

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

GRACEWAY PHARMACEUTICALS, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 11-13036 (PJW)

Jointly Administered

Docket Ref. No. 302

**NOTICE OF REJECTION OF UNEXPIRED LEASES AND
EXECUTORY CONTRACTS**

PLEASE TAKE NOTICE that on November 22, 2011, the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) entered the *Order (a) Authorizing Procedures by which the Debtors May Reject Certain Unexpired Leases and Executory Contracts and (b) Approving the Form and Manner of Rejection Notice* [Docket No. 302] (the “**Rejection Procedures Order**”).

PLEASE TAKE FURTHER NOTICE that the Debtors hereby provide this “Notice of Rejection of Unexpired Leases and Executory Contracts” (the “**Rejection Notice**”) of their intent to reject all unexpired leases and executory contracts to which one or more of the Debtors is party that (a) are not being assumed and assigned to Medicis Pharmaceutical Corporation in connection with the sale of substantially all of the Debtors’ assets or (b) are not listed on Schedule 2 hereto (all remaining unexpired leases and executory contracts, the “**Leases and**

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Graceway Pharma Holding Corp., a Delaware corporation (9175), Case No. 11-13037 (PJW); Graceway Holdings, LLC, a Delaware limited liability company (2502), Case No. 11-13038 (PJW); Graceway Pharmaceuticals, LLC, a Delaware limited liability company (5385), Case No. 11-13036 (PJW); Chester Valley Holdings, LLC, a Delaware limited liability company (9457), Case No. 11-13039 (PJW); Chester Valley Pharmaceuticals, LLC, a Delaware limited liability company (3713), Case No. 11-13041 (PJW); Graceway Canada Holdings, Inc., a Delaware corporation (6663), Case No. 11-13042 (PJW); and Graceway International, Inc., a Delaware corporation (2399), Case No. 11-13043 (PJW). The mailing address for Graceway Pharmaceuticals, LLC is 340 Martin Luther King Jr. Blvd., Suite 500, Bristol, TN 37620 (Attn: John Bellamy). On October 4, 2011, Graceway Canada Company filed an application in the Ontario Superior Court of Justice (Commercial List) pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C. 43.

Contracts to Be Rejected”). A list of all known Leases and Contracts to Be Rejected is attached hereto as Schedule 1. Pursuant to the terms of the Rejection Procedures Order, the Leases and Contracts to Be Rejected shall be deemed rejected as of the Closing Date (as that term is defined in the Rejection Procedures Order) (the “**Effective Date of Rejection**”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Rejection Procedures Order, counterparties to Leases and Contracts to Be Rejected that wish to file a rejection damages claim relating to the rejection of such Leases and Contracts to Be Rejected must do so by the later of (a) December 30, 2011, the bar date established by this Court for filing proofs of claim against the Debtors, or (b) December 27, 2011, 30 days after service of this Rejection Notice. Any such rejection damages claims must be filed with the Debtors’ claims, noticing, soliciting and balloting agent, BMC Group, Inc., Attn: Graceway Claims Processing, PO Box 3020, Chanhassen, MN 55317-3020 (if by first-class mail), or BMC Group Inc., Attn: Graceway Claims Processing, 18750 Lake Drive East, Chanhassen, MN 55137 (if by overnight courier or hand-delivery). If you do not properly and timely file such proof of claim, you shall be forever barred from asserting any claims for such rejection damages.

PLEASE TAKE FURTHER NOTICE that the Debtors do not waive any claims they may have against counterparties to Leases and Contracts to Be Rejected, whether or not such claims arise under, are related to the rejection of, or are independent of such Leases and Contracts to Be Rejected. Additionally, nothing herein shall be deemed an admission with respect to whether a contract or lease is executory.

PLEASE TAKE FURTHER NOTICE that a copy of this Rejection Notice is available on the Court’s website: www.deb.uscourts.gov. Additional copies of this Rejection Notice, and all documents filed in these Chapter 11 Cases, are available for free on the website of the

Debtors' claims, noticing, soliciting and balloting agent, BMC Group, Inc., at www.bmcgroup.com/graceway, or can be requested by calling (888) 909-0100 from within the United States or +1 (310) 321-5555 if calling from outside the United States.

Dated: November 23, 2011
Wilmington, Delaware

Respectfully Submitted,

/s/ Kara Hammond Coyle

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