U.S.C. §503. Additionally, this form should not be used to assert a claim under 11 U.S.C. § 503(b)(9), which should be filed pursuant to the 503(b)(9) Administration Order, entered on October 17, 2011 [Docket No. 122].

<p>2. Name of Creditor (the person or other entity to whom the Debtor owes money or property):</p> <p>Name and address where notices should be sent:</p> <p style="margin-left: 20px;">Goldman Sachs Credit Partners L.P., as Administrative Agent under the Mezzanine Loan Documents 200 West Street, 7th Floor New York, New York 10282-2198 Attn: Melissa McQueen</p>	<p><input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.</p> <p>Court Claim Number: _____ (If known)</p> <p>Filed on: _____</p>
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<p>Name and address where payment should be sent (if different from above):</p> <p style="text-align: center; font-size: 1.2em;">RECEIVED</p> <p style="text-align: center; font-size: 1.2em;">DEC 20 2011</p> <p style="text-align: center; font-size: 1.2em;">BMC GROUP</p> <p>Telephone number: _____</p>	<p><input type="checkbox"/> 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.</p> <p><input type="checkbox"/> Check this box if you are the Debtor or trustee in this case.</p>
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If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. Please review the bar date notice to determine whether you must file a proof of claim to preserve your rights. The bar date notice is available online at www.bmcgroup.com/graceway or upon request at the address on the back of this form.

THIS SPACE IS FOR COURT USE ONLY

<p>3. Amount of Claim as of Date Case Filed: <u>\$81,476,629.62 plus any additional amounts set forth in the Addendum</u></p> <p>If all or part of your claim is secured, complete item 6 below; however, if all of your claim is unsecured, do not complete item 6. If all or part of your claim is entitled to priority, complete item 7.</p> <p><input checked="" type="checkbox"/> 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.</p>	<p>7. 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.</p> <p>Specify the priority of the claim.</p>
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4. Basis for Claim: See Addendum
(See instruction #4 on reverse side.)

5. Last four digits of any number by which creditor identifies Debtor: _____

5a. Debtor may have scheduled account as: _____
(See instruction #5a on reverse side.)

<p>6. Secured Claim (See instruction #6 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.</p> <p>Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Equipment <input type="checkbox"/> Other</p> <p>Describe:</p> <p>Value of Property: \$ _____ Annual Interest Rate _____%</p> <p>Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____</p> <p>Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____</p>	<p><input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).</p> <p><input type="checkbox"/> 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).</p> <p><input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507(a)(5).</p> <p><input type="checkbox"/> 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).</p> <p><input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507(a)(8).</p> <p><input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507(a)(____).</p>
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<p>8. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.</p> <p>9. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or 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 9 and definition of "redacted" on reverse side.)</p> <p style="text-align: center;">DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.</p> <p>If the documents are not available, please explain in an attachment.</p>	<p>Amount entitled to priority:</p> <p style="text-align: center;">\$ _____</p> <p><small>*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.</small></p>
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<p>10. 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.</p> <p>Date: _____ Signature: _____ Printed Name: _____</p>	<p>FOR COURT USE ONLY</p> <p>Graceway Pharmaceuticals LLC</p>  <p>00118</p>
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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re	:	Chapter 11
	:	
GRACEWAY PHARMACEUTICALS, LLC,	:	Case No. 11-13036 (PJW)
<u>et al.</u> ,	:	
	:	
Debtors.	:	Jointly Administered
	:	
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**ADDENDUM TO PROOF OF CLAIM
OF GOLDMAN SACHS CREDIT PARTNERS L.P. AS
ADMINISTRATIVE AGENT UNDER MEZZANINE CREDIT AGREEMENT**

A. Introduction

1. Pursuant to section 501 of title 11 of the United States Code (the “*Bankruptcy Code*”), Rules 3001 and 3003 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), and the *Order Establishing Bar Dates for Filing Claims and Approving the Form and Manner of Notice Thereof*, dated October 17, 2011 [Docket No. 126], Goldman Sachs Credit Partners L.P. (“*GSCP*”), as the Administrative Agent (the “*Agent*”) under the Mezzanine Credit Agreement (defined below), asserts a general unsecured claim (the “*Claim*”) against the debtor Graceway Pharmaceuticals, LLC (“*Graceway*” or the “*Debtor*”) and the estates of the above-captioned debtors (the “*Debtors*”). This addendum to the Agent’s proof of claim (the “*Proof of Claim*”) is incorporated into the Proof of Claim in its entirety.

B. Factual Basis for Claim

2. GSCP is the Agent under the Mezzanine Credit Agreement, dated as of May 3, 2007 (as amended, modified or supplemented, the “*Mezzanine Credit Agreement*”), and certain related promissory notes (as amended, modified or supplemented, and together with the Mezzanine Credit Agreement, the “*Mezzanine Loan Documents*”), pursuant to which the Debtor

borrowed an initial principal amount of \$70,000,000 (the “*Mezzanine Loan*”) from certain lenders party to the Mezzanine Loan Documents (the “*Mezzanine Lenders*”).

3. Section 2.06(f) of the Mezzanine Credit Agreement provides the Debtor with the option to pay interest in cash or by adding such interest to the outstanding principal amount of the Mezzanine Loan (“*PIK Interest*”). The Debtor has elected to pay PIK Interest to the full extent possible under the Mezzanine Credit Agreement.

4. In its capacity as the Agent under the Mezzanine Loan Documents, GSCP is authorized to file the Proof of Claim under Section 9.09 of the Mezzanine Credit Agreement, which provides, in relevant part, that:

In the case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to [Graceway], the Administrative Agent ... shall be entitled and empowered, by intervention in such proceeding or otherwise: (i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Mezzanine Obligations that are owing and unpaid.¹

5. On September 29, 2011 (the “*Petition Date*”), Graceway Holdings, LLC (“*Holdings*”) and certain of its affiliates, including Graceway, each commenced a voluntary case under chapter 11 of the Bankruptcy Code (the “*Chapter 11 Cases*”) in the United States Bankruptcy Court for the District of Delaware (the “*Delaware Bankruptcy Court*”).

C. Claim Amount

6. Section 8.01(f) of the Mezzanine Credit Agreement provides that the commencement of a voluntary chapter 11 case by either Holdings or Graceway constitutes an Event of Default under the Mezzanine Loan Documents. Section 8.02 of the Mezzanine Credit

¹ The term “Mezzanine Obligations” includes “all fees, expenses, indemnification obligations and other amounts of whatever nature now or hereafter payable by [Graceway] ... pursuant to this Agreement or any other [Mezzanine] Loan Document.”

Agreement, in turn, provides that upon an Event of Default of the type described in Section 8.01(f), all amounts outstanding under the Mezzanine Loan Documents, including the principal amount of the Mezzanine Loan, all accrued interest in respect thereof, and all accrued and unpaid fees and other indebtedness or obligations, shall automatically become immediately due and payable.

7. In addition, Section 2.11 of the Mezzanine Credit Agreement obligates the Debtor to pay certain fees pursuant to the terms of the letter agreement, dated April 5, 2007, between Graceway and GSCP, among others (the “*Fee Letter*”). Specifically, the Fee Letter provides that the Agent is entitled to an annual fee in the amount of \$25,000.00 (the “*Agency Fee*”), to be paid every first day of May. The Debtor failed to pay the Agency Fee on May 1, 2011, and such fee remains outstanding.

8. Pursuant to Section 2.06(c) of the Mezzanine Credit Agreement, the Debtor’s failure to pay any Mezzanine Obligation, including the Agency Fee, when due—whether at maturity, by acceleration or otherwise—triggers the accrual of interest on the past due amount at the Default Rate (as defined in the Mezzanine Credit Agreement). Consequently, the Mezzanine Loan has accrued interest at the Default Rate since the Petition Date, and the unpaid Agency Fee has accrued interest at the Default Rate since May 2, 2011. Postpetition interest continues to accrue at the Default Rate on both the Mezzanine Loan and the unpaid Agency Fee. The Agent is entitled to, and hereby asserts a claim for, payment of such postpetition interest. In addition, the Agent reserves the right to amend the Proof of Claim to reflect such amounts once they have accrued.

9. Moreover, Section 10.04(a) of the Mezzanine Credit Agreement provides that Holdings and Graceway are jointly and severally liable for all reasonable out-of-pocket

expenses incurred by the Agent—including the fees, charges and disbursements of counsel—in connection with the enforcement or protection of its rights under the Mezzanine Loan Documents, including, without limitation, all such out-of-pocket expenses incurred during any workout, restructuring or negotiations with respect to the Mezzanine Loan. Such amounts continue to accrue, and some or all of such fees and expenses are or may currently be unliquidated. The Agent is entitled to, and hereby asserts a claim for, payment of its reasonable fees and expenses, including reasonable fees and expenses of counsel. In addition, the Agent reserves the right to amend the Proof of Claim to reflect such additional amounts once they have accrued and are liquidated.

10. This Claim arises under the Mezzanine Loan Documents and the Fee Letter. Interest continues to accrue on this Claim; however, as of December 15, 2011, the following amounts are owed by the Debtor:

Mezzanine Loan Principal:	\$81,468,224.81
Mezzanine Loan Interest: ²	\$2,374,854.55
Agency Fee:	\$25,000.00
<u>Agency Fee Interest:</u> ³	<u>\$15,833.33</u>
Total:	\$83,883,912.70

D. Reservation of Rights

11. This Claim is not subject to any set-off or counterclaim by the Debtor. To the extent that the Debtor asserts claims of any kind against the Agent, the Agent reserves the right to assert that such claims are subject to rights of setoff and/or recoupment.

² Interest continues to accrue at the rate of \$6,506.45 per diem.

³ Interest continues to accrue at the rate of \$69.44 per diem.

12. The Agent expressly reserves all rights and causes of action, including, without limitation, contingent or unliquidated rights, that it may have against any of the Debtors. The Agent may have separate claims against any of the Debtors, their affiliates or any other persons or entities, that are not included in this Claim, and nothing contained herein shall prejudice such claims. This Claim is filed without prejudice to the Agent's right to file additional proofs of claim or requests for payment with respect to any other indebtedness, liability or obligation of the Debtor, and filing this Claim shall not be deemed a waiver of any such claims.

13. The Agent reserves all rights to amend, modify and/or supplement this Claim in any respect, including, without limitation: (i) to fix and liquidate any accruing or unliquidated amounts described herein; (ii) to assert additional claims—by filing additional proofs of claim, if appropriate—that are not ascertainable at this time; and (iii) to assert any and all other claims of whatever kind or nature that the Agent may have against the Debtor that come to Agent's attention or arise after the filing of this Claim. The Agent reserves its right to amend, modify and/or supplement this Claim to include any claims at law or in equity. The filing of this Claim shall not be deemed a waiver of any claim in law or in equity that the Agent may have against any of the Debtors, their affiliates or any other persons or entities.

14. The description and classification of claims herein is not a concession or admission as to the correct characterization or treatment of any such claims or a waiver of any rights of the Agent under the Mezzanine Loan Documents. The filing of this Claim is not and shall not be construed as an election of remedies or limitation of rights or remedies. The Agent does not waive or release: (i) the rights and remedies available to the Agent against any other person or entity who may be liable for all or part of the Claim set forth herein, whether an

affiliate or subsidiary of the Debtor, an assignee or otherwise; (ii) any obligation owed to the Agent; (iii) any right to any security that may be determined to be held by the Agent; or (iv) any past, present or future defaults or events of default by any of the Debtors, their affiliates or any other persons or entities.

15. The Agent hereby reserves the right to assert a claim, if any, against the Debtor or any of the Debtors, their affiliates or any other persons or entities, for any and all defaults and breaches of the representations, warranties, covenants, and other obligations and duties set forth in the Mezzanine Loan Documents.

16. The Agent reserves all procedural and substantive defenses and rights with respect to any claim that may be asserted against the Agent by any of the Debtors or any of their successors and assigns or any trustee for the estate of the Debtors.

17. All or a portion of this Claim may be entitled to administrative expense priority. This Claim is without prejudice to the Agent's right to assert an administrative expense claim against any of the Debtors.

E. Other

18. No judgment has been rendered on the Claim.

19. The filing of this Claim is not intended to be and should not be construed as (i) a consent by the Agent to the jurisdiction of the Delaware Bankruptcy Court with respect to the subject matter of this Claim, any objection or other proceeding commenced in the Chapter 11 Cases or otherwise involving the Agent; (ii) a waiver or release of the Agent's right to trial by jury, in this or any other court; (iii) a waiver of the Agent's right to have final orders in non-core matters entered only after the *de novo* review of a United States District Court Judge; or (iv) a waiver of any right to (a) withdraw the reference, or otherwise challenge the jurisdiction of the

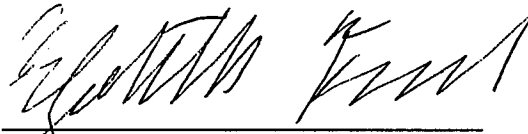
Delaware Bankruptcy Court with respect to the subject matter of this Claim, any objection or other proceeding commenced in the Chapter 11 Cases or otherwise involving the Agent; or (b) assert that the reference has already been withdrawn with respect to the subject matter of this Claim, any objection or other proceeding commenced with respect thereto or any other proceeding commenced in the Chapter 11 Cases or otherwise involving the Agent.

20. All notices concerning this Claim should be sent to the address set forth on the Proof of Claim form to which this addendum is attached.

21. Because of their substantial volume, the documents upon which this Claim is based have not been attached, but are incorporated herein by reference and are available upon request.

Dated: December 15, 2011
New York New York

Goldman Sachs Credit Partners L.P., as Agent
under the Mezzanine Loan Documents



Elizabeth Fischer
Authorized Signatory