

EXHIBIT A

Amendment No. 2

AMENDMENT NO. 2 (this "**Amendment**"), dated as of January 5, 2012, by and among Graceway Pharmaceuticals, LLC, Graceway Pharma Holding Corp., Graceway Holdings, LLC, Chester Valley Holdings, LLC, Chester Valley Pharmaceuticals, LLC, Graceway Canada Holdings, Inc. and Graceway International, Inc. (collectively, the "**Debtors**"), the First Lien Agent and the First Lien Lenders party hereto.

A. WHEREAS, reference is hereby made to 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* (as amended from time to time, the "**Cash Collateral Order**"; capitalized terms used herein but not defined herein shall have the meaning set forth in the Cash Collateral Order) entered by the United States Bankruptcy Court for the District of Delaware (the "**Court**") on November 7, 2011.

B. WHEREAS, pursuant to paragraph 3(a) of the Cash Collateral Order, the Approved Budget may be amended or modified from time to time with the consent of the First Lien Agent and the Approving Majority First Lien Lenders.

C. WHEREAS, in connection with the closing of the Sale to Medicis Pharmaceuticals Corporation, the Debtors requested that Graceway Canada Company, the First Lien Agent and the undersigned First Lien Lenders, constituting the Approving Majority First Lien Lenders under the Cash Collateral Order, execute that certain Amendment No. 1 dated as of December 2, 2011 and filed with the Court on December 2, 2011.

D. WHEREAS, the Debtors have requested that the First Lien Agent and the undersigned First Lien Lenders, constituting the Approving Majority First Lien Lenders under the Cash Collateral Order, execute this Amendment.

E. WHEREAS, the First Lien Agent and the undersigned First Lien Lenders are willing to execute this Amendment on the terms and subject to the conditions set forth herein.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendment.

(a) The First Lien Agent and the undersigned First Lien Lenders hereby consent to the terms of the budget attached hereto as Exhibit A (the "**Amended Approved Budget**").

(b) The Debtors hereby agree and acknowledge that from and after the date hereof their use of Cash Collateral shall be subject to and governed by the terms of the Amended Approved Budget.

SECTION 2. Representations and Warranties. (i) The Debtors hereby represent and warrant to each of the First Lien Agent and undersigned First Lien Lenders and (ii) each of the First Lien Agent and the undersigned First Lien Lenders (severally, but not jointly) represents and warrants to the Debtors as follows, in each case, with respect to itself only as of the date hereof:

(a) Corporate Power and Authority. It has all requisite corporate, partnership or limited liability company power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, this Amendment.

(b) Authorization. The execution and delivery of this Amendment and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership or limited liability company action on its part.

(c) No Conflicts. The execution, delivery and performance by it of this Amendment do not and shall not (i) violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries or (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party.

(d) Governmental Consents. The execution, delivery and performance by it of this Amendment do not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body.

SECTION 3. First Lien Lender Representations and Warranties. Each of the undersigned First Lien Lenders (severally, but no jointly) represents and warrants to the Debtors that it either (A) is the sole legal and beneficial owner of the amount of First Lien Obligation appearing on the date hereof opposite its name on the Register (as defined in the First Lien Credit Agreement), in each case free and clear (other than pursuant to the Sale Support Agreement), of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition or encumbrances of any kind, that would, or would reasonably be expected to, in each case, adversely affect in any material way such party's performance of its obligations contained in this Amendment at the time such obligations are required to be performed, or (B) has investment or voting discretion with respect to such First Lien Obligations and has the power and authority to bind the beneficial owner(s) of such First Lien Obligations to the terms of this Amendment.

SECTION 4. Conditions to Effectiveness. This Amendment shall become effective as of the later of the date (a) counsel for the First Lien Agent shall have received duly executed counterparts hereof that, when taken together, bear the authorized signatures of the Debtors, the First Lien Agent and the undersigned First Lien Lenders and (b) a copy of the Register dated as of the date hereof shall have been furnished to counsel to the Debtors.

SECTION 5. Cash Collateral Order. Except as specifically stated herein, the Cash Collateral Order shall continue in full force and effect in accordance with the provisions thereof.

SECTION 6. Applicable Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original but all of which, when taken together, shall constitute but one instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

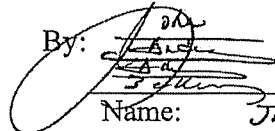
SECTION 8. Complete Agreement. The Cash Collateral Order, as modified by this Amendment, contains the entire and exclusive agreement of the parties hereto and thereto with reference to the matters discussed herein and therein. This Amendment supersedes all prior commitments, drafts, communications, discussion and understandings, oral or written, with respect thereto. This Amendment may not be modified, amended or otherwise altered except with the prior written consent of each of the parties hereto.

SECTION 9. Severability. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Amendment shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Amendment, or the validity or effectiveness of such provision in any other jurisdiction.

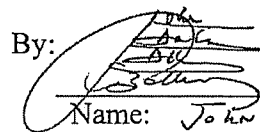
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

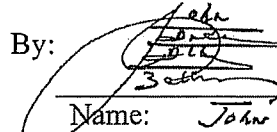
GRACEWAY PHARMACEUTICALS, LLC

By: 
Name: John Ballamy
Title: CEO + General Counsel

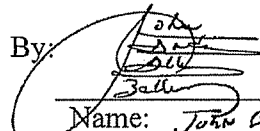
GRACEWAY PHARMA HOLDING CORP.

By: 
Name: John Ballamy
Title: CEO + General Counsel

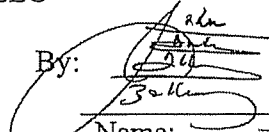
GRACEWAY HOLDINGS, LLC

By: 
Name: John Ballamy
Title: CEO + General Counsel

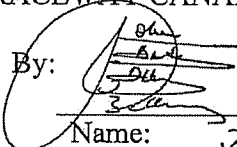
CHESTER VALLEY HOLDINGS, LLC

By: 
Name: John Ballamy
Title: CEO + General Counsel

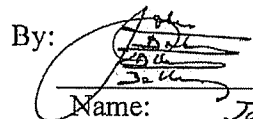
CHESTER VALLEY PHARMACEUTICALS, LLC

By: 
Name: John Ballamy
Title: CEO + General Counsel

GRACEWAY CANADA HOLDINGS, INC.

By: 
Name: John Bellamy
Title: CEO + General Counsel

GRACEWAY INTERNATIONAL, INC.

By: 
Name: John Bellamy
Title: CEO + General Counsel

[Signature Page to Amendment No. 2]

BANK OF AMERICA, N.A., SOLELY IN ITS
CAPACITY AS FIRST LIEN AGENT

By:

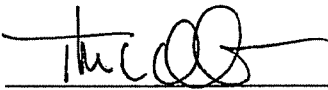
Name:

Title:



DANIEL D. BUTTEL

SENIOR VICE PRESIDENT

First Lien QUANTUM PARTNERS LP
Lender: By: QP GP LLC, its General Partner

By 
Name: THOMAS L. O'GRADY
Title: Attorney-in-Fact

First Lien QP SFM CAPITAL HOLDINGS
Lender: LIMITED

By 

Name:

Title:

THOMAS L. O'GRADY
Attorney-in-Fact

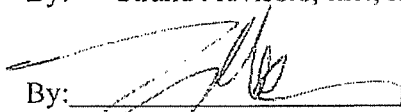
First Lien Lenders

Aberdeen Loan Funding, Ltd.
Armstrong Loan Funding, Ltd.
Brentwood CLO, Ltd.
Loan Funding IV LLC
Eastland CLO, Ltd.
Gleneagles CLO, Ltd.
Grayson CLO, Ltd.
Greenbriar CLO, Ltd.
Highland Loan Funding V Ltd.
Jasper CLO, Ltd.
Liberty CLO, Ltd.
Red River CLO, Ltd.
Rockwall CDO, Ltd.
Rockwall CDO II, Ltd.
Southfork CLO, Ltd.
Stratford CLO, Ltd.
Loan Funding VII LLC
Westchester CLO, Ltd.

Signed on behalf of the First Lien Lenders listed
above by:

HIGHLAND CAPITAL MANAGEMENT, L.P.,
as Collateral Manager

By: Strand Advisors, Inc., its general partner

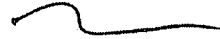
By: 
Name: MARK OKADA
Title: EXECUTIVE VICE PRESIDENT

VENOR CAPITAL MASTER FUND LTD.

By: Venor Capital Management LP

Its: Investment Manager

By:



Name: Michael J. Wartell

Title: Co-Chief Investment Officer

Venor Capital Master Fund Ltd.
c/o Venor Capital Management LP
Times Square Tower
7 Times Square, Suite 3505
New York, New York 10036
Attn: Michael J. Wartell
(212) 703-2130 (direct voice)
(212) 703-2111 (facsimile)
mwartell@venorcapital.com



GS RAVEN HOLDINGS, L.P.

By: Venor Capital Management LP

Its: Investment Manager

By:



Name: Michael J. Wartell

Title: Co-Chief Investment Officer

GS Raven Holdings, L.P.

c/o Venor Capital Management LP

Times Square Tower

7 Times Square, Suite 3505

New York, New York 10036

Attn: Michael J. Wartell

(212) 703-2130 (direct voice)

(212) 703-2111 (facsimile)

mwartell@venorcapital.com

[Signature Page to Amendment No. 2]



Exhibit A

Budget
(\$ in '000s)

Week Ending:	10/7/11	10/14/11	10/21/11	10/28/11	11/4/11	11/11/11	11/18/11	11/25/11	12/2/11	Est. Accrued but Unpaid @ Closing (1)	Total
Receipts											
Pharma Sales	\$ 1,999	\$ 147	\$ 1,172	\$ 759	\$ 881	\$ 172	\$ 4,936	\$ 367	\$ -	-	\$ 10,433
Royalties & Licensing	-	-	-	-	973	270	182	-	-	-	1,425
Other Receipts	-	-	18	25	14	-	-	8	-	-	66
Total Receipts	1,999	147	1,190	786	1,869	442	5,118	374	-	-	11,925
Operating Disbursements											
Rebates (plus Post-Closing CRR)	-	-	-	-	-	3	360	-	290	-	653
Payroll & Benefits	10	622	109	432	214	741	249	570	26	1,500	2,973
Product, Packaging, Freight	7	7	23	94	936	279	15	-	371	2,000	1,733
R&D, Licensing, & Regulatory	-	1	1	19	0	4	1	36	188	800	251
Advertising & Promotion and Sales Expenses	58	55	83	424	120	134	141	32	212	1,200	1,259
Non-Restructuring Professional Fees	-	-	-	-	-	-	-	-	-	-	-
Ropes & Gray LLP	-	-	-	-	-	-	-	-	-	-	-
Edwards Angell Palmer & Dodge	-	-	-	-	-	-	-	-	-	-	-
Hogan Lovells US LLP	-	-	-	-	-	-	-	-	-	-	-
Other Non-Restructuring Professionals	-	16	12	2	15	-	-	-	87	100	131
Insurance	-	24	-	45	-	-	90	-	-	25	159
Taxes	-	-	8	-	1	-	6	-	-	700	14
Corporate, Occupancy, Utilities & Other Expenses	1	95	46	63	86	40	35	0	125	350	491
Total Operating Disbursements	77	822	281	1,078	1,371	1,201	897	639	1,299	6,675	7,664
Restructuring & Non-Operating Disbursements											
Restructuring Professionals (Retained)	-	-	3	-	-	-	-	-	-	-	3
CapEx	-	-	-	-	-	-	-	-	6	50	6
Total Restructuring and Non-Op Disbursements	-	-	3	-	-	-	-	-	6	50	8
Financing Disbursements/Receipts											
Canadian Loan & Interest	-	-	-	-	-	-	-	-	-	-	-
1st Lien Advisors	-	-	-	-	-	-	-	257	-	-	257
1st Lien Interest & Fees	974	-	-	-	-	-	-	-	-	-	974
1st Lien Agent	-	-	-	-	-	-	-	-	-	3	3
Total Financing Disbursements	974	-	-	-	-	-	-	257	3	1,234	1,234
Net Cash Flow	\$ 948	\$ (675)	\$ 907	\$ (292)	\$ 497	\$ (759)	\$ 4,221	\$ (521)	\$ (1,307)	\$ (621)	\$ 3,018

Beginning Cash Balance	\$ 14,049	\$ 14,997	\$ 14,323	\$ 15,230	\$ 14,938	\$ 15,434	\$ 14,675	\$ 18,896	\$ 18,375
Net Cash Flow	948	(675)	907	(292)	497	(759)	4,221	(521)	(1,307)
Ending Cash Balance	\$ 14,997	\$ 14,323	\$ 15,230	\$ 14,938	\$ 15,434	\$ 14,675	\$ 18,896	\$ 18,375	\$ 17,067

Note:
(1) Does not include estimated CCR liabilities

Professional Fees & Expenses - Monthly Incurred
(\$ in '000s)

Firm / Employees	Sep-11 (2 days)	Oct-11	Nov-11	Success Fee	Total	Less: Retainer	Estimated Carve-Out
Debtor							
Company Counsel (Latham)	\$ 93	\$ 1,020	\$ 1,020	\$ -	\$ 2,133	\$ 130	\$ 2,003
Local Counsel (Young Conaway)	14	153	153	-	320	-	320
Claims / Noticing Agent (BMC)	20	85	75	-	180	2	178
Investment Bank (Lazard)	-	184	184	2,481	2,849	-	2,849
Restructuring Consultant (A&M)	-	434	424	-	858	261	597
Subtotal	127	1,876	1,856	2,481	6,339	393	5,947
UCC							
UCC Professionals	-	143	143	-	286	-	286
Non-Restructuring Professionals (Retained)							
Ropes & Gray LLP	-	-	-	-	-	-	-
Edwards Angel Palmer & Dodge	-	300	300	-	600	300	300
Hogan Lovells US LLP	-	118	118	-	236	-	236
PricewaterhouseCoopers	-	40	40	-	80	-	80
Subtotal	-	458	458	-	916	300	616
Trustee Fee	-	10	10	-	20	-	20
Total	127	2,486	2,467	2,481	7,561	693	6,868

Note: - Includes expenses that were in the Restructuring Professionals line item and the Carve-Out estimate in Revised DIP Budget

Wind-Down Budget
(\$ in '000s)

	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	Total
Receipts						
Paragraph 30 Funding Amounts (1)	\$ 26,869	\$ -	\$ -	\$ -	\$ -	\$ 26,869
Cash at Closing	17,067	-	-	-	-	17,067
Total Receipts	43,936	-	-	-	-	43,936
Disbursements						
Lazard Success Fee	2,481	-	-	-	-	2,481
Designated Account, excl Wind Down Expenses	11,473	-	-	-	-	11,473
Wind Down Expenses - Professional Fees Only	1,753	1,753	1,378	1,028	1,023	6,934
Wind Down Expenses - Corporate, Employee & Other	918	647	423	403	378	2,770
Wind Down Expenses - PTO / Severance / COBRA	2,594	-	-	-	-	2,594
CCR Account	17,684	-	-	-	-	17,684
Total Disbursements	36,903	2,400	1,801	1,431	1,401	43,936
Net Cash Flow	7,034	(2,400)	(1,801)	(1,431)	(1,401)	-
Beginning Cash Balance	-	7,034	4,634	2,833	1,401	-
Net Cash Flow	7,034	(2,400)	(1,801)	(1,431)	(1,401)	-
Ending Cash Balance	7,034	4,634	2,833	1,401	-	-

Note:

(1) Excludes Break-Up Fee, Cure Amounts, Canadian Cash Consideration, Intercompany Loan Balance and 1.0% Holdback

Post Closing Wind Down Expenses Estimate
 (\$ in '000s)

	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	Total
Debtor Professional Fees						
Company Counsel (Latham)	1,000	1,000	750	500	500	3,750
Local Counsel (Young Conaway)	50	50	50	50	50	250
Claims / Noticing Agent (BMC)	75	75	50	50	50	300
Restructuring Consultant (A&M)	425	425	325	225	200	1,600
PWC	50	50	50	50	50	250
Debtor Professional Fees	1,600	1,600	1,225	875	850	6,150
UCC Professionals	143	143	143	143	143	714
1st Lien Professionals ⁽¹⁾	-	-	-	-	-	-
Trustee Fee	10	10	10	10	30	70
Corporate, Employee and Other Wind Down Expenses						
1st Lien Agent Fee ⁽¹⁾	-	-	-	-	-	-
Compensation & Benefits	486	191	121	121	102	1,021
401k admin & Tax Returns	20	20	20	20	20	100
Insurance	-	100	-	-	-	100
Occupancy & Equipment	109	83	49	29	28	298
Other Miscellaneous	303	253	233	233	229	1,250
Total Corporate, Employee and Other Wind Down Expenses	918	647	423	403	378	2,770
Employee PTO, Severance & COBRA	2,594	-	-	-	-	2,594
Total	\$ 5,264	\$ 2,400	\$ 1,801	\$ 1,431	\$ 1,401	\$ 12,298

Notes:

(1) Assumed to be paid by 1st Lien Agent out of sale proceeds