

EXHIBIT A

BLACKLINE OF AMENDED PLAN AGAINST PLAN

**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

**FIRST AMENDED JOINT PLAN OF LIQUIDATION OF GRACEWAY
PHARMACEUTICALS, LLC, et al.**

David S. Heller, Esq.
Josef S. Athanas, Esq.
Matthew L. Warren, Esq.
LATHAM & WATKINS LLP
Suite 5800
233 South Wacker Drive
Chicago, Illinois 60606
(312) 876-7700

-and-

Michael R. Nestor (No. 3526)
Kara Hammond Coyle (No. 4410)
YOUNG, CONAWAY, STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, DE 19801
(302) 571-6600

Attorneys for the Debtors 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 400, 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.

ARTICLE 1 DEFINITIONS, INTERPRETATION AND RULES OF CONSTRUCTION 3

A.	Scope of Definitions	3
B.	Definitions.....	3
1.1	1.0% Holdback Account	3
1.2	363 Sale.....	3
1.3	549 Avoidance Action	3
1.4	549 Avoidance Action Proceeds	3
1.5	Acquired Assets	4
1.6	Administrative Expense Claim	4
1.7	Administrative Expense Claims Bar Date	4
1.8	Affiliate	4
1.9	Allowed Claim or Allowed Interest.....	4
1.10	Allowed [] Claim or Allowed [] Interest.....	5
1.11	Approving Majority First Lien Lenders.....	5
1.12	Asset Purchase Agreement	5
1.13	Assets	5
1.14	Assumed.....	6
1.15	Assumed Liabilities	6
1.16	Assumption Schedule.....	6
1.17	Avoidance Action	6
1.18	Avoidance Action Proceeds.....	6
1.19	Bankruptcy Code	6
1.20	Bankruptcy Court.....	<u>67</u>
1.21	Bankruptcy Rules.....	7
1.22	Bar Date	7
1.23	Beneficiaries	7
1.24	Bid Procedures Order.....	7
1.25	Budget.....	7
1.26	Business Day	7
1.27	Canadian Distribution Amount.....	7
1.28	Cash.....	<u>78</u>
1.29	Causes of Action.....	8
1.30	Causes of Action Proceeds.....	8
1.31	CCR Account.....	8
1.32	Chapter 11 Cases.....	<u>89</u>
1.33	Claim.....	9
1.34	Class.....	9
1.35	Committee Settlement.....	9
1.36	Confirmation	<u>910</u>
1.37	Confirmation Date	10
1.38	Confirmation Hearing	10

1.39	Confirmation Order.....	10
1.40	Consenting First Lien Lenders.....	10
1.41	Creditor Contingency Fee Counsel Fees and Expenses	10
1.42	Creditor-Releasees.....	10
1.43	Creditor Releasees	10
1.44	Creditors' Committee.....	11
1.44	Debtor(s).....	11
1.45	Debtor-Releasees(s).....	11
1.46	Deficiency Claims Debtor Releasees	11
1.47	Deficiency Claims	12
1.48	Designated Account.....	12
1.481.49	.....DIP Order	12
1.491.50	.....Disclosure Statement	12
1.50	Disputed Claim or Disputed Interest	12
1.51	Disputed [—] Claim or Disputed [—] Interest.....	1312
1.52	Disputed [—] Claim or Disputed [—] Interest	13
1.53	Disputed Claims Reserve.....	13
1.531.54	.....Effective Date	13
1.541.55	.....Employee Account	13
1.551.56	.....Entity	1314
1.56	Estate.....	13
1.57	Estate Fund Amount.....	14
1.58	Face Estate Fund Amount.....	14
1.59	Face Amount	14
1.60	Federal Bankruptcy Rule(s).....	1415
1.601.61	.....File or Filed	1415
1.61	Final Distribution.....	14
1.62	Final Distribution Date.....	1415
1.63	Final Order Distribution Date	15
1.64	First Lien Available Cash Final Order	15
1.65	First Lien Claimholders Available Cash	16
1.66	First Lien Credit Agreement.....	16 Claimholders 17
1.67	First Lien Facility Adequate Protection Claim.....	16 Credit Agreement 17
1.68	First Lien Facility Agent.....	16 Adequate Protection Claim 17
1.69	First Lien Facility Claim Agent	17
1.70	First Lien Facility Deficiency Claim.....	17
1.71	First Lien Facility Lenders Deficiency Claim	17
1.72	First Lien Facility Secured Claim Lenders	17
1.73	First Lien Trust Administrative Fund Facility Secured Claim	17
1.74	First Lien Trust Administrative Fund	18
1.75	General Unsecured Claims.....	1718
1.751.76	.....Graceway Canada	17
1.76	Governmental Claims Bar Date.....	18
1.77	Governmental Claims Bar Date	18
1.78	Governmental Unit.....	18
1.781.79	.....GTCR	18

1.79 <u>1.80</u>	Impaired	18 <u>19</u>
1.80 <u>1.81</u>	Indemnification Claims	18 <u>19</u>
1.81 <u>1.82</u>	Intercreditor Agreement	18 <u>19</u>
1.82 <u>1.83</u>	Intercompany Claims	18
1.83	Interest	19
1.84	Lazard Interest	19
1.85	Lazard-Account	19
1.86	Lien Lazard Account	19
1.87	Liquidating Trust	19 <u>Lien 20</u>
1.88	Liquidating Trust Agreement	19 <u>20</u>
1.89	Liquidating Trustee	19 <u>Trust Agreement 20</u>
1.90	Liquidating Trustee Fee Amount	<u>Trust Committee</u> 20
1.91	Liquidating Trustee Fees	20
1.92	Liquidating Trustee First Lien Fees	<u>Fee Amount</u> 20
1.93	Mezzanine Credit Agreement	21 <u>Liquidating Trustee Fees 21</u>
1.94	Mezzanine Facility Agent	21 <u>Liquidating Trustee First Lien Fees 21</u>
1.95	Mezzanine Facility Claim	<u>Credit Agreement</u> 21
1.96	Mezzanine Facility Lenders	21 <u>Agent 22</u>
1.97	Nycomed Litigation	21 <u>Mezzanine Facility Claim 22</u>
1.98	Nycomed Litigation Proceeds	21 <u>Mezzanine Facility Lenders 22</u>
1.99	Old Equity	21 <u>Net Causes of Action Proceeds 22</u>
1.100	Old Equity Rights	<u>Nycomed Litigation</u> 22
1.101	Order	<u>Nycomed Litigation Proceeds</u> 22
1.102	Other Assets	<u>Old Equity</u> 22
1.103	Other Available Cash	23 <u>Old Equity Rights 22</u>
1.104	Other Priority Claim	<u>Order</u> 23
1.105	Other Secured Claim Liens	<u>Assets</u> 23
1.106	Other Secured	<u>Available Claims</u> 23 <u>24</u>
1.107	<u>Other Priority Claim</u>	<u>24</u>
1.108	<u>Other Secured Claim Liens</u>	<u>24</u>
1.109	<u>Other Secured Claims</u>	<u>24</u>
1.110	Overpayment Amount	23 <u>24</u>
1.108 <u>1.111</u>	Person	23 <u>24</u>
1.109 <u>1.112</u>	Petition Date	23 <u>24</u>
1.110 <u>1.113</u>	Plan	24
1.111 <u>1.114</u>	Possessory Lienholder Claims	24 <u>25</u>
1.112 <u>1.115</u>	Prepetition Claims Motions	24
1.113	Priority Tax Claim	24
1.114	Pro Rata	24
1.115	Professional	25
1.116	Professional	<u>Priority Tax Claim</u> 25
1.117	<u>Pro Rata</u>	<u>25</u>
1.118	<u>Professional</u>	<u>25</u>
1.119	<u>Professional Claim</u>	<u>26</u>
1.120	Purchaser	25 <u>26</u>
1.118 <u>1.121</u>	Released Claims	25 <u>26</u>

1.119 <u>1.122</u>	..... Remaining Contracts	25 <u>26</u>
1.120 <u>1.123</u>	..... Reserve Accounts	25 <u>26</u>
1.121 <u>1.124</u>	..... Sale Allocation Motion	25
1.122	Sale Motion	26
1.123	Sale Order	26
1.124	Sale Proceeds	26
1.125	Sale Motion	27
1.126	Sale Order	27
1.127	Sale Proceeds	27
1.128	Sale Support Agreement	26 <u>27</u>
1.126 <u>1.129</u>	..... Scheduled	27 <u>28</u>
1.127	Schedules	27
1.128	Second Lien Credit Agreement	27
1.129	Second Lien Facility Adequate Protection Claim	27
1.130	Second Lien Facility Agent	27
1.130	Schedules	28
1.131	Second Lien Facility Claim	27 <u>Credit Agreement 28</u>
1.132	Second Lien Facility Deficiency Adequate Protection Claim	27 <u>28</u>
1.133	Second Lien Facility Lenders	27 <u>Agent 28</u>
1.134	Second Lien Facility Secured Claim	28
1.135	Secured Second Lien Facility Deficiency Claim	28
1.136	Security Second Lien Facility Lenders	28
1.137	Tax Claims	28 <u>Second Lien Facility Secured Claim 29</u>
1.138	Taxes	28 <u>Second Lien Obligations 29</u>
1.139	Trust Administrative Fund	28 <u>Secured Claim 29</u>
1.140	Trust Estate or Trust Assets Security	29
1.141	Tax Claims	29
1.142	Taxes	29
1.143	Trust Administrative Fund	30
1.144	Trust Estate or Trust Assets	30
1.145	Unimpaired	29 <u>30</u>
1.142 <u>1.146</u>	..... United States Trustee	29 <u>30</u>
1.143 <u>1.147</u>	..... Unsecured Claim	29 <u>30</u>
C.	Rules of Interpretation	29 <u>31</u>
D.	Computation of Time	31 <u>33</u>
ARTICLE 2 TREATMENT OF UNCLASSIFIED CLAIMS		31 <u>33</u>
2.1	Administrative Expense Claims	31 <u>33</u>
2.2	Statutory Fees	32 <u>34</u>
2.3	Professional Claims	32 <u>34</u>
2.4	Priority Tax Claims	33 <u>35</u>
2.5	Deadline for Filing Administrative Expense Claims	34 <u>35</u>

ARTICLE 3 CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS	36 <u>37</u>
A. General	36 <u>37</u>
B. Classification.....	36 <u>38</u>
3.1 Class 1: Other Priority Claims.....	36 <u>38</u>
3.2 Class 2: First Lien Facility Claims.....	36 <u>38</u>
3.3 Class 3: Second Lien Facility Claims	37 <u>38</u>
3.4 Class 4: Other Secured Claims	37 <u>38</u>
3.5 Class 5: General Unsecured Claims.....	37 <u>38</u>
3.6 Class 6: Intercompany Claims	37 <u>38</u>
3.7 Class 7: Old Equity	37 <u>38</u>
3.8 Class 8: Old Equity Rights.....	37 <u>39</u>
ARTICLE 4 IDENTIFICATION OF CLASSES OF CLAIMS AND INTERESTS IMPAIRED AND NOT IMPAIRED BY THE PLAN	37 <u>39</u>
4.1 Unimpaired Classes of Claims and Interests	37 <u>39</u>
4.2 Impaired Classes of Claims and Interests	37 <u>39</u>
ARTICLE 5 PROVISIONS FOR THE TREATMENT OF CLAIMS AND INTERESTS	38 <u>39</u>
5.1 Class 1 (Other Priority Claims).....	38 <u>39</u>
5.2 Class 2 (First Lien Facility Claims)	38 <u>39</u>
5.3 Class 3 (Second Lien Facility Claims).....	39 <u>41</u>
5.4 Class 4 et seq. (Other Secured Claims).....	40 <u>42</u>
5.5 Class 5 (General Unsecured Claims)	41 <u>43</u>
5.6 Class 6 (Intercompany Claims).....	42 <u>45</u>
5.7 Class 7 (Old Equity).....	42 <u>45</u>
5.8 Class 8 (Old Equity Rights)	43 <u>45</u>
ARTICLE 6 TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.....	43 <u>45</u>
6.1 Assumption, Assignment and Rejection Pursuant to the Sale Order...	43 <u>45</u>
6.2 Assumption and Assignment of Remaining Contracts	43 <u>46</u>
6.3 Cure Payments; Assurance of Performance.....	44 <u>46</u>
6.4 Objections To Assumption of Remaining Contracts	45 <u>47</u>
6.5 Rejection	45 <u>48</u>
6.6 Approval of Rejection; Rejection Damages Claims Bar Date.....	46 <u>48</u>
ARTICLE 7 MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN	46 <u>49</u>
7.1 Substantive Consolidation of Claims against Debtors for Plan Purposes Only	46 <u>49</u>
7.2 The Liquidating Trust	47 <u>50</u>
7.3 Continuation of the Automatic Stay	49 <u>51</u>

7.4	Transfer of Equity Interests in Graceway Canada	49 <u>52</u>
7.5	Committee Settlement.....	50 <u>52</u>
7.6	Post-Confirmation Operations	50 <u>53</u>
7.7	Post-Confirmation Funding of Plan	50 <u>53</u>
7.8	Post-Effective Date Funding of Operations	52 <u>54</u>
7.9	Dissolution of the Debtors	53 <u>55</u>
7.10	Closing of the Debtors' Chapter 11 Cases	53 <u>56</u>
7.11	Post-Effective Date Cause of Action Settlements	54 <u>56</u>
7.12	Post-Effective Date Reporting	54 <u>57</u>
7.13	Cancellation of Existing Securities and Agreements.....	55 <u>58</u>
7.14	Dissolution of Creditors' Committee.....	55 <u>58</u>
7.15	Nycomed Litigation Proceeds.....	55 <u>58</u>
ARTICLE 8 POST-CONFIRMATION LITIGATION.....		56 <u>60</u>
8.1	Transfer and Enforcement of Causes of Action.....	56 <u>60</u>
8.2	Abandonment of Causes of Action and Other Assets of the Debtors..	57 <u>60</u>
ARTICLE 9 PROCEDURES FOR TREATMENT OF DISPUTED CLAIMS		57 <u>61</u>
9.1	Objections to Claims.....	57 <u>61</u>
9.2	Resolution of Disputed Claims	58 <u>61</u>
9.3	Amendments to Claims.....	59 <u>62</u>
9.4	No Distributions Pending Allowance	59 <u>62</u>
ARTICLE 10 DISTRIBUTIONS		59 <u>63</u>
10.1	No Duplicate Distributions	59 <u>63</u>
10.2	Delivery of Distributions in General.....	59 <u>63</u>
10.3	Cash Payments	60 <u>63</u>
10.4	Interest on Claims	60 <u>63</u>
10.5	No De Minimis Distributions.....	60 <u>64</u>
10.6	Face Amount.....	61 <u>64</u>
10.7	Undeliverable Distributions	61 <u>64</u>
10.8	Timing of Distributions.....	61 <u>65</u>
10.9	Disputed Claims Reserve.....	64 <u>68</u>
10.10	Compliance with Tax Requirements.....	65 <u>69</u>
ARTICLE 11 CONDITIONS PRECEDENT		65 <u>70</u>
11.1	Conditions to Confirmation	65 <u>70</u>
11.2	Conditions to the Effective Date.....	66 <u>70</u>
11.3	Termination of Plan for Failure To Become Effective	67 <u>71</u>
11.4	Waiver of Conditions.....	67 <u>71</u>
11.5	Notice of Effective Date	67 <u>71</u>
ARTICLE 12 EFFECT OF CONFIRMATION		67 <u>72</u>

12.1	Jurisdiction of Court	<u>6772</u>
12.2	Binding Effect	<u>6872</u>
12.3	Term of Pre-Confirmation Injunctions or Stays	<u>6872</u>
12.4	Injunction Against Interference with Plan	<u>6872</u>
12.5	Exculpation	<u>6873</u>
12.6	Injunction	<u>7175</u>
12.7	Releases by Debtors	<u>7276</u>
12.8	Releases by Holders of Claims and Interests	<u>7276</u>
12.9	Limitation of Liability	<u>7377</u>
ARTICLE 13 RETENTION OF JURISDICTION		<u>7378</u>
13.1	Scope of Bankruptcy Court Jurisdiction	<u>7378</u>
ARTICLE 14 ACCEPTANCE OR REJECTION OF THE PLAN		<u>7680</u>
14.1	Persons Entitled to Vote	<u>7680</u>
14.2	Acceptance by Impaired Classes	<u>7681</u>
14.3	Request for Non-Consensual Confirmation	<u>7781</u>
ARTICLE 15 MISCELLANEOUS PROVISIONS		<u>7781</u>
15.1	Effectuating Documents and Further Transactions	<u>7781</u>
15.2	Corporate Action	<u>7781</u>
15.3	Payment of Statutory Fees	<u>7882</u>
15.4	Modification of the Plan	<u>7882</u>
15.5	Revocation of the Plan	<u>7882</u>
15.6	Governing Law	<u>7882</u>
15.7	No Admissions	<u>7883</u>
15.8	Severability of Plan Provisions	<u>7983</u>
15.9	Successors and Assigns	<u>7983</u>
15.10	Exemption from Certain Transfer Taxes	<u>7983</u>
15.11	Preservation of Rights of Setoffs	<u>8084</u>
15.12	Defenses with Respect to Unimpaired Claims	<u>8084</u>
15.13	No Injunctive Relief	<u>8084</u>
15.14	Saturday, Sunday or Legal Holiday	<u>8084</u>
15.15	Entire Agreement	<u>8085</u>
15.16	Dissolution of Creditors' Committee	<u>8185</u>
15.17	Notices	<u>8185</u>

Exhibits

1. List of Debtors
2. Liquidating Trust Agreement
3. Assumption Schedule

INTRODUCTION

Graceway Pharmaceuticals, LLC (“Graceway”), a Delaware limited liability company, and its Affiliates and Subsidiaries listed on Exhibit 1 hereto (collectively with Graceway, the “Debtors”) propose the **First Amended** Joint Plan of Liquidation of Graceway Pharmaceuticals, LLC, et al. (the “Plan”) for the resolution and satisfaction of all Claims against and Interests in the Debtors. The Debtors are the proponents of this Plan within the meaning of Section 1129 of the Bankruptcy Code. All capitalized terms not defined in this introduction have the meanings ascribed to them in Article 1 of this Plan. Reference is made to the Disclosure Statement, distributed contemporaneously herewith, for a discussion of the Debtors’ history, businesses, resolution of material disputes, significant asset sales, financial projections for the liquidation and distribution of the Debtors’ remaining Assets and a summary and analysis of the Plan and certain related matters.

This is a liquidating Plan pursuant to which substantially all of the Debtors’ Assets are to be transferred to a liquidating trust (subject to existing Liens and encumbrances, to the extent specified in the Plan) that will liquidate such Assets and make distributions to holders of Allowed Claims, whose Claims against the Debtors will be exchanged for a beneficial interest in the Liquidating Trust.

The Plan is premised on the substantive consolidation of the Debtors with respect to the voting and treatment of all Claims and Interests other than Other Secured Claims, as provided below. The Plan does not contemplate substantive consolidation of the Debtors with respect to Other Secured Claims against the Debtors, which Claims shall apply separately with respect to each Plan proposed by each Debtor. If the Plan cannot be confirmed as to some or all of the Debtors, in the Debtors’ sole discretion after consultation with the First Lien Facility

Agent, the Second Lien Facility Agent and the Creditors' Committee, (a) the Plan may be revoked as to all of the Debtors, or (b) the Debtors may revoke the Plan as to any Debtor not satisfying the cramdown requirements of Section 1129(b)(7) of the Bankruptcy Code (and any such Debtor's Chapter 11 Case being converted to a chapter 7 liquidation, continued or dismissed in the Debtors' sole discretion after consultation with the First Lien Facility Agent, the Second Lien Facility Agent and the Creditors' Committee) and confirmed as to the remaining Debtors. A list of each Debtor who is a proponent of the Plan and its corresponding Chapter 11 Case docket number is attached hereto as Exhibit 1.

Under Section 1125(b) of the Bankruptcy Code, a vote to accept or reject the Plan cannot be solicited from holders of Claims and/or Interests until such time as the Disclosure Statement has been approved by the Bankruptcy Court. The Debtors urge all holders of Claims entitled to vote on the Plan to read the Plan and the Disclosure Statement in their entirety before voting to accept or reject the Plan. To the extent, if any, that the Disclosure Statement is inconsistent with the Plan, the Plan will govern. No solicitation materials other than the Disclosure Statement and any schedules and exhibits attached thereto or referenced therein, or otherwise enclosed with the Disclosure Statement served by the Debtors on interested parties, have been authorized by the Debtors or the Bankruptcy Court for use in soliciting acceptances of the Plan. Subject to certain restrictions and requirements set forth in Section 1127 of the Bankruptcy Code and Federal Bankruptcy Rule 3019, the Debtors expressly reserve the right, after consultation with the First Lien Facility Agent, the Second Lien Facility Agent and the Creditors' Committee, to alter, amend, modify, revoke, or withdraw this Plan prior to its substantial consummation.

ARTICLE 1
DEFINITIONS, INTERPRETATION AND RULES OF CONSTRUCTION

A. Scope of Definitions. For the purposes of this Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them in Article 1 of this Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Federal Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Federal Bankruptcy Rules, respectively. Whenever the context requires, capitalized terms shall include the plural as well as the singular number, the masculine gender shall include the feminine, and the feminine gender shall include the masculine.

B. Definitions. In addition to such other terms as are defined in other Sections of the Plan, the following terms (which appear in the Plan as capitalized terms) shall have the meanings ascribed to them in this Article 1 of the Plan.

1.1 1.0% Holdback Account means the account into which \$4,213,125.55 of the Sale Proceeds was deposited on December 2, 2011 pursuant to paragraph 30(vi) of the Sale Order.

1.2 363 Sale means the sale approved under the Sale Order and consummated on December 2, 2011.

1.3 549 Avoidance Action means any avoidance or equitable subordination or recovery actions under Bankruptcy Code Section 549, but excluding Released Claims.

1.4 549 Avoidance Action Proceeds means the proceeds of any 549 Avoidance Actions actually received by the Debtors' Estates or the Liquidating Trust, whether obtained through litigation, settlement or otherwise, net of the fees and expenses incurred in

obtaining such proceeds (including Contingency Fee Counsel Fees and Expenses, if applicable).

1.5 Acquired Assets means “Acquired Assets,” as defined in the Asset Purchase Agreement.

1.6 Administrative Expense Claim means any right to payment for any cost or expense of administration of the Debtors’ Chapter 11 Cases asserted or arising under Sections 503, 507(a)(2), or 507(b) of the Bankruptcy Code, including, any (i) actual and necessary cost or expense of preserving the Debtors’ Estates or operating the business of the Debtors arising on or after the Petition Date, (ii) payment to be made under this Plan to cure a default on an executory contract or unexpired lease that has been assumed on or after the Petition Date (and prior to the occurrence of such default) pursuant to Section 365 of the Bankruptcy Code, (iii) cost, indebtedness or contractual obligation duly and validly incurred or assumed by the Debtors in the ordinary course of business arising on or after the Petition Date, (iv) compensation or reimbursement of expenses of Professionals arising on or after the Petition Date, to the extent allowed by the Bankruptcy Court under Section 330(a) or Section 331 of the Bankruptcy Code, including, without limitation, all Allowed Professional Claims, and (v) fees or charges assessed against the Debtors’ Estates under Section 1930 of title 28 of the United States Code.

1.7 Administrative Expense Claims Bar Date means the first Business Day that is at least thirty-five (35) days following the Effective Date or such other date ordered by the Bankruptcy Court.

1.8 Affiliate shall have the meaning set forth in Section 101(2) of the Bankruptcy Code.

1.9 Allowed Claim or Allowed Interest means a Claim against or Interest in any of the Debtors or any portion thereof (i) that has been allowed by a Final Order, (ii) as to which, on or by the Effective Date, (a) no proof of Claim or Interest has been Filed with the Bankruptcy Court and (b) the liquidated and noncontingent amount of which is Scheduled, other than a Claim or Interest that is Scheduled at zero, in an unknown amount, or as disputed, (iii) for which a proof of Claim or Interest in a liquidated amount has been timely Filed with the Bankruptcy Court pursuant to the Bankruptcy Code and as to which either (a) no objection to its allowance has been Filed within the applicable periods of limitation fixed by the Plan, the Bankruptcy Code, or by any Order of the Bankruptcy Court sought pursuant to Section 9.1 of the Plan or otherwise entered by the Bankruptcy Court or (b) any objection to its allowance has been settled or withdrawn, or has been denied by a Final Order, or (iv) that is expressly allowed in the Plan.

1.10 Allowed [] Claim or Allowed [] Interest means an Allowed Claim or Allowed Interest in the particular category or Class identified.

1.11 Approving Majority First Lien Lenders means at least two First Lien Facility Lenders holding in aggregate a majority of the then outstanding First Lien Facility Claims held by the Consenting First Lien Lenders.

1.12 Asset Purchase Agreement means the Asset Purchase Agreement dated as of November 18, 2011, between the Debtors, Purchaser and Graceway Canada, as amended, and all other documentation related thereto or contemplated thereby.

1.13 Assets means all legal or equitable prepetition and post-petition interests of the Debtors or, to the extent transferred and assigned by the Debtors to the Liquidating Trust pursuant to Section 7.2.3 below on the Effective Date, all legal or equitable interests of the

Liquidating Trust, in any and all real or personal property of any nature, including any real estate, buildings, structures, improvements, privileges, rights, easements, leases, subleases, licenses, goods, materials, supplies, furniture, fixtures, equipment, work in process, accounts, chattel paper, tax refunds, net operating losses, Cash, deposit accounts, reserves, deposits, equity interests, contractual rights, intellectual property rights, Claims, Causes of Action (including, without limitation, Avoidance Actions), assumed executory contracts and unexpired leases, other general intangibles, and the proceeds, products, offspring, rents or profits thereof.

1.14 Assumed (including the term “Assumption” and any variants and derivatives thereof) means assumed by the Purchaser pursuant to the Asset Purchase Agreement.

1.15 Assumed Liabilities means “Assumed Liabilities,” as defined in the Asset Purchase Agreement.

1.16 Assumption Schedule has the meaning given to such term in Section 6.2 of the Plan.

1.17 Avoidance Action means any avoidance or equitable subordination or recovery actions under Bankruptcy Code Sections 105, 502(d), 510, 542, 543, 544, 545, 546, 547, 548, 550, 551, and 553 and any other avoidance or similar action under the Bankruptcy Code or similar law of any state or foreign jurisdiction, but excluding Released Claims and 549 Avoidance Actions.

1.18 Avoidance Action Proceeds means the proceeds of any Avoidance Actions actually received by the Debtors’ Estates or the Liquidating Trust, whether obtained through litigation, settlement or otherwise, net of the fees and expenses incurred in obtaining such proceeds (including Contingency Fee Counsel Fees and Expenses, if applicable).

1.19 Bankruptcy Code means title 11 of the United States Code, as in effect on the Petition Date and as thereafter amended, as applicable in the Chapter 11 Cases.

1.20 Bankruptcy Court means the United States Bankruptcy Court for the District of Delaware or any other court of the United States having jurisdiction over the Chapter 11 Cases.

1.21 Bankruptcy Rules means the Federal Bankruptcy Rules and the Local Bankruptcy Rules for the District of Delaware, as in effect on the Petition Date and as thereafter amended, as applicable from time to time in the Chapter 11 Cases.

1.22 Bar Date means December 30, 2011, which was established by the Bankruptcy Court as the deadline for filing proofs of Claims relating to prepetition Claims against the Debtors.

1.23 Beneficiaries means the holders of Allowed Claims as may be determined from time to time in accordance with the Plan and the Liquidating Trust Agreement, each of whom shall receive beneficial interests in the Liquidating Trust.

1.24 Bid Procedures Order means the Order Approving and Authorizing (A) Bidding Procedures in Connection with the Sale of Certain Assets of the Debtors, (B) Stalking Horse Bid Protections, (C) the Form and Manner of Notice of the Sale Hearing and (D) Related Relief [Docket No. 119].

1.25 Budget means the “Approved Budget” as defined in the DIP Order, as amended from time to time.

1.26 Business Day means any day other than a Saturday, Sunday or a “legal holiday” (as such term is defined in Federal Bankruptcy Rule 9006(a)(6)).

1.27 Canadian Distribution Amount means the aggregate amount of Cash, if any, distributed by Graceway Canada to the Debtors on account of the Debtors' equity interests in Graceway Canada after payment in full of all creditors of Graceway Canada.

1.28 Cash means legal tender accepted in the United States of America for the payment of public and private debts, currently denominated in United States Dollars.

1.29 Causes of Action means, without limitation, any and all actions, causes of action, Avoidance Actions, 549 Avoidance Actions, controversies, liabilities, obligations, rights, suits, damages, judgments, Claims and demands whatsoever owned by any of the Debtors, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, whether assertable directly, indirectly, derivatively or in any representative or other capacity, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act, failure to act, error, omission, transaction, occurrence or other event arising or occurring prior to the Petition Date or during the course of the Chapter 11 Cases, through and including the Effective Date, including, without limitation, the Debtors' rights under the Asset Purchase Agreement to the Nycomed Litigation Proceeds, but excluding Released Claims.

1.30 Causes of Action Proceeds means the proceeds of any Causes of Action actually received by the Debtors' Estates or the Liquidating Trust, whether obtained through litigation, settlement or otherwise.

1.31 CCR Account means the "CCR Account," as defined in the Sale Order, into which \$17,684,000 was deposited on December 2, 2011 and in which approximately \$17,289,344.44 remains as of the date hereof for the sole purpose of paying liabilities permitted by the Budget and/or the Sale Support Agreement on account of chargebacks, channel

management agreements, product returns and rebates constituting (a) Allowed Claims authorized to be paid by the Bankruptcy Court pursuant to the Orders approving the Prepetition Claims Motions or (b) Allowed Administrative Expense Claims.

1.32 Chapter 11 Cases means the chapter 11 cases of the Debtors pending before the Bankruptcy Court as set forth in Exhibit 1 hereto and as being jointly administered with one another under Case No. 11-13036 (PJW), and as to any Debtor individually, a Chapter 11 Case.

1.33 Claim has the meaning ascribed to such term in Section 101(5) of the Bankruptcy Code, as construed by Section 102(2) of the Bankruptcy Code.

1.34 Class means a group of Claims or Interests as classified in a particular class under the Plan pursuant to Section 1122 of the Bankruptcy Code.

1.35 Committee Settlement means the settlement of the objections of the Creditors' Committee to the Sale Motion and the Sale Allocation Motion set forth on the record at the hearing on the Sale Motion and the Sale Allocation Motion on November 22, 2011, pursuant to which (a) the First Lien Facility Agent agreed and certain First Lien Facility Lenders agreed, subject to confirmation of a joint plan of liquidation incorporating the terms of such settlement, to release its their respective Liens and Claims, including the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim and any First Lien Facility Deficiency Claim, on the Estate Fund Amount, the Liquidating Trustee Fee Amount and 25% of all Avoidance Action Proceeds other than 549 Avoidance Action Proceeds, and the First Lien Facility Agent (for the benefit of the First Lien Claimholders) received in exchange therefor any Canadian Distribution Amount in excess of the Estate Fund Amount, 75% of all Avoidance Action Proceeds and 100% of all 549 Avoidance Action Proceeds, all in

accordance with the terms of this Plan; and (b) the Creditors' Committee agreed not to assert any Claim or Cause of Action against the First Lien Facility Agent or the First Lien Facility Lenders.

1.36 Confirmation means entry of the Confirmation Order by the Bankruptcy Court.

1.37 Confirmation Date means the date on which the Bankruptcy Court enters the Confirmation Order on its docket, within the meaning of Federal Bankruptcy Rules 5003 and 9021.

1.38 Confirmation Hearing means the duly noticed hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to Bankruptcy Code Section 1128, including any continuances thereof.

1.39 Confirmation Order means the Order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code in form and substance reasonably acceptable to the Debtors and the First Lien Facility Agent.

1.40 Consenting First Lien Lenders means each of the First Lien Facility Lenders party to the Sale Support Agreement.

1.41 Contingency Fee Counsel Fees and Expenses means the fees and expenses incurred by counsel retained by the Liquidating Trust in pursuing the Causes of Action, which, as to fees, shall be in an amount that does not exceed fifteen percent (15%) of any Causes of Action Proceeds and on such other terms and provisions acceptable to the Liquidating Trustee after consultation with the Liquidating Trust Committee.

1.42 1.41-Creditor means any Entity who holds a Claim against any of the Debtors.

1.43 ~~1.42~~ **Creditor Releasees** means (i) the officers, directors, shareholders, members and/or enrollees, employees, representatives, advisors, attorneys, financial advisors, investment bankers, or agents of the Debtors (including their estates and beneficiaries), in each case as of the Petition Date or that have become officers and/or directors thereafter, including GTCR; (ii) the members of the Creditors' Committee, solely with respect to each member's conduct in furtherance of its, his, or her duties as a member of the Creditors' Committee, and not with respect to the actions of such members as individual creditors, and its agents, attorneys and other professionals acting in conjunction with the Chapter 11 Cases, and the Creditors' Committee's agents, attorneys and other professionals; (iii) the Liquidating Trustee; (iv) the First Lien Facility Agent and its agents, attorneys and other professionals; (v) the First Lien Facility Lenders in their capacity as such; (vi) the Second Lien Facility Agent and its agents, attorneys and other professionals; (vii) the Second Lien Facility Lenders in their capacity as such; and (viii) the Debtors' Affiliates and their officers and directors, including GTCR.

1.44 ~~1.43~~ **Creditors' Committee** means the statutory committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to Bankruptcy Code Section 1102.

1.45 ~~1.44~~ **Debtor(s)** means, individually, Graceway Pharmaceuticals, LLC and each other Debtor listed on Exhibit 1 hereto and, collectively, all of them, including in their capacity as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

1.46 ~~1.45~~ **Debtor Releasees** means (i) the officers, directors, shareholders, members and/or enrollees, employees, representatives, advisors, attorneys, financial advisors, investment bankers, or agents of the Debtors (including their estates and beneficiaries), in each case as of the Petition Date or that have become officers and/or directors thereafter, including GTCR; (ii) the members of the Creditors' Committee, solely with respect to each member's

conduct in furtherance of its, his, or her duties as a member of the Creditors' Committee, and not with respect to the actions of such members as individual creditors, and its agents, attorneys and other professionals acting in conjunction with the Chapter 11 Cases, and the Creditors' Committee's agents, attorneys and other professionals; (iii) the Liquidating Trustee; (iv) the First Lien Facility Agent and its agents, attorneys and other professionals; (v) the First Lien Facility Lenders in their capacity as such; (vi) the Second Lien Facility Agent and its agents, attorneys and other professionals; (vii) the Second Lien Facility Lenders in their capacity as such; and (viii) the Debtors' Affiliates and their officers and directors, including GTCR.

1.47 ~~1.46~~ **Deficiency Claims** means with respect to any Claim secured by a Lien in any property of any Debtor having a value of less than the amount of such Claim (after taking into account other Liens of higher priority in such property), the portion of such Claim equal to the difference between (a) the allowed amount of the Claim and (b) the allowed amount of the secured portion of such Claim (which allowed secured amount may be set pursuant to this Plan).

1.48 ~~1.47~~ **Designated Account** means the "Designated Account," as defined in the Sale Order, into which approximately \$4,410,193.60 was deposited on December 2, 2011 and in which an aggregate of approximately \$18,002,063.72 remains as of the date hereof.

1.49 ~~1.48~~ **DIP Order** means 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 supplemented or amended from time to time [Docket No. 219].

1.50 ~~1.49~~—Disclosure Statement means that certain written disclosure statement that relates to this Plan as Filed in the Chapter 11 Cases by the Debtors, including the schedules and exhibits attached thereto, as may be amended, modified or supplemented from time to time, as approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

1.51 ~~1.50~~—Disputed Claim or Disputed Interest means a Claim or Interest, respectively, that is not an Allowed Claim or Allowed Interest, as applicable, and that either (i) the Debtors have Scheduled as “disputed,” “contingent” or “unliquidated,” or (ii) as to which a proof of Claim or Interest has been Filed or deemed Filed as contingent and as to which an objection has been or may be timely Filed by the Debtors, the Liquidating Trustee or any other party in interest entitled to do so, which objection, if timely Filed, has not been withdrawn and has not been overruled or denied by a Final Order. For purposes of this definition, Disputed Claims shall include any actual or estimated Administrative Expense Claims, Professional Claims, Priority Tax Claims or Other Priority Claims that have not been paid in full in Cash as of the Effective Date and any actual or estimated Other Secured Claims that have not been treated in accordance with Section 5.4 of this Plan as of the Effective Date.

1.52 ~~1.51~~—Disputed [] Claim or Disputed [] Interest means a Disputed Claim or Disputed Interest in the particular category or Class identified

1.53 ~~1.52~~—Disputed Claims Reserve has the meaning given to such term in Section 10.9 of the Plan.

1.54 ~~1.53~~—Effective Date means the date that is the first Business Day following occurrence of the Confirmation Date on which all conditions to the Effective Date set

forth in Article 11 of the Plan have been satisfied or, if waivable, waived pursuant to Section 11.4 of the Plan.

1.55 ~~1.54~~ **Employee Account** means the “Employee Account,” as defined in the Sale Order, into which \$2,593,647.29 was deposited on December 2, 2011 and in which approximately \$965,687.11 remains as of the date hereof for purposes of funding the Debtors’ employee severance and benefits liabilities to the extent approved by the Orders approving the Prepetition Claims Motions and permitted by the Budget and/or the Sale Support Agreement.

1.56 ~~1.55~~ **Entity** means an entity as defined in Section 101(15) of the Bankruptcy Code.

1.57 ~~1.56~~ **Estate** means, with regard to each Debtor, the estate that was created by the commencement by such Debtor of its Chapter 11 Case pursuant to Section 541 of the Bankruptcy Code, and shall be deemed to include, without limitation, any and all rights, powers, and privileges of such Debtor and any and all Assets and Interests in property, whether real, personal or mixed, rights, Causes of Action, avoidance powers or extensions of time that such Debtor or such estate shall have had as of the Petition Date, or which such Estate acquired after the commencement of the Chapter 11 Case, whether by virtue of Sections 541, 544, 545, 546, 547, 548, 549 or 550 of the Bankruptcy Code, or otherwise. “Estates” has a correlative meaning.

1.58 ~~1.57~~ **Estate Fund Amount** means an amount equal to \$10,000,000 to be available to the Debtors’ estates free and clear of all Liens and Claims of the First Lien Facility Agent, including First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim and any First Lien Facility Deficiency Claim. The Estate Fund Amount shall be funded as follows: (i) first, from the first \$10,000,000 of the Canadian Distribution Amount received by the Debtors; (ii) second, solely to the extent the Canadian Distribution Amount is less than

\$10,000,000, from the 1.0% Holdback Account; and (iii) finally, solely to the extent the sum of the Canadian Distribution Amount and the funds in the 1.0% Holdback Account is less than \$10,000,000, from the Sale Proceeds distributed to the First Lien Facility Agent pursuant to the Sale Order.

1.59 ~~1.58~~ **Face Amount** has the meaning given to such term in Section 10.6 of the Plan.

1.60 ~~1.59~~ **Federal Bankruptcy Rule(s)** means, collectively, the Federal Rules of Bankruptcy Procedure, as in effect on the Petition Date and as thereafter amended, as applicable in the Chapter 11 Cases, and individually, a particular Federal Rule of Bankruptcy Procedure.

1.61 ~~1.60~~ **File or Filed** means file or filed with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

1.62 ~~1.61~~ **Final Distribution** has the meaning given to such term in Section 10.8.3 of the Plan.

1.63 ~~1.62~~ **Final Distribution Date** has the meaning given to such term in Section 10.8.3 of the Plan.

1.64 ~~1.63~~ **Final Order** means an Order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Chapter 11 Case or the docket of any other court of competent jurisdiction, (i) that has not been reversed, stayed, modified or amended, (ii) as to which the time to appeal or seek certiorari or move for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or (iii) as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been

withdrawn or resolved by the highest court to which the Order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing has been denied or resulted in no modification of such Order; *provided, however*, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be Filed with respect to such Order, shall not cause such Order not to be a Final Order.

1.65 ~~1.64~~ **First Lien Available Cash** means (i) any Canadian Distribution Amount remaining after the Estate Fund Amount is fully funded, (ii) any Cash in the 1.0% Holdback Account after the Estate Fund Amount is fully funded, (iii) any Cash in the CCR Account after payment, to the extent permitted by the Budget and/or the Sale Support Agreement, of all liabilities on account of chargebacks, channel management agreements, product returns and rebates constituting (a) Allowed Claims authorized to be paid by the Bankruptcy Court pursuant to the Orders approving the Prepetition Claims Motions or (b) Allowed Administrative Expense Claims, (iv) any Cash in the Employee Account after payment of severance and benefits approved in the Orders approving the Prepetition Claims Motion and permitted by the Budget and/or Sale Support Agreement, (v) any Cash in the Lazard Account after paying the Allowed Professional Fees of Lazard, ~~and~~ (vi) any other Cash of the Debtors (whether deposited in the Designated Account or otherwise and including the Overpayment Amount) in excess of the amounts required to be set aside for payment of all Allowed Administrative Expense Claims, Allowed Other Secured Claims (to the extent not otherwise satisfied in accordance with the terms of this Plan), Allowed Priority Tax Claims, Allowed Other Priority Claims and any cure costs for executory contracts or unexpired leases on the Assumption Schedule, in each case, pursuant to the Budget and/or the Sale Support Agreement, other than

any such Claims on account of (A) chargebacks, channel management agreements, product returns and rebates or (B) employee severance and benefits payable from the Employee Account, and (vii) any other Cash of the Debtors described in clause (vi) of this definition remaining after payment in full of the Allowed Claims and cure costs described in such clause. For the avoidance of doubt, First Lien Available Cash shall exclude the Other Assets.

1.66 ~~1.65~~ **First Lien Claimholders** means the “First Lien Claimholders” as defined in the DIP Order.

1.67 ~~1.66~~ **First Lien Credit Agreement** means that certain \$680,000,000 First Lien Credit Agreement dated as of May 3, 2007, among, *inter alia*, Graceway Pharmaceuticals, LLC, as borrower, Graceway Holdings, LLC, the First Lien Facility Lenders, and the First Lien Facility Agent.

1.68 ~~1.67~~ **First Lien Facility Adequate Protection Claim** means the Claims of the First Lien Claimholders under Section 507(b) of the Bankruptcy Code and Section 4(b) of the DIP Order, if any, including, without limitation, any adequate protection Claim arising from the payment of the fees and expenses of the Professionals and the expenses of the members of the Creditors’ Committee, in each case, in connection with the Chapter 11 Cases.

1.69 ~~1.68~~ **First Lien Facility Agent** means Bank of America, N.A., as administrative agent for the First Lien Facility Lenders and collateral agent for the First Lien Claimholders, or any successor thereto.

1.70 ~~1.69~~ **First Lien Facility Claim** means the First Lien Facility Secured Claim, any First Lien Facility Deficiency Claim and any First Lien Facility Adequate Protection

Claim. ~~1.70~~ **First Lien Facility Deficiency Claim** means any Deficiency Claim with respect to the First Lien Facility Secured Claim.

1.72 ~~1.71~~ **First Lien Facility Lenders** means the “Lenders” as defined in the First Lien Credit Agreement.

1.73 ~~1.72~~ **First Lien Facility Secured Claim** means the Secured Claims of the First Lien Claimholders under the First Lien Credit Agreement and the DIP Order. For the avoidance of doubt, to the extent the value of the Assets that secure the First Lien Facility Secured Claim exceed the amount of the First Lien Facility Secured Claim before taking into account post-petition interest and fees, the First Lien Facility Secured Claim shall include post-petition interest and fees.

1.74 ~~1.73~~ **First Lien Trust Administrative Fund** shall have the meaning specified in Section 4.1 of the Liquidating Trust Agreement and shall be funded solely in accordance with Section 7.8 below.

1.75 ~~1.74~~ **General Unsecured Claims** means all Unsecured Claims against the Debtors, including, without limitation, the Mezzanine Facility Claim and any Second Lien Facility Deficiency Claim, but excluding any First Lien Facility Deficiency Claim, the Intercompany Claims and the Old Equity Rights.

1.76 ~~1.75~~ **Graceway Canada** means Graceway Canada Company, a non-Debtor Affiliate of the Debtors, which 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 on October 4, 2011.

1.77 ~~1.76~~ **Governmental Claims Bar Date** means March 27, 2012, which was established by the Bankruptcy Court as the deadline for filing proofs of Claims relating to prepetition Claims against the Debtors.

1.78 ~~1.77~~ **Governmental Unit** shall have the meaning ascribed to it in Section 101(27) of the Bankruptcy Code.

1.79 ~~1.78~~ **GTCR** means GTCR Partners VIII, L.P., GTCR Golder Rauner II, L.L.C., GTCR Fund VIII, L.P., Fund VIII/B Graceway Splitter, L.P., GTCR Co-Invest II, L.P., GTCR Fund IX/A, L.P., Fund IX/B Graceway Splitter, L.P., GTCR Co-Invest III, L.P., and any affiliates of the foregoing.

1.80 ~~1.79~~ **Impaired** shall have the meaning ascribed to it in Section 1124 of the Bankruptcy Code when used with reference to a Claim or an Interest.

1.81 ~~1.80~~ **Indemnification Claims** means the obligations of the Debtors, or any one of them, pursuant to their certificates of incorporation or other charter documents, bylaws, applicable law, any employment agreement or other express agreement operational as of the Petition Date to indemnify any of their current and former officers and directors, on the terms and subject to the limitations described therein.

1.82 ~~1.81~~ **Intercreditor Agreement** means the Intercreditor Agreement dated as of May 3, 2007, among Graceway Holdings, LLC, Graceway Pharmaceuticals, LLC, the First Lien Facility Agent, the Second Lien Facility Agent and Goldman Sachs Credit Partners, L.P. as Control Agent.

1.83 ~~1.82~~ **Intercompany Claims** means the Claims of a Debtor against any other Debtor, and shall exclude any Claims of a Debtor against a non-Debtor Affiliate.

1.84 ~~1.83~~ **Interest** means the legal, equitable, contractual and other rights of the holders of Old Equity and Old Equity Rights.

1.85 ~~1.84~~ **Lazard** means Lazard Frères & Co. LLC.

1.86 ~~1.85~~ **Lazard Account** means the “Lazard Account,” as defined in the Sale Order, into which \$2,481,250.00 was deposited on December 2, 2011 for the payment of the sale transaction fee due and owing to Lazard pursuant to the terms of that certain engagement letter, dated March 12, 2010, between Lazard and Graceway Pharmaceuticals, LLC in connection with the 363 Sale.

1.87 ~~1.86~~ **Lien** means with respect to any Asset, any mortgage, deed of trust, deed to secure debt, lien (statutory or otherwise), pledge, hypothecation, encumbrance, collateral assignments, charge or security interest in, on or of such Asset.

1.88 ~~1.87~~ **Liquidating Trust** means the liquidating trust established pursuant to the Liquidating Trust Agreement further described in Section 7.2 hereof, which shall act through the Liquidating Trustee.

1.89 ~~1.88~~ **Liquidating Trust Agreement** means the Liquidating Trust Agreement dated as of the Effective Date among the Debtors and the Liquidating Trustee, a copy of which is attached hereto as Exhibit 2 and incorporated herein by reference, and all supplements and amendments thereto.

1.90 **Liquidating Trust Committee shall have the meaning ascribed to it in the Liquidating Trust Agreement.**

1.91 ~~1.89~~ **Liquidating Trustee** means the Person appointed and serving from time to time as Liquidating Trustee under the Liquidating Trust Agreement, acting in his

capacity as such on behalf of the Liquidating Trust. The initial Liquidating Trustee shall be Kip Horton of RPA Advisors, LLC.

1.92 ~~1.90-Liquidating Trustee Fee Amount~~ means \$150,000, which shall be funded into the Trust Administrative Fund by the First Lien Facility Agent from Sale Proceeds to which the First Lien Facility Agent or First Lien Claimholders would otherwise be entitled and shall be free and clear of all Liens and Claims of the First Lien Facility Agent or the First Lien Claimholders, including the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim and any First Lien Facility Deficiency Claim.

1.93 ~~1.91-Liquidating Trustee Fees~~ means the reasonable fees and out-of-pocket expenses of the Liquidating Trustee and any attorneys or other professionals hired by the Liquidating Trustee other than Liquidating Trustee First Lien Fees and Contingency Fee Counsel Fees and Expenses, in each case, payable in accordance with the terms and conditions of the Liquidating Trust Agreement solely from the Liquidating Trustee Fee Amount and the Other Assets.

1.94 ~~1.92-Liquidating Trustee First Lien Fees~~ means the reasonable fees and out-of-pocket expenses of the Liquidating Trustee and any attorneys or other professionals hired by the Liquidating Trustee other than Contingency Fee Counsel Fees and Expenses, in each case, payable in accordance with the terms and conditions of the Liquidating Trust Agreement, incurred from the Effective Date through and including the date all First Lien Facility Claims are paid in full in Cash, in connection with (a) the collection of accounts receivable, (b) the pursuit of Causes of Action (including 549 Avoidance Actions but excluding for the avoidance of doubt Avoidance Actions), and (c) the objection to, and settlement of, Other Secured Claims (including Possessory Lienholder Claims), Administrative Expense Claims, Priority Tax Claims and Other

Priority Claims, which shall be funded into the First Lien Trust Administrative Fund by the First Lien Facility Agent from Sale Proceeds to which the First Lien Facility Agent or First Lien Claimholders would otherwise be entitled.

1.95 ~~1.93~~–**Mezzanine Credit Agreement** means that certain \$70,000,000 Mezzanine Credit Agreement dated as of May 3, 2007, among, *inter alia*, Graceway Pharmaceuticals, LLC, Graceway Holdings, LLC, the Mezzanine Facility Lenders, Goldman Sachs Credit Partners L.P., as administrative agent, joint lead arranger, joint lead book manager and syndication agent, 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.

1.96 ~~1.94~~–**Mezzanine Facility Agent** means Goldman Sachs Credit Partners L.P., as administrative agent for the Mezzanine Facility Lenders, or any successor thereto.

1.97 ~~1.95~~–**Mezzanine Facility Claim** means the Claim of the Mezzanine Facility Agent on behalf of the Mezzanine Facility Lenders under the Mezzanine Credit Agreement.

1.98 ~~1.96~~–**Mezzanine Facility Lenders** means the “Lenders” as defined in the Mezzanine Credit Agreement.

1.99 Net Causes of Action Proceeds means the Causes of Action Proceeds, net of the fees and expenses incurred in obtaining such proceeds (including Contingency Fee Counsel Fees and Expenses, if applicable).

1.100 ~~1.97~~–**Nycomed Litigation** means Graceway Pharmaceuticals, LLC and 3M Innovative Properties Company v. Perrigo Company, Perrigo Israel Pharmaceuticals, Ltd.

and Nycomed U.S. Inc., Civil Action No. 10-937 (WJM)(MF) in the United States District Court for the District of New Jersey.

1.101 ~~1.98~~ **Nycomed Litigation Proceeds** means the portion of the proceeds of the Nycomed Litigation to which the Debtors are entitled pursuant to the Asset Purchase Agreement.

1.102 ~~1.99~~ **Old Equity** means any outstanding or retired ownership interests in any of the Debtors, including interests evidenced by stock, membership interests or their equivalents, but excluding the Old Equity Rights.

1.103 ~~1.100~~ **Old Equity Rights** means any calls, rights, puts, awards, commitments, repurchase rights, unvested or unexercised options, warrants, unvested common, preferred or other interests or any other agreement of any character related to Old Equity, obligating any of the Debtors to issue, transfer, purchase, redeem, or sell any common, preferred or other interests or securities, any rights under any equity incentive plans, voting agreements, investor agreements and registration rights agreements regarding common, preferred or other interests or equity securities of any of the Debtors, any Claims arising from the rescission of a purchase, sale or other acquisition of any outstanding common, preferred, membership or other interests or equity securities (or any right, Claim, or interest in and to any common, preferred, membership or other interests or equity securities) of any of the Debtors, any Claims for the payment of any distributions with respect to any common, preferred, membership or other interests or equity securities of any of the Debtors, and any Claims for damages or any other relief arising from the purchase, sale, or other acquisition of the outstanding common, preferred, membership or other interests or equity securities of any of the Debtors.

1.104 ~~1.101~~ Order means an order of judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Chapter 11 Case or the docket of any other court of competent jurisdiction.

1.105 ~~1.102~~ Other Assets means the following Assets, which Assets shall be provided to the Debtors' Estates free and clear of the Liens and Claims of the First Lien Facility Agent, including the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim and any First Lien Facility Deficiency Claim:

- (i) the Estate Fund Amount;
- (ii) the Liquidating Trustee Fee Amount;
- (iii) 25% of Avoidance Action Proceeds; and
- (iv) after payment in full of any First Lien Facility Adequate Protection Claim and any Second Lien Facility Adequate Protection Claim, any other Assets upon which there are no Liens.

1.106 ~~1.103~~ Other Available Cash means the Other Assets, less the amount of Other Assets deposited in the Trust Administrative Fund and the Disputed Claims Reserve.

1.107 ~~1.104~~ Other Priority Claim means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, of a Creditor to the extent such Claim is entitled to priority pursuant to Bankruptcy Code Section 507(a).

1.108 ~~1.105~~ Other Secured Claim Liens means the valid, perfected and enforceable Liens relating to the Allowed Other Secured Claims.

1.109 ~~1.106~~ Other Secured Claims means all Secured Claims against the Debtors other than the First Lien Facility Secured Claim and the Second Lien Facility Secured Claim; *provided, however*, that any Secured Claim that is an Assumed Liability has been

Assumed and shall be satisfied in accordance with the Asset Purchase Agreement and shall not receive distributions pursuant to this Plan.

1.110 ~~1.107~~ Overpayment Amount has the meaning given to such term in Section 2.3 of the Plan.

1.111 ~~1.108~~ Person means an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a joint venture, an unincorporated organization, or a Governmental Unit.

1.112 ~~1.109~~ Petition Date means September 29, 2011.

1.113 ~~1.110~~ Plan means this **first amended** joint plan of liquidation of the Debtors and all exhibits annexed hereto or referenced herein, as may be amended, modified or supplemented from time to time in accordance with the provisions of the Plan or the Bankruptcy Code and Bankruptcy Rules.

1.114 ~~1.111~~ Possessory Lienholder Claims means all Claims held by Persons to the extent such Claims are deemed to be secured, through a possessory Lien, in property in which any Estate has an interest, but only to the extent of the value of the possessory lienholders' interest in the Estate's interest in such property as of the Effective Date.

1.115 ~~1.112~~ Prepetition Claims Motions means those certain documents, motions and pleadings, filed by the Debtors with the Bankruptcy Court on the Petition Date, pursuant to which the Debtors sought authorization to pay the prepetition obligations specifically described therein or any motions filed by the Debtors after the Petition Date consented to by the Approving Majority First Lien Lenders that seek authorization to pay the prepetition obligations specifically described therein.

1.116 ~~1.113~~ Priority Tax Claim means any Claim entitled to priority pursuant to Bankruptcy Code Section 507(a)(8).

1.117 ~~1.114~~ Pro Rata means proportionately so that the ratio of the amount of consideration distributed on account of a particular Allowed Claim to the amount of the Allowed Claim is the same as the ratio of the amount of consideration distributed on account of all Allowed Claims of the Class in which the particular Allowed Claim is included to the amount of all Allowed Claims of that Class, but in any event the amount of consideration distributed on account of an Allowed Claim shall not exceed 100% of the amount of the Allowed Claim.

1.118 ~~1.115~~ Professional means a Person employed in the Debtors' Chapter 11 Cases pursuant to a Final Order in accordance with Sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to Sections 327, 328, 329, 330, 331 and 363 of the Bankruptcy Code.

1.119 ~~1.116~~ Professional Claim means a Claim of a Professional retained in the Debtors' Chapter 11 Cases by the Debtors or the Creditors' Committee pursuant to a Final Order in accordance with Sections 327 or 1103 of the Bankruptcy Code or otherwise, for compensation or reimbursement of actual and necessary costs and expenses relating to services incurred after the Petition Date and prior to and including the Effective Date pursuant to Sections 327, 328, 329, 330, 331 and 363 of the Bankruptcy Code.

1.120 ~~1.117~~ Purchaser means the purchaser of all or substantially all of the Debtors' Assets pursuant to the Sale Order.

1.121 ~~1.118~~ Released Claims means any Claims, rights or Causes of Action of any of the Debtors or their Estates released pursuant to the DIP Order, the Asset Purchase Agreement, the Sale Order, the Plan or the Confirmation Order.

1.122 ~~1.119~~ Remaining Contracts has the meaning given to such term in Section 6.1 of the Plan.

1.123 ~~1.120~~ Reserve Accounts means the CCR Account, the Designated Account, the Employee Account, and the Lazard Account.

1.124 ~~1.121~~ Sale Allocation Motion means the Debtors' Motion for Entry of an Order Determining the Value of the Assets of Graceway Canada Company Proposed to be Purchased Under the Stalking Horse Asset Purchase Agreement [Docket No. 134] dated October 17, 2011 and the Supplement to the Debtors' Motion for Entry of an Order Determining the Value of the Assets of Graceway Canada Company Proposed to be Purchased Under the Stalking Horse Asset Purchase Agreement [Docket No. 153] dated October 25, 2011, pursuant to which the Debtors sought approval of the allocation of \$4,404,683.65 of the Sale Proceeds to the assets owned by non-Debtor Graceway Canada and allocation of the remainder of the Sale Proceeds to the Assets owned by the Debtors. For the avoidance of doubt, after adjustments, \$4,253,828.76 of the Sale Proceeds were ultimately allocated to the assets owned by non-Debtor Graceway Canada.

1.125 ~~1.122~~ Sale Motion means Debtors' Motion for Entry of (I) An Order Approving and Authorizing (A) Bidding Procedures in Connection with the Sale of Certain Assets of the Debtors, (B) Stalking Horse Bid Protections, (C) The Form and Manner of Notice of the Sale Hearing and (D) Related Relief; and (II) An Order Authorizing (A) The Sale of Certain Assets of the Debtors Free and Clear of all Claims, Liens, Liabilities, Rights, Interests and Encumbrances; (B) The Debtors to Enter into and Perform their Obligations under the Asset Purchase Agreement; (C) The Debtors to Assume and Assign Certain Executory Contracts and

Unexpired Leases; and (D) Granting Related Relief [Docket No. 12] dated September 29, 2011, pursuant to which the Debtors sought approval of the 363 Sale.

1.126 ~~1.123~~ Sale Order means the Order Authorizing (A) The Sale of Certain Assets of the Debtors Free and Clear of All Claims, Liens, Liabilities, Rights, Interests and Encumbrances; (B) The Debtors to Enter into and Perform Their Obligations Under the Asset Purchase Agreement; (C) The Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases; and (D) Granting Related Relief [Docket No. 306] dated November 22, 2011.

1.127 ~~1.124~~ Sale Proceeds means the aggregate Cash proceeds of the 363 Sale.

1.128 ~~1.125~~ Sale Support Agreement means the Sale Support Agreement, dated as of September 28, 2011, entered by and among the Debtors, Graceway Canada and the First Lien Facility Lenders from time to time party thereto, as it may be amended, supplemented or otherwise modified from time to time.

1.129 ~~1.126~~ Scheduled means as set forth on the Schedules.

1.130 ~~1.127~~ Schedules means the Schedules of Assets and Liabilities filed by the Debtors in accordance with Bankruptcy Code Section 521 and Federal Bankruptcy Rule 1007, as the same may be amended from time to time prior to the Effective Date in accordance with Federal Bankruptcy Rule 1009.

1.131 ~~1.128~~ Second Lien Credit Agreement means that certain \$330,000,000 Second Lien Credit Agreement dated as of May 3, 2007, among, *inter alia*, Graceway Pharmaceuticals, LLC, as borrower, Graceway Holdings, LLC, the Second Lien Facility Lenders, and the Second Lien Facility Agent, as amended.

1.132 ~~1.129~~ Second Lien Facility Adequate Protection Claim means the Claims of the Second Lien Facility Agent and the Second Lien Facility Lenders under Section 507(b) of the Bankruptcy Code and Section 4(b) of the DIP Order, if any.

1.133 ~~1.130~~ Second Lien Facility Agent means Deutsche Bank Trust Company Americas, as agent for the Second Lien Facility Lenders under the Second Lien Credit Agreement, or any successor thereto.

1.134 ~~1.131~~ Second Lien Facility Claim means any Second Lien Facility Secured Claim and any Second Lien Facility Adequate Protection Claim.

1.135 ~~1.132~~ Second Lien Facility Deficiency Claim means any Deficiency Claim with respect to the Second Lien Facility Secured Claim.

1.136 ~~1.133~~ Second Lien Facility Lenders means the “Lenders” as defined in the Second Lien Credit Agreement.

1.137 ~~1.134~~ Second Lien Facility Secured Claim means the Secured Claim of the Second Lien Facility Agent on behalf of the Second Lien Facility Lenders under the Second Lien Credit Agreement and the DIP Order, if any.

1.138 Second Lien Obligations means all “Second Lien Obligations” as defined in the Second Lien Credit Agreement (including, without limitation, interest accruing after the Petition Date).

1.139 ~~1.135~~ Secured Claim means any Claim of a Creditor, including for principal, interest and any other amounts, that is secured by a valid, perfected, and enforceable Lien that is not subject to avoidance under applicable bankruptcy or non-bankruptcy law, against property of any of the Debtors’ Estates (or the proceeds of such property), that is a Possessory Lienholder Claim or that is otherwise subject to setoff under Bankruptcy Code Section 553, to

the extent of the value of such Creditor's interest in that Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to Bankruptcy Code Section 506(a).

1.140 ~~1.136~~ Security means any instrument issued by, or interest in, any of the Debtors of the type described in Bankruptcy Code Section 101(49).

1.141 ~~1.137~~ Tax Claims has the meaning given to such term in Section 2.5.2 of the Plan.

1.142 ~~1.138~~ Taxes means all income, franchise, excise, sales, use, employment, withholding, property, payroll or other taxes, assessments, or governmental charges, together with any interest, penalties, additions to tax, fines, and similar amounts relating thereto, imposed or collected by any federal, state, local or foreign governmental authority on or from any of the Debtors.

1.143 ~~1.139~~ Trust Administrative Fund shall have the meaning specified in Section 4.1 of the Liquidating Trust Agreement and shall be funded solely in accordance with Section 7.8 below.

1.144 ~~1.140~~ Trust Estate or Trust Assets means the Assets (other than the Nycomed Litigation Proceeds), including, without limitation, the Other Assets, all of which shall be irrevocably assigned, transferred and conveyed to the Liquidating Trust as of the Effective Date of the Plan, plus any and all net income earned on the foregoing.

1.145 ~~1.141~~ Unimpaired means any Claim that is not Impaired.

1.146 ~~1.142~~ United States Trustee means the United States Trustee appointed under Section 581(a)(3) of title 28 of the United States Code to serve in the District of Delaware.

1.147 ~~1.143~~ **Unsecured Claim** means any Claim against the Debtors, excluding Administrative Expense Claims, Priority Tax Claims, Other Priority Claims, the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim, the Second Lien Facility Secured Claim, any Second Lien Facility Adequate Protection Claim and Other Secured Claims. Unsecured Claims shall include (i) any Indemnification Claims arising from or attributable to actions prior to the Petition Date but only to the extent not covered by applicable directors' and/or officers' insurance coverage and (ii) all Deficiency Claims. Any Claim that is an Assumed Liability has been Assumed and shall be satisfied in accordance with the Asset Purchase Agreement and shall not receive distributions pursuant to this Plan.

C. Rules of Interpretation

1. In the event of an inconsistency, (a) the provisions of the Plan shall control over the contents of the Disclosure Statement and Liquidating Trust Agreement and (b) the provisions of the Confirmation Order shall control over the contents of the Plan.

2. For the purposes of the Plan:

(a) any reference in the Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; *provided, however*, that any change to such form, terms or conditions that is material to a party to such document shall not be modified without such party's consent unless such document expressly provides otherwise;

(b) any reference in the Plan to an existing document, exhibit or schedule Filed or to be Filed means such document, exhibit or Plan schedule, as it may have been or may be amended, modified or supplemented as of the Effective Date;

(c) unless otherwise specified, all references in the Plan to “Sections,” “Articles,” “Exhibits” and “Plan Schedules” are references to Sections, Articles, Exhibits and Plan Schedules of or to the Plan;

(d) the words “herein,” “hereof,” “hereto,” “hereunder” and others of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan;

(e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be part of or to affect interpretations of the Plan; and

(f) the word “including” means “including without limitation.”

3. Whenever a distribution of property is required to be made on a particular date, the distribution shall be made on such date or as soon as reasonably practicable thereafter.

4. Whenever a reference is made in Article II hereof to a limitation on payment of Allowed Claims by an “amount provided for in the Budget” or words to that effect, it shall be understood that such amounts provided for in the Budget for any specific category of Claims shall be augmented, as to all categories of Claims other than Claims payable from the CCR Account (regardless whether such Claims are actually paid from the CCR Account), Claims payable from the Employee Account (regardless whether such Claims are actually paid from the Employee Account) and Professional Claims, by the remaining amount provided for in the Budget for “Post-Closing Other Miscellaneous,” which, as of the date hereof, is \$1,250,000.00.

5. 4. All Exhibits to the Plan are incorporated into the Plan and shall be deemed to be included in the Plan, regardless of when they are Filed.

6. 5.—Subject to the provisions of any contract, certificate, bylaws, instrument, release or other agreement or document entered into in connection with the Plan, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules.

7. 6.—This Plan is the product of extensive discussions and negotiations between and among, *inter alia*, the Debtors, the First Lien Facility Agent, the Second Lien Facility Agent, the Creditors' Committee and certain other creditors and constituencies. Each of the foregoing was represented by counsel who either (a) participated in the formulation and documentation of or (b) was afforded the opportunity to review and provide comments on, the Plan, the Disclosure Statement, and the documents ancillary thereto. Accordingly, unless explicitly indicated otherwise, the general rule of contract construction known as "*contra proferentum*" shall not apply to the construction or interpretation of any provision of this Plan, the Disclosure Statement, any of the Plan Exhibits, or any contract, instrument, release, indenture, or other agreement or document generated in connection herewith.

D. Computation of Time. In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Federal Bankruptcy Rule 9006(a) shall apply.

ARTICLE 2

TREATMENT OF UNCLASSIFIED CLAIMS

2.1 Administrative Expense Claims. Subject to the allowance procedures and deadlines provided herein, on the Effective Date or as soon thereafter as is practicable in recognition of the applicable Claims resolution process set forth herein, the holder of an Allowed Administrative Expense Claim (other than an Administrative Expense Claim that is an Assumed Liability or a Professional Claim) shall receive on account of such Allowed Administrative

Expense Claim and in full satisfaction, settlement and release of and in exchange for such Allowed Administrative Expense Claim, (i) Cash equal to the unpaid portion of such Allowed Administrative Expense Claim, or (ii) such other treatment as to which the Debtors, or, if after the Effective Date, the Liquidating Trustee, and the holder of such Allowed Administrative Expense Claim have agreed upon in writing provided such treatment is on more favorable terms to the Debtors or the Liquidating Trustee, as the case may be, than the treatment set forth in subsection (i) hereof; *provided, however*, that (a) notwithstanding any other provision of this Plan, Administrative Expense Claims that are Assumed Liabilities have been Assumed and shall be satisfied in accordance with the Asset Purchase Agreement and shall not receive distributions pursuant to this Plan and (b) Professional Claims shall be paid in accordance with Section 2.3.

2.2 Statutory Fees. On or before the Effective Date, all fees due and payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid in full, in Cash.

2.3 Professional Claims. Immediately prior to the Effective Date, the Debtors shall pay from the Designated Account all amounts owing to the Professionals other than Lazard and from the Lazard Account all amounts owing to Lazard for all outstanding Professional Claims relating to prior periods and for the period ending on the Effective Date; *provided, however*, that the amount paid to each Professional immediately prior to the Effective Date shall not exceed the lesser of (a) the excess, if any, of (i) the amount provided for in the Budget for such Professional over (ii) the sum of the aggregate amount of all payments already made to such Professional (including the application of any retainer held by such Professional) for services rendered since the Petition Date and the amount of any retainers currently held by such Professional and (b) the sum of (i) the amount billed and unpaid for such

Professional and (ii) the amount estimated by such Professional as necessary to cover unbilled periods through the Effective Date, which estimated amount shall be provided to the Debtors and the First Lien Facility Agent by each Professional on or prior to the Effective Date. The Professionals shall estimate Professional Claims due for periods that have not been billed as of the Effective Date. On or prior to the Administrative Expense Claims Bar Date, each Professional shall File with the Bankruptcy Court its final fee application seeking final approval of all fees and expenses from the Petition Date through the Effective Date. Within ten (10) days after entry of a Final Order with respect to its final fee application, each Professional shall remit any overpayment (the "Overpayment Amount") to the Liquidating Trustee to be deposited in the Designated Account or the Liquidating Trustee shall pay any outstanding amounts owed to the Professional, but in no event shall any Professional receive more than the amount provided in the Budget for such Professional from the Designated Account. Payment of Allowed Professional Claims asserted by any Professional shall be funded from Other Assets (other than the Liquidating Trustee Fee Amount) to the extent that the aggregate amount of such Allowed Professional Claims of such Professional since the Petition Date exceeds the amount provided for in the Budget for such Professional.

2.4 Priority Tax Claims. Subject to the allowance procedures and deadlines provided herein, on the Effective Date or as soon thereafter as is practicable in recognition of the applicable Claims resolution process set forth herein, with respect to each Allowed Priority Tax Claim, at the sole option of the Debtors or, if after the Effective Date, the Liquidating Trustee, the holder of an Allowed Priority Tax Claim shall be entitled to receive on account of such Allowed Priority Tax Claim, in full satisfaction, settlement and release of and in exchange for such Allowed Priority Tax Claim, (i) Cash in an amount equal to the unpaid portions of such

Allowed Priority Tax Claims; or (ii) such other treatment agreed to in writing by the holder of such Allowed Priority Tax Claim and the Debtors or, if after the Effective Date, the Liquidating Trustee, provided such treatment is on more favorable terms to the Debtors or the Liquidating Trustee, as the case may be, than the treatment set forth in subsection (i) hereof.

2.5 Deadline for Filing Administrative Expense Claims.

2.5.1 Administrative Expense Claims Other Than Tax Claims.

Other than with respect to (i) Administrative Expense Claims for which the Bankruptcy Court previously has established a Bar Date, and (ii) Tax Claims addressed in Section 2.5.2 below, any and all requests for payment or proofs of Administrative Expense Claims, including Claims of all Professionals or other Entities requesting compensation or reimbursement of expenses pursuant to Bankruptcy Code Sections 327, 328, 330, 331, 503(b) or 1103 for services rendered on or before the Effective Date (including any compensation requested by any Professional or any other Entity for making a substantial contribution in the Chapter 11 Cases), must be Filed and served on the Liquidating Trustee and its counsel no later than the Administrative Expense Claims Bar Date. Objections to any such Administrative Expense Claims must be Filed and served on the claimant no later than sixty (60) days after the Administrative Expense Claims Bar Date, which date may be extended by application to the Bankruptcy Court. The Liquidating Trustee shall use reasonable efforts to promptly and diligently pursue resolution of any and all Disputed Administrative Expense Claims. **Holders of Administrative Expense Claims, including all Professionals or other Entities requesting compensation or reimbursement of expenses pursuant to Bankruptcy Code Sections 327, 328, 330, 331, 503(b) or 1103 for services rendered on or before the Effective Date (including any compensation requested by any Professional or any other Entity for making a substantial contribution in the**

Chapter 11 Cases), that are required to File a request for payment or proof of such Claims and that do not File such requests or proofs of Claim on or before the Administrative Expense Claims Bar Date shall be forever barred from asserting such Claims against the any of the Debtors, their Estates, or the Liquidating Trust.

2.5.2 Tax Claims. All requests for payment of Claims pursuant to Section 503 of the Bankruptcy Code by a Governmental Unit for Taxes (and for interest and/or penalties or other amounts related to such Taxes) for any tax year or period, all or any portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date, and for which no bar date has otherwise been previously established ("Tax Claims"), must be Filed on or before the later of: (i) thirty (30) days following the Effective Date; or (ii) to the extent applicable, sixty (60) days following the filing of a tax return for such Taxes (if such Taxes are assessed based on a tax return) for such tax year or period with the applicable Governmental Unit. Objections to any Tax Claims must be Filed within thirty (30) days after the later of the Administrative Expense Claims Bar Date or sixty (60) days following the filing of a tax return for such Taxes, which objection dates may be extended by application to the Bankruptcy Court. **Any holder of a Tax Claim that is required to File a request for payment of such Tax Claim and other amounts due related to such Taxes and which does not File such a Claim by the applicable bar date shall be forever barred from asserting any such Claim against any of the Debtors or any non-Debtor member of the Debtors' consolidated tax group, the Debtors' Estates, the Liquidating Trust or any other Entity, or their respective property, whether any such Claim is deemed to arise prior to, on, or subsequent to the Effective Date, and shall receive no distribution under the Plan or otherwise on account of such Claim.**

ARTICLE 3
CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

A. General. Pursuant to Section 1122 of the Bankruptcy Code, set forth below is a designation of the Classes of Claims against and Interests in the Debtors. A Claim or Interest is placed in a particular Class only to the extent that such Claim or Interest falls within the description of that Class. A Claim or Interest is also placed in a particular Class for purposes of receiving a distribution under the Plan, but only to the extent such Claim or Interest is an Allowed Claim or Interest and has not been paid, released, or otherwise settled prior to the Effective Date. Except as otherwise expressly set forth in this Plan, a Claim or Interest which is not an Allowed Claim or Allowed Interest shall not receive any payments, rights or distributions under this Plan. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims of the kinds specified in Section 507(a)(2) and (3) and Priority Tax Claims of the kinds specified in Section 507(a)(8) of the Bankruptcy Code have not been classified and are treated as set forth in Article 2 above.

B. Classification. As stated above, the Plan is premised on the substantive consolidation of the Debtors with respect to the voting of all Claims and Interests and the treatment of all Claims and Interests other than Other Secured Claims, as provided below. The following summary is for the convenience of all interested parties and is superseded for all purposes by the classification, description and treatment of Claims and Interests in Articles 4 and 5 of the Plan.

3.1 Class 1: Other Priority Claims. Class 1 consists of all Other Priority Claims.

3.2 Class 2: First Lien Facility Claims. Class 2 consists of the First Lien Facility Secured Claim, any First Lien Facility Deficiency Claim and any First Lien Facility Adequate Protection Claim.

3.3 Class 3: Second Lien Facility Claims. Class 3 consists of any Second Lien Facility Secured Claim and any Second Lien Facility Adequate Protection Claim.

3.4 Class 4: Other Secured Claims. Class 4 consists of all Other Secured Claims.

3.5 Class 5: General Unsecured Claims. Class 5 consists of all General Unsecured Claims.

3.6 Class 6: Intercompany Claims. Class 6 consists of all Intercompany Claims.

3.7 Class 7: Old Equity. Class 7 consists of all Interests arising from or relating to Old Equity.

3.8 Class 8: Old Equity Rights. Class 8 consists of all Claims and Interests arising from or relating to Old Equity Rights.

ARTICLE 4
IDENTIFICATION OF CLASSES OF CLAIMS AND INTERESTS IMPAIRED AND
NOT IMPAIRED BY THE PLAN

4.1 Unimpaired Classes of Claims and Interests. Class 1 Other Priority Claims and Class 4 Other Secured Claims are not Impaired by the Plan.

4.2 Impaired Classes of Claims and Interests. Class 2 First Lien Facility Claim, Class 3 Second Lien Facility Claim, Class 5 General Unsecured Claims, Class 6 Intercompany Claims, Class 7 Old Equity, and Class 8 Old Equity Rights are Impaired by the Plan.

ARTICLE 5
PROVISIONS FOR THE TREATMENT OF CLAIMS AND INTERESTS

5.1 Class 1 (Other Priority Claims). On the Effective Date or as soon thereafter as is reasonably practicable in recognition of the applicable Claims reconciliation process set forth herein, the holder of an Allowed Other Priority Claim shall receive on account of the Allowed Other Priority Claim and in full satisfaction, settlement and release of and in exchange for such Allowed Other Priority Claim, (i) Cash equal to the amount of such Allowed Other Priority Claim, or (ii) such other treatment as to which the Debtors and the holder of such Allowed Other Priority Claim have agreed upon in writing, provided such treatment is on more favorable terms to the Debtors or the Liquidating Trustee, as the case may be, than the treatment set forth in subsection (i) hereof.

5.2 Class 2 (First Lien Facility Claims). On the Effective Date or as soon thereafter as is reasonably practicable in recognition of the applicable Claims reconciliation process set forth herein, the First Lien Facility Agent shall receive, for the benefit of the First Lien Claimholders, in full satisfaction, settlement and release of and in exchange for the First Lien Facility Claims (including the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim and any First Lien Facility Deficiency Claim), (i) any First Lien Available Cash that is available to be distributed on the Effective Date; (ii) the Nycomed Litigation Proceeds; and (iii) beneficial interests in the Liquidating Trust entitling each First Lien Claimholder to receive its Pro Rata share of (A) any First Lien Available Cash that becomes available to be distributed after the Effective Date, (B) seventy-five percent (75%) of any Avoidance Action Proceeds and, (C) one hundred percent (100%) of any other Cause Net Causes of Action Proceeds, including, without limitation, 549 Avoidance Action Proceeds, and (D) all Cash from the collection of accounts receivable. Until the First Lien Facility Claims are paid

in full in Cash, the Liens securing the First Lien Facility Secured Claim and any First Lien Facility Adequate Protection Claim shall remain on the Assets (including, without limitation, the Reserve Accounts and the Cash deposited therein and the Nycomed Litigation Proceeds) other than the Other Assets, provided that, except for their obligations under this Plan, the Debtors and their Estates shall have no further liability to the First Lien Facility Agent or the First Lien Facility Lenders. Notwithstanding the full satisfaction, settlement and release of the First Lien Facility Claims hereunder, the aggregate amount of the beneficial interests in the Liquidating Trust the First Lien Claimholders receive under this Section 5.2 in exchange for such Claims shall increase from time to time by an amount equal to the interest accrual on, and the fees incurred on account of, such Claims to and including the applicable date of determination (calculated at the rate provided for under the First Lien Credit Agreement and in accordance with the terms thereof and of the Intercreditor Agreement) as if such Claims had not been satisfied, settled and released hereunder; it being understood that distributions on account of such interest accrual and incurred fees shall only be permitted in the event the First Lien Facility Secured Claim (had it not been satisfied, settled and released hereunder) is oversecured. Holders of the First Lien Facility Claims shall be Beneficiaries; it being understood that distributions from the Liquidating Trust shall be exclusively governed in accordance with the terms set forth in this Plan.

5.3 Class 3 (Second Lien Facility Claims). The Second Lien Facility Agent shall receive, for the benefit of the Second Lien Facility Lenders, in full satisfaction, settlement and release of and in exchange for any Allowed Second Lien Facility Secured Claim and any Allowed Second Lien Facility Adequate Protection Claim on the Effective Date or as soon thereafter as is practicable in recognition of the applicable Claims reconciliation process set forth

herein, beneficial interests in the Liquidating Trust entitling each Second Lien Facility Lender to receive its Pro Rata share of (i) any Other Available Cash subject to the Liens granted to the Second Lien Facility Agent pursuant to the Second Lien Credit Agreement or the DIP Order and (ii) after payment in full in Cash of the First Lien Facility Claim, (a) any First Lien Available Cash; (b) the Nycomed Litigation Proceeds, (c) seventy-five percent (75%) of any Avoidance Action Proceeds; ~~and~~ (d) one hundred percent (100%) of any **other Net Causes of Action Proceeds, including, without limitation, any** 549 Avoidance Action Proceeds; **and (e) all Cash from the collection of accounts receivable.** Until the Second Lien Facility Claims are paid in full in Cash, the Liens securing any Second Lien Facility Secured Claim and any Second Lien Facility Adequate Protection Claim shall remain on the Assets, provided that, (i) except for their obligations under this Plan, the Debtors and their Estates shall have no further liability to the Second Lien Facility Agent or the Second Lien Facility Lenders and (ii) such Liens shall continue to be junior and subordinate in all respects to the Liens securing the First Lien Facility Secured Claim and First Lien Adequate Protection Claim that have not been released in connection with the Committee Settlement **until such Claims are paid in full in Cash.** Any Second Lien Facility Deficiency Claim shall not constitute Class 3 Second Lien Facility Claims and shall be treated as a Class 5 General Unsecured Claim hereunder. Holders of the Allowed Second Lien Facility Claims shall be Beneficiaries; it being understood that distributions from the Liquidating Trust shall be exclusively governed in accordance with the terms set forth in this Plan.

5.4 Class 4 et seq. (Other Secured Claims). This Class is subdivided into subclasses designated by letters of the alphabet (Class 4A, Class 4B and so on), so that each holder of any Other Secured Claim is in a Class by itself, except to the extent that there are Other

Secured Claims that are substantially similar to each other and may be included within a single Class, and except for a precautionary class of otherwise unclassified Other Secured Claims. On the Effective Date or as soon thereafter as is practicable in recognition of the applicable Claims reconciliation process set forth herein, each holder of an Allowed Other Secured Claim that was not assumed by the Purchaser in connection with the 363 Sale shall receive, in full satisfaction, settlement and release of and in exchange for such Allowed Other Secured Claim, (i) the collateral securing any such Allowed Other Secured Claim (to the extent such collateral does not constitute collateral securing the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim, the Second Lien Facility Secured Claim or any Second Lien Facility Adequate Protection Claim or, if such collateral does secure any such Claim, to the extent that the Lien securing such Allowed Other Secured Claim is senior to the Lien securing the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim, the Second Lien Facility Secured Claim or any Second Lien Facility Adequate Protection Claim, as applicable), (ii) Cash in an amount equal to such Allowed Other Secured Claim to the extent the collateral securing such Allowed Other Secured Claim was sold and such collateral does not constitute collateral securing the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim, the Second Lien Facility Secured Claim or any Second Lien Facility Adequate Protection Claim or, if such collateral does secure any such Claim, to the extent that the Lien securing such Allowed Other Secured Claim is senior to the Lien securing the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim, the Second Lien Facility Secured Claim or any Second Lien Facility Adequate Protection Claim, as applicable, or (iii) such other treatment that leaves such Allowed Other Secured Claim Unimpaired pursuant to the Section 1124(2) of the Bankruptcy Code. The Other Secured Claim Liens shall be released and

the Debtors and their Estates shall have no further liability therefor; *provided, however*, that any Deficiency Claims of holders of Class 4 Other Secured Claims shall not constitute Class 4 Other Secured Claims and shall be treated as Class 5 General Unsecured Claims hereunder.

5.5 Class 5 (General Unsecured Claims). On the Effective Date or as soon thereafter as is practicable in recognition of the applicable Claims reconciliation process set forth herein, the holders of Allowed General Unsecured Claims shall receive, in full satisfaction, settlement and release of and in exchange for such Allowed Claims, their Pro Rata share of the Other Available Cash that is not subject to the Liens granted to the Second Lien Facility Agent pursuant to the Second Lien Credit Agreement or the DIP Order, after payment in full of all Allowed Other Secured Claims (to the extent not otherwise satisfied in accordance with the terms of this Plan), Allowed Administrative Expense Claims (other than Administrative Expense Claims that are Assumed Liabilities), Allowed Priority Tax Claims and Allowed Other Priority Claims; *provided, however*, that pursuant to and in accordance with the Mezzanine Credit Agreement, any amounts distributed on account of the Allowed Mezzanine Facility Claim (a) are subject and subordinate to payment in full in Cash of the Second Lien Facility Claims **Obligations** and (b) shall be distributed directly to the Second Lien Facility Agent for the benefit of the holders of Allowed Second Lien Facility Claims until the **Second Lien Obligations are paid in full in Cash; provided further, however, that upon notice to the Liquidating Trustee from the Second Lien Facility Agent that the Second Lien Facility Agent has received \$10,000,000.00 in Cash from the Other Available Cash for distribution to holders of** Allowed Second Lien Facility Claims **in excess of any legal, trustee or other fees and expenses that constitute Second Lien Obligations, the Liquidating Trustee shall cease any distributions to the Second Lien Facility Agent solely on account of the Allowed**

Mezzanine Facility Claim until the Liquidating Trustee has distributed \$250,000.00 on account of the Allowed Mezzanine Facility Claim (which shall be paid out as if no subordination were in place), after which time the Liquidating Trustee shall resume any distributions to the Second Lien Facility Agent on account of the Allowed Mezzanine Facility Claim until the Second Lien Obligations are paid in full in Cash. Subject to the foregoing proviso, in the event any distribution on account of the Allowed Mezzanine Facility Claim is made other than to the Second Lien Facility Agent, such distribution shall be held in trust for the benefit of, and paid over and delivered to, the Second Lien Facility Agent for the benefit of the Second Lien Facility Lenders. Holders of Allowed General Unsecured Claims shall be Beneficiaries; it being understood that distributions from the Liquidating Trust shall be exclusively governed in accordance with the terms set forth in this Plan and beneficial interests in the Liquidating Trust granted to such holders will not entitle them to any distribution of more than twenty-five percent (25%) of any Avoidance Action Proceeds or any distribution of any other Causes of Action Proceeds, including, without limitation, any 549 Avoidance Action Proceeds. In addition, the holders of Allowed General Unsecured Claims shall be entitled to share Pro Rata in any amount remaining in or released from the Disputed Claims Reserve after resolution of all Disputed Unsecured Claims.

5.6 Class 6 (Intercompany Claims). As a result of substantive consolidation of the Debtors for distribution purposes under the Plan as provided in Section 7.1 hereof, holders of Intercompany Claims will not receive any distribution of property under the Plan on account of their Intercompany Claims and, on the Effective Date, the Intercompany Claims will be cancelled; *provided, however*, Class 6 shall exclude any Claims of a Debtor against a non-Debtor Affiliate.

5.7 Class 7 (Old Equity). Holders of Old Equity Interests will not receive and will not retain any property of the Debtors under the Plan on account of such Interests and all Old Equity Interests will be cancelled as of the Effective Date.

5.8 Class 8 (Old Equity Rights). Holders of any Claim or Interest arising from or relating to Old Equity Rights will not receive and will not retain any property of the Debtors under the Plan on account of such Claim or Interest and all Old Equity Rights and any Interests or Claims arising from or relating thereto will be cancelled as of the Effective Date.

ARTICLE 6

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Assumption, Assignment and Rejection Pursuant to the Sale Order. Pursuant to the Bid Procedures Order and the Sale Order, the Bankruptcy Court established deadlines and procedures for the assumption and rejection of executory contracts and unexpired leases by the Debtors at the direction of the Purchaser and allocated responsibility for payment of cure amounts between the Debtors and the Purchaser. Any executory contracts and unexpired leases of the Debtors, including executory contracts and unexpired leases entered into after the Petition Date, not assumed and assigned to the Purchaser or rejected prior to the Effective Date (the “Remaining Contracts”) shall be rejected pursuant to Section 6.5 of this Plan unless assumed or assumed and assigned pursuant to Section 6.2 of this Plan.

6.2 Assumption and Assignment of Remaining Contracts. As of the Effective Date, the Debtors shall assume and assign to the Liquidating Trust, pursuant to Bankruptcy Code Section 365, each of the Remaining Contracts that are identified in Exhibit 3 to this Plan (the “Assumption Schedule”) that have not expired under their own terms prior to the Effective Date; provided that the Assumption Schedule to this Plan shall be acceptable to the Liquidating Trustee (or the proposed Liquidating Trustee) in his or her sole discretion. The

Debtors reserve the right to amend the Assumption Schedule not later than twenty-eight (28) days prior to the Confirmation Hearing either to: (i) delete any executory contract or lease listed therein and provide for its rejection pursuant to Section 6.5 hereof; or (ii) add any executory contract or lease to the Assumption Schedule, thus providing for its assumption and assignment pursuant to this Section 6.2; provided, however, that any amendments to the Assumption Schedule shall be acceptable to the Liquidating Trustee (or the proposed Liquidating Trustee) in his or her sole discretion. The Debtors shall provide notice of any such amendment to the Assumption Schedule to the parties to the executory contract or lease affected thereby not later than twenty-eight (28) days prior to the Confirmation Hearing. The Confirmation Order shall constitute an Order of the Bankruptcy Court pursuant to Bankruptcy Code Section 365 approving all assumptions and assignments described in this Section 6.2 and the Assumption Schedule, as of the Effective Date.

6.3 Cure Payments; Assurance of Performance. Any monetary defaults under each Remaining Contract to be assumed and assigned under the Plan shall be satisfied, pursuant to Bankruptcy Code Section 365(b)(1) by payment of the cure amount in Cash in full on the Effective Date by the Debtors from the Designated Account to the extent permitted by the Budget and/or the Sale Support Agreement and from the Other Assets to the extent not permitted by the Budget and/or the Sale Support Agreement. In the event of a dispute regarding (i) the amount or timing of any cure payments, (ii) the ability of the Debtors, the Liquidating Trustee, or an assignee thereof to provide adequate assurance of future performance under the Remaining Contracts to be assumed or assumed and assigned, as applicable, or (iii) any other matter pertaining to assumption or assumption and assignment of the Remaining Contracts to be assumed, the Liquidating Trustee shall pay all required cure amounts promptly following the

entry of a Final Order resolving the dispute from the Designated Account to the extent permitted by the Budget and/or the Sale Support Agreement and from the Other Assets to the extent not permitted by the Budget and/or the Sale Support Agreement.

6.4 Objections To Assumption of Remaining Contracts. To the extent that any party to a Remaining Contract identified for assumption and assignment asserts arrearages or damages pursuant to Bankruptcy Code Section 365(b)(1), or has any other objection with respect to any proposed assumption, cure or assignment on the terms and conditions provided herein, all such arrearages, damages and objections must be Filed and served no later than the earlier of (i) twenty-one (21) days after such party is served with notice of such assumption and assignment and (ii) one (1) day prior to the Confirmation Hearing.

Failure to assert such arrearages, damages or objections in the manner described above shall constitute consent to the proposed assumption, cure or assignment on the terms and conditions provided herein, including an acknowledgement that the proposed assumption and/or assignment provides adequate assurance of future performance and that the amount identified for “cure” in the Assumption Schedule is the amount necessary to cover any and all outstanding defaults under the Remaining Contract to be assumed, as well as an acknowledgement and agreement that no other defaults exist under such Remaining Contract.

If any assumption of a Remaining Contract proposed herein for any reason is not approved by the Bankruptcy Court, then the Debtors shall be entitled, in their sole discretion, upon written notice to the applicable non-Debtor party to such Remaining Contract, to deem such Remaining Contract to have been rejected pursuant to the provisions of Section 6.5 below.

6.5 Rejection. Except for those executory contracts and unexpired leases that (i) are assumed and assigned pursuant to this Plan, (ii) have been previously assumed and assigned or rejected pursuant to previous Orders of the Bankruptcy Court, or (iii) are the subject of a pending motion before the Bankruptcy Court with respect to the assumption and assignment of such executory contracts and unexpired leases, as of the Effective Date, all executory contracts and unexpired leases of the Debtors shall be rejected pursuant to Section 365 of the Bankruptcy Code; *provided, however*, that neither the inclusion by the Debtors of a contract or lease on the Assumption Schedule nor anything contained in this Article 6 shall constitute an admission by any Debtor that such contract or lease is an executory contract or unexpired lease or that any Debtor or its successors and assigns, including, but not limited to, the Liquidating Trust, has any liability thereunder.

6.6 Approval of Rejection; Rejection Damages Claims Bar Date. The Confirmation Order shall constitute an Order of the Bankruptcy Court approving the rejection of executory contracts and unexpired leases under Section 6.5 above pursuant to Bankruptcy Code Section 365 as of the Effective Date. Any Claim for damages arising from any such rejection must be Filed within thirty (30) days after the mailing of notice of the entry of the Confirmation Order, or such Claim shall receive no distribution under the Plan or otherwise on account of such Claim. All Allowed Claims arising from the rejection of the Debtors' executory contracts or unexpired leases shall be classified as General Unsecured Claims and shall be treated in accordance with Section 5.5 of the Plan.

ARTICLE 7

MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN

7.1 Substantive Consolidation of Claims against Debtors for Plan Purposes Only. The Plan is premised on the substantive consolidation of all of the Debtors with

respect to the treatment of all Claims and Interests, except for the Other Secured Claims in Class 4. The Plan does not contemplate substantive consolidation of the Debtors with respect to the Class 4 Claims, which shall be deemed to apply separately with respect to the Plan proposed by each Debtor. This Plan shall serve as a request by the Debtors, in lieu of a separate motion, to the Bankruptcy Court that it grant substantive consolidation with respect to the treatment of all Claims and Interests: on the Effective Date, (i) all Class 6 Intercompany Claims will be eliminated (except to the extent such Claims are by a Debtor against a non-Debtor Affiliate); (ii) no distributions shall be made under the Plan on account of any equity interest held by a Debtor in any other Debtor; (iii) all Assets and liabilities of the Debtors will be merged or treated as though they were merged; (iv) all guarantees of the Debtors of the obligations of any other Debtor and any joint or several liability of any of the Debtors shall be eliminated; and (v) each and every Claim or Interest against any Debtor shall be deemed Filed against the consolidated Debtors and all Claims Filed against more than one Debtor for the same liability shall be deemed one Claim against any obligation of the consolidated Debtors. In the event the Bankruptcy Court determines that such substantive consolidation of the Debtors is not appropriate, the Debtors may request that the Bankruptcy Court otherwise confirm the Plan and the treatment of the different Classes under the Plan on a Debtor by Debtor basis.

7.2 The Liquidating Trust.

7.2.1 Establishment of the Liquidating Trust. On the Effective Date, the Debtors, on their own behalf and on behalf of the Beneficiaries, shall execute the Liquidating Trust Agreement and take all steps necessary to establish the Liquidating Trust. The initial Liquidating Trustee shall be Kip Horton of RPA Advisors, LLC.

7.2.2 Purpose of Liquidating Trust. The Liquidating Trust is being established for the sole purpose of liquidating the Debtors' Assets (other than the Nycomed Litigation Proceeds) and distributing the proceeds thereof to certain holders of Allowed Claims, in each case, as identified in and prescribed by this Plan. The Liquidating Trust shall not continue or engage in any trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Unless otherwise required by law, all parties shall treat the Liquidating Trust as a liquidating trust for all federal income tax purposes.

7.2.3 Contribution of the Debtors' Assets to the Liquidating Trust. On the Effective Date of the Plan, each of the Debtors shall transfer and assign all of its respective Assets (other than the Nycomed Litigation Proceeds) to the Liquidating Trust free and clear of all Liens, Claims, interests and encumbrances (except that the Assets other than the Other Assets shall remain subject to the Liens securing (i) the First Lien Facility Secured Claim and any First Lien Facility Adequate Protection Claim as provided in Section 5.2 of the Plan and (ii) the Second Lien Facility Secured Claim and any Second Lien Facility Adequate Protection Claim as provided in Section 5.3 of the Plan).

7.2.4 Valuation of Trust Assets. As soon as possible after the Effective Date, but in no event later than ninety (90) days thereafter, the Liquidating Trustee, based upon his good faith determination after consultation with his counsel, shall inform the Beneficiaries in writing solely as to his estimate of the value of the Assets transferred to the Liquidating Trust. The valuation shall be used consistently by all parties (including, without limitation, the Debtors, the Liquidating Trustee, and the Beneficiaries) for all federal income tax purposes, and the parties shall file tax returns consistent with such valuation; *provided, however*, that such

valuation shall not be binding on the Liquidating Trustee or any other party for any other purposes, including, without limitation, in regard to the liquidation of the Trust Assets, whether by disposition, liquidation, litigation, settlement, or otherwise.

7.2.5 Certain Federal Income Tax Matters. For U.S. federal income tax purposes, (i) the Debtors, the Liquidating Trustee and the Beneficiaries will treat the transfer of Assets to the Liquidating Trust as a transfer by the Debtors of the Debtors' Assets (net of any applicable liabilities) to the Beneficiaries (to the extent of the value of their respective interests in the applicable Trust Assets), followed by a transfer of such Assets (net of any applicable liabilities) by the Beneficiaries to the Liquidating Trust (to the extent of the value of their respective interests in the applicable Trust Assets). ~~For U.S. federal income tax purposes, (ii)~~ the Liquidating Trust (except with respect to the Disputed Claims Reserve) will be treated as one or more grantor trusts, and the Beneficiaries will be treated as the grantors and deemed owners of the Trust Assets; and (iii) the income of the Liquidating Trust will be treated as subject to tax on a current basis.

7.3 Continuation of the Automatic Stay. In furtherance of the implementation of the Plan, except as otherwise provided herein, all injunctions or stays provided for in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect and apply to all Beneficiaries and creditors holding Claims against the Debtors, the Estates, the Assets, the Liquidating Trustee, the Liquidating Trust and the Trust Assets until the Final Distribution Date.

7.4 Transfer of Equity Interests in Graceway Canada. On the Effective Date, (i) the Debtors' equity interests in Graceway Canada Company and (ii) the Debtors'

Claims against Graceway Canada Company arising from any intercompany claims, loans, notes, transfers or other obligations shall be transferred by the Debtors to the Liquidating Trust, and the equity interests in Graceway Canada Company shall continue to be subject to the Liens securing the First Lien Facility Secured Claim and any First Lien Facility Adequate Protection Claim as provided in Section 5.2 of the Plan and the Liens of the Second Lien Facility Agent in favor of the Second Lien Facility Lenders as provided in Section 5.3 of the Plan; *provided, however*, that the portion of the Canadian Distribution Amount used to fund the Estate Fund Amount shall be free and clear of the Liens of the First Lien Facility Agent in accordance with the Committee Settlement. The Liquidating Trust shall exercise its powers as the sole shareholder to appoint the Liquidating Trustee as the sole officer and director of Graceway Canada Company and shall make distributions of the Canadian Distribution Amount as provided under the Plan.

7.5 Committee Settlement. The Committee Settlement is the cornerstone of the Plan. To the extent the Committee Settlement is not already deemed approved by the Sale Order, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan relating to and effectuating the Committee Settlement shall constitute a good faith compromise. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Committee Settlement, as well as a finding by the Bankruptcy Court that the Committee Settlement is in the best interests of the Debtors, their Estates and holders of Claims and Interests and is fair, equitable and reasonable.

7.6 Post-Confirmation Operations. Following Confirmation and prior to the occurrence of the Effective Date, the then-current officers and directors of each of the Debtors shall continue in their respective capacities and the Debtors shall execute such documents and

take such other actions as are necessary to effectuate the transactions provided for in this Plan. On and after the Effective Date, all such officers and directors shall be deemed to have resigned.

7.7 Post-Confirmation Funding of Plan. Payment of Allowed Other Secured Claims (to the extent not otherwise satisfied in accordance with the terms of this Plan), Allowed Administrative Expense Claims, Allowed Priority Tax Claims and Allowed Other Priority Claims shall be made from the Reserve Accounts to the extent permitted by the Budget and/or the Sale Support Agreement. To the extent any of such Allowed Claims are not satisfied from the Reserve Accounts (and, with respect to Allowed Other Secured Claims, are not otherwise satisfied in accordance with the terms of this Plan), such Allowed Claims shall be paid from the Other Available Cash. The Debtors anticipate that the Cash in the Reserve Accounts and the Other Available Cash shall be sufficient to pay all Allowed Other Secured Claims (to the extent not otherwise satisfied in accordance with the terms of this Plan), Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims and cure costs for executory contracts or unexpired leases on the Assumption Schedule, if any, in full in Cash on the Effective Date or once such Claims become Allowed Claims. Other Allowed Claims shall be satisfied as set forth in Article 5. Notwithstanding anything contained herein or otherwise, (i) Cash in the CCR Account shall be available, to the extent permitted by the Budget and/or the Sale Support Agreement, only to pay Claims on account of chargebacks, channel management agreements, product returns and rebates constituting (a) Allowed Claims authorized to be paid by the Bankruptcy Court pursuant to the Orders approving the Prepetition Claims Motions or (b) Allowed Administrative Expense Claims, (ii) Cash in the Employee Account shall be available only to pay Claims on account of employee severance and benefits approved in the Orders approving the Prepetition Claims Motion and permitted by the Budget and/or Sale Support

Agreement, (iii) Cash in the Lazard Account shall be available only to pay Allowed Professional Fees of Lazard, and (iv) Cash in the Designated Account shall be available only to pay Allowed Administrative Expense Claims, Allowed Other Secured Claims (to the extent not otherwise satisfied in accordance with the terms of this Plan), Allowed Priority Tax Claims and Allowed Other Priority Claims to the extent permitted by the Budget and/or Sale Support Agreement, other than any such Claims on account of (A) chargebacks, channel management agreements, product returns and rebates or (B) employee severance and benefits payable from the Employee Account.

7.8 Post-Effective Date Funding of Operations. From time to time as agreed between the First Lien Facility Agent and the Liquidating Trustee, the First Lien Facility Agent shall fund amounts into the First Lien Trust Administrative Fund to pay the Liquidating Trustee First Lien Fees incurred from the Effective Date through and including the date all First Lien Facility Claims are paid in full in Cash, in connection with (a) the collection of accounts receivable, (b) the pursuit of Causes of Action (including 549 Avoidance Actions but excluding for the avoidance of doubt Avoidance Actions), and (c) the objection to, and settlement of, Other Secured Claims (including Possessory Lienholder Claims), Administrative Expense Claims, Priority Tax Claims and Other Priority Claims from Sale Proceeds to which the First Lien Facility Agent or First Lien Claimholders would otherwise be entitled. On the Effective Date, the Liquidating Trustee Fee Amount shall be funded into the Trust Administrative Fund by the First Lien Facility Agent from Sale Proceeds to which the First Lien Facility Agent or First Lien Claimholders would otherwise be entitled free and clear of all Liens and Claims of the First Lien Facility Agent and the First Lien Claimholders, including the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim and any First Lien Facility Deficiency Claim

for the sole purpose of paying the Liquidating Trustee Fees. Any additional amount the Liquidating Trustee deems necessary to fund post-Effective Date operations other than fees and expenses incurred from the Effective Date through and including the date all First Lien Facility Claims are paid in full in Cash in connection with (a) the collection of accounts receivable, (b) the pursuit of Causes of Action (including 549 Avoidance Actions but excluding for the avoidance of doubt Avoidance Actions), and (c) the objection to, and settlement of, Other Secured Claims (including Possessory Lienholder Claims), Administrative Expense Claims, Priority Tax Claims and Other Priority Claims, shall be funded into the Trust Administrative Fund from the Other Assets.

7.9 Dissolution of the Debtors. As soon as practicable after the Effective Date, each of the Debtors will be dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; *provided, however*, that pursuant to Section 1142(b) of the Bankruptcy Code, the Liquidating Trustee shall file each Debtor's final tax returns, and shall be authorized, but not directed, to file with the official public office for keeping corporate records in each Debtor's state of incorporation a certificate of dissolution or equivalent document. Such a certificate of dissolution may be executed by the Liquidating Trustee without need for any action or approval by the shareholders or Board of Directors of any Debtor. From and after the Effective Date, the Debtors (i) for all purposes shall be deemed to have withdrawn their business operations from any state in which they were previously conducting, or are registered or licensed to conduct, their business operations, and shall not be required to file any document, pay any sum or take any other action in order to effectuate such withdrawal, (ii) shall be deemed to have cancelled pursuant to this Plan all Interests and all Intercompany Claims, and (iii) shall not be liable in any

manner to any taxing authority for franchise, business, license or similar taxes accruing on or after the Effective Date.

7.10 Closing of the Debtors' Chapter 11 Cases. Notwithstanding anything to the contrary in the Bankruptcy Rules providing for earlier closure of the Debtors' Chapter 11 Cases, when all Assets contributed to the Liquidating Trust have been liquidated and converted into Cash (other than those Assets abandoned by the Liquidating Trust), and such Cash has been distributed in accordance with the Liquidating Trust Agreement and this Plan, the Liquidating Trustee shall seek authority from the Bankruptcy Court to close the Debtors' Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules; *provided, however*, that, in light of the substantive consolidation of the Debtors' estates for distribution purposes, the Liquidating Trustee may, in the Liquidating Trustee's sole discretion, seek authority from the Bankruptcy Court to close all of the Debtors' Chapter 11 Cases except for the Graceway Chapter 11 Case immediately upon satisfaction of all Other Secured Claims.

7.11 Post-Effective Date Cause of Action Settlements. Subject to this Section 7.11, on and after the Effective Date, the Liquidating Trustee shall have the exclusive authority to settle ~~or abandon~~ Causes of Action owned by the Liquidating Trust. On and after the Effective Date and until such time as the First Lien Facility Claims are paid in full in Cash, in order to settle ~~or abandon~~ Causes of Action owned by the Liquidating Trust, the Liquidating Trustee shall be required to obtain (i) the prior written consent of the Approving Majority First Lien Lenders or (ii) an Order of the Bankruptcy Court approving such settlement ~~or abandonment~~ after notice and a hearing. After the First Lien Facility Claims are paid in full in Cash and until such time as the Second Lien Facility Claims are paid in full in Cash, in order to settle Causes of Action owned by the Liquidating Trust, the Liquidating Trustee

shall be required to obtain (i) the prior written consent of the Second Lien Facility Agent or (ii) an Order of the Bankruptcy Court approving such settlement after notice and a hearing. After the Second Lien Facility Claims are paid in full in Cash, except as otherwise set forth in this Plan, the Confirmation Order or the Liquidating Trust Agreement, the Liquidating Trustee shall not be required to obtain approval of the Approving Majority First Lien Lenders, the Second Lien Facility Agent or the Bankruptcy Court to settle ~~or abandon~~ Causes of Action owned by the Liquidating Trust.

7.12 Post-Effective Date Reporting. Once each quarter, the Liquidating Trustee shall File with the Bankruptcy Court and serve on the United States Trustee ~~an~~ unaudited written report setting forth the amounts and timing of all distributions made and expenses paid by the Liquidating Trustee under the Plan in each applicable reporting period and the recipients thereof. In addition, the Liquidating Trustee shall file with the Bankruptcy Court and serve on the United States Trustee quarterly reports summarizing the Cash receipts of the Liquidating Trust for the immediately preceding three-month period. Each quarterly report shall also state the Liquidating Trust's Cash balances as of the beginning and ending of each such period. Quarterly reports shall be provided no later than the fifteenth (15th) day of each January, April, July and October until all Final Distributions under this Plan have been made.

7.13 Cancellation of Existing Securities and Agreements. On the Effective Date, any document, agreement, or instrument evidencing any Claim or Interest against or in the Debtors (including, but not limited to, the First Lien Credit Agreement and the Second Lien Credit Agreement) that has not been Assumed by the Purchaser shall be deemed cancelled without further act or action under any applicable agreement, law, regulation, Order, or rule and

the Debtors shall have no further obligations under such documents, agreements or instruments; provided, however, that, although the Debtors shall have no further obligations or liability under Section 10.04 of the Credit Agreement~~or~~₂, the Fee Letter (as defined in the First Lien Credit Agreement), the Intercreditor Agreement or Article XI of the Mezzanine Credit Agreement, as among the First Lien Claimholders and other parties other than the Debtors, Section 10.04 of the First Lien Credit Agreement and, the Fee Letter, the Intercreditor Agreement and Article XI of the Mezzanine Credit Agreement shall remain in full force and effect as though the obligations of the Debtors continue to exist. Notwithstanding anything to the contrary set forth herein, the Liens on the Assets (including the Reserve Accounts and the Cash deposited therein and the Nycomed Litigation Proceeds, but excluding the Other Assets) securing the First Lien Facility Secured Claim, any First Lien Facility Adequate Protection Claim, the Second Lien Facility Secured Claim and any Second Lien Facility Adequate Protection Claim shall remain valid and perfected Liens thereon.

7.14 Dissolution of Creditors' Committee. On the Confirmation Date, the Creditors' Committee shall automatically be dissolved and the members of, and Professionals retained by, the Creditors' Committee shall have no further duties or obligations after the Confirmation Date.

7.15 Nycomed Litigation Proceeds. On the Effective Date, the Debtors shall assign and transfer ~~the~~ all of their rights to and interests in Nycomed Litigation Proceeds to the First Lien Facility Agent subject to any Liens thereon, which Liens shall remain valid, binding and perfected to the same extent as on the Petition Date on and after the Effective Date. Upon receipt of any Nycomed Litigation Proceeds, the First Lien Facility Agent shall hold such will escrow an amount thereof sufficient to cover each Other Secured Claim asserted to be

~~secured by Liens on the~~ Nycomed Litigation Proceeds ~~in trust for the holders of any Liens thereon and shall distribute the Nycomed Litigation Proceeds to the holders of Liens thereon in the order of priority determined by the Bankruptcy Court or as set forth in any written intercreditor agreement~~**that are senior in priority to those held by the First Lien Facility Agent for the benefit of the First Lien Claimholders and the First Lien Facility Agent will distribute from such escrow funds sufficient to pay any such Other Secured Claim in full if and when any such Other Secured Claim is determined by an Order of the Bankruptcy Court to be an Allowed Other Secured Claim.** In the event that the First Lien Facility Agent receives any Nycomed Litigation Proceeds, the First Lien Facility Agent shall provide written notice of the receipt thereof to the Second Lien Facility Agent. In the event that the First Lien Facility Claims are paid in full in Cash**prior to the First Lien Facility Agent's receipt of any Nycomed Litigation Proceeds,** the First Lien Facility Agent shall assign and transfer **all of its rights to and interests in** the Nycomed Litigation Proceeds to the Second Lien Facility Agent subject to any Liens thereon, which Liens shall remain valid and perfected to the same extent as on the Petition Date on and after the Effective Date. Upon receipt of any Nycomed Litigation Proceeds, the Second Lien Facility Agent shall ~~hold such~~**will escrow an amount thereof sufficient to cover any Other Secured Claims asserted to be secured by Liens on the** Nycomed Litigation Proceeds ~~in trust for the holders of any Liens thereon and shall distribute the Nycomed Litigation Proceeds to the holders of Liens thereon in the order of priority determined by the Bankruptcy Court or as set forth in any written intercreditor agreement~~**that are senior in priority to those held by the Second Lien Facility Agent for the benefit of the Second Lien Facility Lenders and the Second Lien Facility Agent will distribute from such escrow funds sufficient to pay any such Other Secured Claim in full if and when any such Other Secured**

Claim is determined by an Order of the Bankruptcy Court to be an Allowed Other Secured Claim.

ARTICLE 8
POST-CONFIRMATION LITIGATION

8.1 Transfer and Enforcement of Causes of Action. Pursuant to Section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided in this Plan or the Confirmation Order, after transfer of the Assets (other than the Nycomed Litigation Proceeds) to the Liquidating Trust pursuant to Section 7.2.3 hereof, the Liquidating Trustee (and to the extent retained by the Liquidating Trust to perform such work, any other Person) will have the exclusive right and standing in any court of competent jurisdiction to enforce any and all Causes of Action against any Entity and rights of the Debtors that arose before or after the Petition Date, including, but not limited to, the rights and powers of a trustee and debtor-in-possession, against any Entity whatsoever, including, but not limited to, all Avoidance Actions and 549 Avoidance Actions, but excluding Released Claims.

8.2 Abandonment of Causes of Action and Other Assets of the Debtors. Subject to this Section 8.2, on and after the Effective Date, Liquidating Trustee shall have the exclusive authority to abandon Causes of Action or other Assets owned by the Liquidating Trust. On and after the Effective Date and until such time as the First Lien Facility Claims are paid in full in Cash, in order to abandon Causes of Action or other Assets owned by the Liquidating Trust, the Liquidating Trustee shall be required to obtain (i) the prior written consent of the Approving Majority First Lien Lenders or (ii) an Order of the Bankruptcy Court approving such abandonment after notice and a hearing. After the First **Lien Facility Claims are paid in full in Cash and until such time as the Second Lien Facility Claims are paid in full in Cash, in**

order to abandon Causes of Action or other Assets owned by the Liquidating Trust, the Liquidating Trustee shall be required to obtain (i) the prior written consent of the Second Lien Facility Agent or (ii) an Order of the Bankruptcy Court approving such abandonment after notice and a hearing. After the Second Lien Facility Claims are paid in full in Cash, except as otherwise set forth in this Plan, the Confirmation Order or the Liquidating Trust Agreement, the Liquidating Trustee shall not be required to obtain approval of the Approving Majority First Lien Lenders, the Second Lien Facility Agent or the Bankruptcy Court to abandon Causes of Action or other Assets owned by the Liquidating Trust.

ARTICLE 9

PROCEDURES FOR TREATMENT OF DISPUTED CLAIMS

9.1 Objections to Claims. Following the Effective Date, only the Liquidating Trustee shall be entitled to object to Claims. ~~No objection shall be required with respect to a proof of Claim filed after the Bar Date, the Governmental Claims Bar Date or the Administrative Expense Claims Bar Date (as applicable), and any and all such Claims shall be deemed disallowed unless otherwise ordered by the Bankruptcy Court after notice and a hearing. Any~~ objections to Administrative Expense Claims shall be filed and served on the claimant no later than the later of (x) sixty (60) days after the Administrative Expense Claims Bar Date, and (y) such later date as may be fixed by the Bankruptcy Court, after notice and a hearing, which later date may be fixed before or after the date specified in clause (x) above. Any objections to any Claim other than an Administrative Expense Claim shall be Filed and served on the claimant no later than the later of (x) sixty (60) days after the date the Claim is Filed, (y) sixty (60) days after the Effective Date or such other date as may be ordered from time to time by the Bankruptcy Court and (z) such later date as may be fixed by the Bankruptcy Court, after notice and a hearing, which later date may be fixed before or after the date specified in clause (x) above.

9.2 Resolution of Disputed Claims. Subject to this Section 9.2, after the Effective Date, the Liquidating Trustee shall have the exclusive authority to compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims. On and after the Effective Date and until such time as the First Lien Facility Claims are paid in full in Cash, in order to compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims, the Liquidating Trustee shall be required to obtain (i) the prior written consent of the Approving Majority First Lien Lenders or (ii) an Order of the Bankruptcy Court approving such compromise, settlement, other resolution, or withdrawal of any objections to Disputed Claims. After the First Lien Facility Claims are paid in full in Cash until such time as the Second Lien Facility Claims are paid in full in Cash, the Liquidating Trustee shall be required to obtain (i) the prior written consent of the Second Lien Facility Agent or (ii) an Order of the Bankruptcy Court approving such compromise, settlement, other resolution, or withdrawal of any objections to Disputed Claims. After the Second Lien Facility Claims are paid in full in Cash, except as otherwise set forth in this Plan, the Confirmation Order or the Liquidating Trust Agreement, the Liquidating Trustee shall not be required to obtain approval of the Approving Majority First Lien Lenders, the Second Lien Facility Agent or the Bankruptcy Court to compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims.

9.3 Amendments to Claims. After the Confirmation Date, a proof of Claim for any Claim other than an Administrative Expense Claim may not be amended without the authorization of the Bankruptcy Court. After the Administrative Expense Claims Bar Date, a proof of Claim for an Administrative Expense Claim may not be amended without the authorization of the Bankruptcy Court. Any such amendments to proofs of Claim or proofs of Claim for an Administrative Expense Claim Filed after the Confirmation Date or the

Administrative Expense Claims Bar Date (as applicable) shall be deemed disallowed in full and expunged without any action by the Debtors or the Liquidating Trustee, unless the holder of the Claim or Administrative Expense Claim has obtained prior Bankruptcy Court authorization to File the amendment.

9.4 No Distributions Pending Allowance. Notwithstanding any other provision hereof, if any portion of a Claim or Administrative Expense Claim is Disputed, no payment or distribution provided hereunder shall be required to be made on account of such Claim or Administrative Expense Claim unless and until such Disputed Claim or Disputed Administrative Expense Claim becomes an Allowed Claim in its entirety.

ARTICLE 10 **DISTRIBUTIONS**

10.1 No Duplicate Distributions. In accordance with Section 7.1 of the Plan and unless otherwise expressly provided herein, to the extent more than one Debtor is liable for any Claim, such Claim shall be considered a single Claim and entitled only to the payment provided therefor under the applicable provisions of the Plan.

10.2 Delivery of Distributions in General. Distributions to holders of Allowed Claims shall be made: (i) at the addresses set forth in the proofs of Claim Filed by such holders; (ii) at the addresses set forth in any written notices of address change Filed with the Bankruptcy Court or delivered to the Liquidating Trustee after the date on which any related proof of Claim was Filed; or (iii) at the addresses reflected in the Schedules relating to the applicable Allowed Claim if no proof of Claim has been Filed and the Liquidating Trustee has not received a written notice of a change of address.

10.3 Cash Payments. Except as otherwise provided in the Confirmation Order, Cash payments to be made pursuant to the Plan shall be made by checks drawn on a

domestic bank or by wire transfer from a domestic bank, at the option of the Debtors (with respect to Cash payments made on the Effective Date) and Liquidating Trustee (with respect to Cash payment made after the Effective Date).

10.4 Interest on Claims. Except as otherwise set forth herein or as required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim. To the extent that any Allowed Claim entitled to a distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable law, be allocated for federal income tax purposes to the principal amount of the Allowed Claim first and then, to the extent the consideration exceeds the principal amount of the Allowed Claim, to the portion of such Allowed Claim representing accrued but unpaid interest.

10.5 No De Minimis Distributions. No payment of Cash in an amount of less than \$100.00 shall be required to be made on account of any Allowed Claim. Such undistributed amount may instead be made part of the Other Available Cash for use in accordance with this Plan. If the Other Available Cash for the Final Distribution is less than \$10,000, and the Liquidating Trustee, in his sole discretion, determines that it would cost more than \$5,000 to distribute such funds, the Liquidating Trustee may donate such funds to the charity of his choice.

10.6 Face Amount. Unless otherwise expressly set forth herein with respect to a specific Claim or Class of Claims, for the purpose of the provisions of this Article, the “Face Amount” of a Disputed Claim means the amount set forth on the proof of Claim unless the

Disputed Claim has been estimated for distribution purposes, in which case the Face Amount shall be the Estimated Amount, or, in the alternative, if no proof of Claim has been timely Filed or deemed Filed, zero.

10.7 Undeliverable Distributions. If the distribution check to any holder of an Allowed Claim is not cashed within 90 days after issuance by the Liquidating Trustee, the Liquidating Trustee may give a stop payment order with respect to the check and no further distributions shall be made to such holder on account of such Allowed Claim. Such Allowed Claim shall be discharged and the holder of such Allowed Claim shall be forever barred from asserting such Claim against the Liquidating Trustee, the Debtors, or the Liquidating Trust. In such cases, any Cash held for distribution on account of such Claim shall (i) become the property of the Liquidating Trust, and (ii) be distributed to other Creditors in accordance with the terms of this Plan.

10.8 Timing of Distributions.

10.8.1 On the Effective Date, or as soon thereafter as practicable in accordance with the Claims resolution process described herein, the Liquidating Trustee shall distribute to the holders of Allowed Administrative Expense Claims (other than Administrative Expense Claims that are Assumed Liabilities), Allowed Priority Tax Claims, Allowed Class 1 Claims and Allowed Class 4 Claims (to the extent not otherwise satisfied in accordance with the terms of this Plan) the distributions for each respective Class as set forth in the Plan.

10.8.2 On the Effective Date, after payment in full in Cash of all severance and benefits approved in the Orders approving the Prepetition Claims Motions, any Cash remaining in the Employee Account shall be First Lien Available Cash and shall be promptly distributed to the First Lien Facility Agent or, to the extent the First Lien Facility

Claims have been paid in full in Cash, as otherwise set forth in the Plan. Promptly after the Estate Fund Amount is fully funded (or, if the Estate Fund Amount is fully funded prior to the Effective Date, on the Effective Date), any Canadian Distribution Amount remaining and any Cash in the 1.0% Holdback Account remaining shall be First Lien Available Cash and shall be promptly distributed to the First Lien Facility Agent or, to the extent the First Lien Facility Claims have been paid in full in Cash, as otherwise set forth in the Plan. Promptly after the Allowed Professional Fees of Lazard are paid in full in Cash (or, if the Allowed Professional Fees of Lazard are paid in full in Cash prior to the Effective Date, on the Effective Date), any Cash remaining in the Lazard Account shall be First Lien Available Cash and shall be promptly distributed to the First Lien Facility Agent or, to the extent the First Lien Facility Claims have been paid in full in Cash, as otherwise set forth in the Plan. Promptly after the Administrative Expense Claims Bar Date, any amounts in the CCR Account in excess of the aggregate Face Amounts **(or, if estimated for distribution purposes, the Estimated Amounts)** of Claims Filed asserting liabilities related to chargebacks, channel management agreements, product returns and/or rebates shall be First Lien Available Cash and shall be promptly distributed to the First Lien Facility Agent or, to the extent the First Lien Facility Claims have been paid in full in Cash, as otherwise set forth in the Plan. In addition, upon the ultimate determination that any Disputed Claim to be funded from the CCR Account is not Allowed **and payment of any Liquidating Trustee First Lien Fees associated with such determination**, the portion of the CCR Account held on account of such Claim shall be First Lien Available Cash and shall be promptly distributed to the First Lien Facility Agent or, to the extent the First Lien Facility Claims have been paid in full in Cash, as otherwise set forth in the Plan. On the Effective Date, any amounts in the Designated Account in excess of the aggregate amount set forth in the Budget for all

expenses to be paid from the Designated Account shall be First Lien Available Cash and shall be promptly distributed to the First Lien Facility Agent or, to the extent the First Lien Facility Claims have been paid in full in Cash, as otherwise set forth in the Plan. Promptly after the Administrative Expense Claims Bar Date, any amounts in the Designated Account in excess of the aggregate Face Amounts (or, if estimated for distribution purposes, the Estimated Amounts) of the Claims Filed that are to be funded from the Designated Account shall be First Lien Available Cash and shall be promptly distributed to the First Lien Facility Agent or, to the extent the First Lien Facility Claims have been paid in full in Cash, as otherwise set forth in the Plan. In addition, upon the ultimate determination that any Disputed Claim to be funded from the Designated Account is not Allowed and payment of any Liquidating Trustee First Lien Fees associated with such determination, the portion of the Designated Account held on account of such Claim shall be First Lien Available Cash and shall be promptly distributed to the First Lien Facility Agent or, to the extent the First Lien Facility Claims have been paid in full in Cash, as otherwise set forth in the Plan.

10.8.3 From time to time, but in no event less than once every three (3) months, the Liquidating Trustee shall distribute all Other Available Cash and any First Lien Available Cash not already distributed pursuant to Section 10.8.2 as set forth in this Plan.

10.8.4 Not later than five (5) Business Days after receipt thereof, after the liquidation into Cash of Causes of Action (other than those Causes of Action abandoned by the Liquidating Trustee in accordance with the terms hereof), the Liquidating Trustee shall distribute Net Causes of Action Proceeds to the holders of Allowed Claims in accordance with Sections 5.2, 5.3 and 5.4 of this Plan.

10.8.5 From and after the Effective Date, the Liquidating Trustee shall distribute on a bi-weekly basis all collections in respect of accounts receivable received during each such two-week period in accordance with Sections 5.2 and 5.3 of this Plan.

10.8.6 ~~10.8.3~~ From time to time, but in no event less than once every three (3) months, the Liquidating Trustee shall distribute all Other Available Cash and any First Lien Available Cash not already distributed pursuant to Section 10.8.2 as set forth in this Plan. After (i) the distribution of the payments described in Section 10.8.1 hereof, (ii) the liquidation into Cash of all Assets owned by the Liquidating Trust (other than those Assets abandoned by the Liquidating Trustee **in accordance with the terms hereof**), (iii) the collection of other sums due or otherwise remitted or returned to the Estates, (iv) the resolution of all Disputed Claims and (v) the payment in full in Cash of all Liquidating Trustee Fees and Liquidating Trustee First Lien Fees, the Liquidating Trustee shall distribute the remaining Assets owned by the Liquidating Trust in accordance with this Plan (the "**Final Distribution**"). The date of the Final Distribution shall be the "**Final Distribution Date**."

10.9 Disputed Claims Reserve. On the Effective Date, the Liquidating Trustee shall establish a reserve fund solely from the Other Assets other than the Liquidating Trustee Fee Amount (the "**Disputed Claims Reserve**") for the payment by the Liquidating Trustee of all Disputed Claims ~~other than First Lien Facility Claims~~ if and when Allowed; provided, however, that funds shall be added to the Disputed Claims Reserve for Administrative Expense Claims, Priority Tax Claims, Other Priority Claims and Other Secured Claims **(to the extent not otherwise to be satisfied in accordance with the terms of this Plan)** that are Disputed Claims only to the extent the amounts deposited in the applicable Reserve Account for

the payment of such Claims are insufficient to pay the Face Amount (or, if estimated for distribution purposes, the Estimated Amount) of such Claims. With respect to any unliquidated Disputed Claim, the Disputed Claims Reserve shall be funded upon entry of and in accordance with an Order(s) of the Bankruptcy Court estimating the amount (the “Estimated Amount”) of such unliquidated Disputed Claim. Upon ultimate determination that any Disputed Claim is not Allowed, the Liquidating Trustee shall immediately release the portion of the Disputed Claim Reserve or Reserve Account, as applicable, on account of such Claim and distribute such portion in accordance with the Plan. Each time a distribution of Other Available Cash is made to any Class of Claims, the Liquidating Trustee shall deposit into the Disputed Claims Reserve an amount equal to the distribution each holder of a Disputed Claim in such Class would have received were the Face Amount (or, if estimated for distribution purposes, the Estimated Amount) of its Disputed Claim in such Class an Allowed Claim solely from proceeds of Other Assets. Any Person whose Disputed Claim is so estimated shall be entitled to an Allowed Claim only up to an amount not to exceed the Estimated Amount even if such Person’s Disputed Claim, as finally allowed, would have exceeded the maximum Estimated Amount thereof. At the time a Person’s Disputed Claim becomes an Allowed Claim, such Person shall receive from the applicable Reserve Account and/or the Disputed Claims Reserve a distribution equal to the distributions such Person would have received on account of its Allowed Claim had it been an Allowed Claim at the time of such prior distributions, with any surplus Cash held in the Disputed Claims Reserve on account of such Disputed Claim becoming generally available for use by the Liquidating Trustee as Other Available Cash in accordance with the Plan and the Liquidating Trust Agreement and any surplus Cash held in any Reserve Account—being becoming available for distribution by the Liquidating Trustee as First Lien

Available Cash in accordance with the Plan. **For the avoidance of doubt, no payment shall be made from the Disputed Claims Reserve on account of the First Lien Facility Claims.**

10.10 Compliance with Tax Requirements. In connection with the Plan and the distributions made in accordance therewith, to the extent applicable, the Liquidating Trustee shall comply with all tax withholding and reporting requirements imposed by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. The Liquidating Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements.

ARTICLE 11

CONDITIONS PRECEDENT

11.1 Conditions to Confirmation. The following are each conditions to entry of the Confirmation Order:

11.1.1 The Bankruptcy Court shall have approved the Disclosure Statement with respect to this Plan in form and substance that is reasonably acceptable to the Debtors and the First Lien Facility Agent; and

11.1.2 The Confirmation Order shall be in form and substance reasonably satisfactory to the Debtors and the First Lien Facility Agent.

11.2 Conditions to the Effective Date. The Plan shall not become effective and the Effective Date shall not occur unless and until:

11.2.1 The Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Debtors and the First Lien Facility Agent and ~~no stay of the Confirmation Order shall be in effect at the time the other conditions set forth in this Section 11.2 are satisfied or, if permitted, waived;~~

11.2.2 The Confirmation Order shall not have been amended or modified without the consent of the Debtors and the First Lien Facility Agent;

11.2.3 All documents, instruments and agreements, in form and substance reasonably satisfactory to the Debtors and the First Lien Facility Agent provided for under this Plan or necessary to implement this Plan, including, without limitation, the Liquidating Trust Agreement, shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby;

11.2.4 The Debtors shall have reasonably determined that the Cash in the Reserve Accounts and the Other Available Cash is sufficient to pay in full in Cash on the Effective Date all estimated Allowed Other Secured Claims (to the extent not otherwise satisfied in accordance with the terms of this Plan), Allowed Administrative Expense Claims (other than Administrative Expense Claims that are Assumed Liabilities), Allowed Other Priority Claims and Allowed Priority Tax Claims; and

11.2.5 The Confirmation Order shall have become a Final Order.

11.3 Termination of Plan for Failure To Become Effective. If the Effective Date shall not have occurred on or prior to the date that is forty-five (45) days after the Confirmation Date, then this Plan shall terminate and be of no further force or effect unless the provisions of this Section 11.3 are waived in writing by the Debtors and the First Lien Facility Agent.

11.4 Waiver of Conditions. The Debtors may waive any or all of the conditions set forth in Sections 11.1 and/or 11.2 (other than the conditions set forth in Sections 11.1.1, 11.2.1, and 11.2.4) of this Plan subject to the consent of the First Lien Facility Agent.

11.5 Notice of Effective Date. On the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors shall File with the Bankruptcy Court a “Notice of Effective Date” in a form reasonably acceptable to the Debtors in their sole discretion, which notice shall constitute appropriate and adequate notice that this Plan has become effective; *provided, however,* that the Debtors shall have no obligation to notify any Person of such fact. The Plan shall be deemed to be effective as of 12:01 a.m., prevailing Eastern time, on the Effective Date specified in such filing. A courtesy copy of the Notice of Effective Date may be sent by United States mail, postage prepaid (or at the Debtors’ option, by courier or facsimile) to those Persons who have Filed with the Bankruptcy Court requests for notices pursuant to Federal Bankruptcy Rule 2002 and the Master Service List established in the Chapter 11 Cases.

ARTICLE 12

EFFECT OF CONFIRMATION

12.1 Jurisdiction of Court. Pursuant to Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Debtors’ Chapter 11 Cases and the Plan to the fullest extent permitted by law.

12.2 Binding Effect. Except as otherwise provided in Section 1141(d) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of this Plan shall bind (i) any holder of a Claim against or Interest in the Debtors and its respective successors and assigns (including the Liquidating Trust), whether or not the Claim or Interest of such holder is Impaired under this Plan and whether or not such holder has accepted the Plan and (ii) the Liquidating Trustee.

12.3 Term of Pre-Confirmation Injunctions or Stays. Unless otherwise provided in a separate Order from the Bankruptcy Court, all injunctions or stays arising under or entered during the Debtors' Chapter 11 Cases in accordance with Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect and apply to all Beneficiaries and creditors holding Claims against the Debtors, their Estates, the Debtors' Assets, the Liquidating Trustee and the Liquidating Trust until the Final Distribution Date or, if different, the date indicated in such applicable Order.

12.4 Injunction Against Interference with Plan. Upon the entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former Affiliates, employees, agents, officers, directors, principals or advisors, shall be enjoined from taking any actions to interfere with the implementation or consummation of this Plan.

12.5 Exculpation. *Except as otherwise specifically provided in this Plan, none of the Purchaser (in its capacity as a purchaser under the Asset Purchase Agreement), the Debtors, the Liquidating Trustee, the First Lien Facility Agent, the First Lien Facility Lenders, Claimholders in their capacity as such, the Second Lien Facility Agent, the Second Lien Facility Lenders in their capacity as such, the Creditors' Committee (solely with respect to its conduct as a committee and not with respect to the actions of its members as individual creditors), nor any of such parties' respective present members (with respect to members of the Creditors' Committee, solely with respect to each member's conduct in furtherance of its, his, or her duties as a member of the Creditors' Committee, and not with respect to the actions of such members as individual creditors), officers, directors, shareholders, employees, representatives, advisors, attorneys, financial advisors, investment bankers, agents or Affiliates, or any of such*

parties' successors and assigns, shall have or incur, and each such Person is hereby released from, any Claim, obligation, cause of action in any form whatsoever or liability to one another or to any holder of a Claim or an Interest, or any other party in interest, or any of their respective officers, directors, shareholders, members and/or enrollees, employees, representatives, advisors, attorneys, financial advisors, investment bankers, agents, related professionals or Affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the negotiation and execution of this Plan, the Disclosure Statement, the Asset Purchase Agreement and the 363 Sale, the solicitation of votes for and the pursuit of Confirmation of this Plan, the consummation of this Plan, or the administration of this Plan, the Asset Purchase Agreement, the 363 Sale and the property to be distributed under this Plan, including all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto and all prepetition activities leading to the promulgation and Confirmation of this Plan except fraud, willful misconduct or gross negligence as determined by a Final Order. Nothing in this Section 12.5 shall: (i) be construed as a release of any entity's fraud, gross negligence or willful misconduct with respect to matters set forth in this Section 12.5 or (ii) limit or abrogate the obligations of the Debtors or the Purchaser and any of their respective affiliates to one another under the Asset Purchase Agreement. Any of the foregoing parties in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities (if any) under this Plan.

Notwithstanding any other provision of this Plan, neither any holder of a Claim or Interest, nor other party in interest, nor any of their respective officers, directors, shareholders, members and/or enrollees, employees, representatives, advisors, attorneys,

financial advisors, investment bankers, related professionals, agents or Affiliates, and no successors or assigns of the foregoing, shall have any right of action against any Debtor or the Purchaser (in its capacity as a purchaser under the Asset Purchase Agreement), the Liquidating Trustee, the First Lien Facility Agent, the First Lien Facility Lenders Claimholders (in their capacity as such), the Second Lien Facility Agent, the Second Lien Facility Lenders (in their capacity as such), the Creditors' Committee (solely with respect to its conduct as a committee and not with respect to the actions of its members as individual creditors), or any of such parties' respective present members (with respect to members of the Creditors' Committee, solely with respect to each member's conduct in furtherance of its, his, or her duties as a member of the Creditors' Committee, and not with respect to the actions of such members as individual creditors), officers, directors, shareholders, employees, representatives, advisors, attorneys, financial advisors, investment bankers, related professionals, agents or Affiliates, or any of such parties' successors and assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the negotiation and execution of this Plan, the Disclosure Statement, the Asset Purchase Agreement and the 363 Sale, the solicitation of votes for and the pursuit of Confirmation of this Plan, the consummation of this Plan, or the administration of this Plan, the Asset Purchase Agreement, the 363 Sale and the property to be distributed under this Plan, including all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto and all prepetition activities leading to the promulgation and Confirmation of this Plan except fraud, willful misconduct or gross negligence as determined by a Final Order.

12.6 Injunction. *Except as otherwise specifically provided in the Plan or the Confirmation Order, all Entities or Persons who have held, hold or may hold Claims, rights,*

causes of action, liabilities or any equity interests based upon any act or omission, transaction or other activity of any kind or nature related to the Debtors, the Liquidating Trust or the Chapter 11 Cases that occurred prior to the Effective Date, other than as expressly provided in this Plan or the Confirmation Order, regardless of the filing, lack of filing, allowance or disallowance of such a Claim or Interest and regardless of whether such Entity has voted to accept the Plan, and any successors, assigns or representatives of such Entities shall be precluded and permanently enjoined on and after the Effective Date from (a) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order with respect to any Claim, Interest or any other right or claim against the Debtors, the Liquidating Trustee, the Liquidating Trust or any Assets of the Debtors or the Liquidating Trust which such Entities possessed or may possess prior to the Effective Date, (b) the creation, perfection or enforcement of any encumbrance of any kind with respect to any Claim, Interest or any other right or claim against the Debtors, the Liquidating Trustee, the Liquidating Trust or any assets of the Debtors or the Liquidating Trust which they possessed or may possess prior to the Effective Date, and (c) the assertion of any Claims that are released hereby.

12.7 Releases by Debtors. Except as expressly provided in this Plan, upon the Effective Date, each of the Debtors hereby (i) remises, acquits, waives, releases and forever discharges each of the Debtor Releasees from, and (ii) covenants and agrees never to institute or cause to be instituted any suit or other form of action or proceeding of any kind or nature whatsoever against any of the Debtor Releasees based upon, any claims, demands, indebtedness, agreements, promises, Causes of Action, obligations, damages or liabilities of any nature whatsoever (other than rights to enforce obligations of the Debtor Releasees under any Order of the Bankruptcy Court, the Plan and all contracts, instruments, releases and other agreements

delivered in connection therewith), in law or in equity, whether or not known, suspected or claimed, that the Debtors or the Estates ever had, claimed to have, has, or may have or claim to have against the Debtor Releasees, or any of them, by reason of any matter, cause, thing, act or omission of the Debtor Releasees, or any of them, in each case related to the Debtors, the Chapter 11 Cases, the 363 Sale or the Plan, except fraud, willful misconduct or gross negligence as determined by a Final Order.

12.8 Releases by Holders of Claims and Interests. *As of the Effective Date, to the fullest extent permitted under applicable law, in consideration for the obligations under the Plan and the Cash, securities, contracts, instruments, releases and other agreements or documents to be delivered in connection with the Plan, and the benefits provided by the Creditor Releasees in the Plan and in the Chapter 11 Cases, each present and former holder of a Claim or Interest will be deemed to release forever, waive and discharge any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights to enforce the Debtors' obligations under any Order of the Bankruptcy Court, the Asset Purchase Agreement, the Plan and the securities, contracts, instruments, releases and other agreements and documents delivered thereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the 363 Sale, or the Plan against ~~Creditor Releasees~~ any Creditor Releasee, except fraud, willful misconduct or gross negligence as determined by a Final Order.*

12.9 Limitation of Liability. *Except as expressly set forth in the Plan or the Asset Purchase Agreement, following the Effective Date, none of the Debtors, the Liquidating Trust, the Liquidating Trustee, the Creditors' Committee, the First Lien Facility Agent, the First Lien Facility Lenders Claimholders (in their capacity as such), the Second Lien Facility Agent, the Second Lien Facility Lenders (in their capacity as such), or any of their respective members, officers, directors, employees, advisors, attorneys, professionals, agents or Affiliates shall have or incur any liability to any holder of a Claim or Interest for any act or omission in connection with, related to, or arising out of, the Chapter 11 Cases, the 363 Sale, the negotiation and pursuit of Confirmation of the Plan, the consummation of the Plan or any contract, instrument, release or other agreement or document created in connection with the 363 Sale, this Plan, or the administration of the Plan or the property to be distributed under the Plan, except for fraud, gross negligence or willful misconduct as determined by a Final Order.*

ARTICLE 13

RETENTION OF JURISDICTION

13.1 Scope of Bankruptcy Court Jurisdiction. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court may retain jurisdiction over the Debtors' Chapter 11 Cases after the Effective Date to the fullest extent legally permissible, including jurisdiction to, among other things:

(a) Allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of (x) any request for payment of any Administrative Expense Claim, (y) any Disputed Claims or Interests and (z) any and all objections to the allowance or priority of any Claim or Interest;

(b) To the extent not inconsistent with the Bankruptcy Code, hear and determine any and all Causes of Action against any Person and rights of the Debtors that arose

before or after the Petition Date, including, but not limited to, the rights and powers of a trustee and debtor-in-possession, against any Person whatsoever, including, but not limited to, all avoidance powers granted to the Debtors under the Bankruptcy Code and all Causes of Action and remedies granted pursuant to Sections 502, 506, 510, 541, 542, 543, 544, 545, 547 through 551 and 553 of the Bankruptcy Code;

(c) Grant or deny any applications for allowance of compensation for Professionals authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Effective Date;

(d) Resolve any matters relating to the assumption, assumption and assignment or rejection of any executory contract or unexpired lease to which any Debtor is a party or with respect to which any of the Debtors may be liable, including, without limitation, the determination of whether such contract is executory for the purposes of Section 365 of the Bankruptcy Code, and hear, determine and, if necessary, liquidate any Claims arising therefrom;

(e) Enter Orders approving the Liquidating Trustee's post-Confirmation sale or other disposition of Assets of the Liquidating Trust;

(f) Ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and the Liquidating Trust Agreement;

(g) Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving any Debtor or the Liquidating Trust that may be pending in the Debtors' Chapter 11 Cases on the Effective Date;

(h) Hear and determine matters concerning state, local or federal taxes in accordance with Sections 346, 505 or 1146 of the Bankruptcy Code;

(i) Enter such Orders as may be necessary or appropriate to implement or consummate the provisions of the Liquidating Trust Agreement, the Plan and the Confirmation Order;

(j) Hear and determine any matters concerning the enforcement of the provisions of Article 12 of this Plan and any other exculpations, limitations of liability or injunctions contemplated by this Plan;

(k) Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Liquidating Trust Agreement, the Plan or the Confirmation Order;

(l) Permit the Debtors, to the extent authorized pursuant to Section 1127 of the Bankruptcy Code, to modify the Plan or any agreement or document created in connection with the Plan, or remedy any defect or omission or reconcile any inconsistency in the Plan or any agreement or document created in connection with the Plan;

(m) Issue injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Liquidating Trust Agreement, the Plan or the Confirmation Order;

(n) Enforce any injunctions entered in connection with or relating to the Plan or the Confirmation Order;

(o) Enter and enforce such Orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated, or distributions pursuant to the Plan are enjoined or stayed;

- (p) Determine any other matters that may arise in connection with or relating to the Plan, the 363 Sale, the Asset Purchase Agreement or the Confirmation Order;
- (q) Enter any Orders in aid of prior Orders of the Bankruptcy Court; and
- (r) Enter a final decree closing the Debtors' Chapter 11 Cases.

ARTICLE 14

ACCEPTANCE OR REJECTION OF THE PLAN

14.1 Persons Entitled to Vote. Class 1 and Class 4 are not Impaired, and holders of Class 1 Claims and Class 4 Claims are deemed pursuant to Section 1126(f) of the Bankruptcy Code to have accepted the Plan. Votes from holders of Class 1 Claims and Class 4 Claims will not be solicited. Class 2, Class 3, and Class 5 are Impaired and are expected to receive a distribution under the Plan. Votes from holders of the Class 2 Claims, the Class 3 Claims, and the Class 5 Claims will be solicited. Class 6 Claims, Class 7 Interests, and Class 8 Claims and Interests are Impaired, are not expected to receive any distributions pursuant to the Plan, and are therefore deemed, pursuant to Section 1126(g) of the Bankruptcy Code, to have rejected the Plan. Votes from holders of Class 6 Claims, Class 7 Interests and Class 8 Claims and Interests will not be solicited.

14.2 Acceptance by Impaired Classes. An Impaired Class of Claims shall have accepted the Plan if (i) the holders (other than any holder designated under Section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (ii) the holders (other than any holder designated under Section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

14.3 Request for Non-Consensual Confirmation. Class 6, Class 7, and Class 8 are not expected to receive any distribution on account of their Claims and Interests and are

therefore deemed to have rejected the Plan. The Debtors therefore request that the Court confirm the Plan under the cramdown provisions of Section 1129(b) of the Bankruptcy Code with respect to Class 6, Class 7, and Class 8 and any Class that does not vote in favor of the Plan.

ARTICLE 15

MISCELLANEOUS PROVISIONS

15.1 Effectuating Documents and Further Transactions. Each of the Debtors and the Liquidating Trustee is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any Securities issued pursuant to this Plan.

15.2 Corporate Action. On the Effective Date, all matters provided for under this Plan that would otherwise require approval of the stockholders, directors, members, managers or partners of one or more of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to Section 303 of the Delaware General Corporation Law or other applicable law of the states in which the Debtors are organized, without any requirement of further action by the stockholders, directors, members, managers, or partners of the Debtors.

15.3 Payment of Statutory Fees. After the Effective Date, the Liquidating Trustee shall pay all fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code through the entry of a final decree closing the Debtors' cases.

15.4 Modification of the Plan. Subject to the restrictions on Plan modifications set forth in Section 1127 of the Bankruptcy Code, the Debtors reserve the right, after consultation with the First Lien Facility Agent, the Second Lien Facility Agent and the Creditors' Committee, to alter, amend or modify the Plan before its substantial consummation.

15.5 Revocation of the Plan. The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if Confirmation does not occur or if the Plan does not become effective, then the Plan shall be null and void, and nothing contained in the Plan or Disclosure Statement shall: (a) constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors; (b) constitute an admission of any fact or legal conclusion by the Debtors or any other Entity; or (c) prejudice in any manner the rights of the Debtors in any further proceedings involving the Debtors.

15.6 Governing Law. Unless a rule of law or procedure is supplied by (i) federal law (including the Bankruptcy Code and Bankruptcy Rules), or (ii) an express choice of law provision in any agreement, contract, instrument or document provided for, or executed in connection with, the Plan, the rights and obligations arising under the Plan and any agreements, contracts, documents and instruments executed in connection with the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without giving effect to the principles of conflict of laws thereof.

15.7 No Admissions. If Confirmation or the Effective Date does not occur, nothing contained in the Plan or Disclosure Statement shall be deemed as an admission by the Debtors with respect to any matter set forth herein or therein including, without limitation, liability on any Claim or the propriety of any Claims classification.

15.8 Severability of Plan Provisions. If prior to Confirmation, any term or provision of the Plan that does not govern the treatment of Claims or Interests is held by the Bankruptcy Court to be invalid, void or unenforceable, at the request of the Debtors the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of

the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, Impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

15.9 Successors and Assigns. The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

15.10 Exemption from Certain Transfer Taxes. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of any Security or the making or delivery of any instrument of transfer under this Plan may not be taxed under any law imposing a stamp tax, use tax, sales tax or similar tax. Any sale of any Asset of the Debtors or the Liquidating Trust occurring after or upon the Effective Date shall be deemed to be in furtherance of this Plan.

15.11 Preservation of Rights of Setoffs. The Debtors or, if after the Effective Date, the Liquidating Trustee, may, but shall not be required to, set off against any Claim, and the payments or other distributions to be made pursuant to this Plan in respect of such Claim, Claims of any nature whatsoever that the Debtors or, if after the Effective Date, the Liquidating Trustee, may have against the holder of such Claims; but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the

Liquidating Trustee of any such Claim that the Debtors or, if after the Effective Date, the Liquidating Trustee, may have against such holder.

15.12 Defenses with Respect to Unimpaired Claims. Except as otherwise provided in this Plan, nothing shall affect the rights and legal and equitable defenses of the Debtors or, if after the Effective Date, the Liquidating Trustee, with respect to any Unimpaired Claim, including all rights in respect of legal and equitable defenses to setoffs or recoupments against Unimpaired Claims.

15.13 No Injunctive Relief. Except as otherwise provided in the Plan or Confirmation Order, no Claim or Interest shall under any circumstances be entitled to specific performance or other injunctive, equitable, or other prospective relief.

15.14 Saturday, Sunday or Legal Holiday. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

15.15 Entire Agreement. This Plan (together with the Liquidating Trust Agreement) sets forth the entire agreement and undertaking relating to the subject matter hereof and supersedes all prior discussions and documents. The Debtors' Estates shall not be bound by any terms, conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof, other than as expressly provided for herein.

15.16 Dissolution of Creditors' Committee. The Creditors' Committee shall be dissolved on the Effective Date, without need for a further Order of the Bankruptcy Court.

15.17 Notices. Any notice required or permitted to be provided under this Plan shall be in writing and served by either (a) certified mail, return receipt requested, postage

prepaid, (b) hand delivery, or (c) reputable overnight delivery service, freight prepaid, to be addressed as follows:

Debtors	Counsel to Debtors
<p>Graceway Pharmaceuticals, LLC 340 Martin Luther King Jr. Blvd. Suite 400 Bristol, TN 37620 Fax: 422-274-5520 Attn: John Bellamy (john.bellamy@gracewaypharma.com)</p>	<p>Latham & Watkins LLP 233 South Wacker Drive Chicago, IL 60606 Fax: 312-993-9767 Attn: Josef S. Athanas, Esq. and Matthew L. Warren, Esq. (josef.athanas@lw.com and matthew.warren@lw.com)</p> <p>Young Conaway Stargatt & Taylor, LLP Rodney Square 1000 North King Street Wilmington, DE 19801 Fax: 302-576-3472 Attn: Michael R. Nestor, Esq. and Kara Hammond Coyle, Esq. (mnestor@ycst.com and kcoyle@ycst.com)</p>
Special Bankruptcy and Restructuring Counsel to the Agent for the First Lien Facility Lenders	United States Trustee
<p>Wachtell, Lipton, Rosen & Katz 51 West 52nd Street New York, NY 10019 Fax: 212-403-2158 Attn: Scott K. Charles, Esq. and Michael S. Benn, Esq. (SKCharles@wlrk.com and MSBenn@wlrk.com)</p> <p>DLA Piper LLP 919 North Market Street, 15th Floor Suite 1500 Wilmington, DE 19801 Fax: 302-778-7913 Attn: Stuart M. Brown, Esq. (stuart.brown@dlapiper.com)</p>	<p>Office of the United States Trustee for the District of Delaware 844 King Street J. Caleb Boggs Federal Building Room 2207, Lockbox 35 Wilmington, DE 19801 Fax: 302-573-6497 Attn: Juliet Sarkessian, Esq. (Juliet.M.Sarkessian@usdoj.gov)</p>
Financing Counsel to the Agent for the First Lien Facility Lenders	Counsel to the Creditors' Committee
<p>Morgan Lewis 225 Franklin Street, 16th Floor Boston, MA 02110 Fax: 617-341-7701 Attn: Sula Fiszman, Esq. (sfiszman@morganlewis.com)</p>	<p>Lowenstein Sandler PC 65 Livingston Avenue Roseland, NJ 07068 Fax: 973-597-2347 Attn: S. Jason Teele, Esq. (steale@lowenstein.com)</p> <p>Elliott Greenleaf</p>

	1105 Market Street, Suite 1700 Wilmington, DE 19801 Fax: 302-384-9399 Attn: Rafael X. Zahraiddin-Aravena (rxza@elliottgreenleaf.com)
Counsel to the Agent for the Second Lien Facility Lenders	Agent for the Mezzanine Lenders
Sidley Austin LLP One South Dearborn, Chicago, IL 60603 Fax: 213-896-6600 Attn: Larry Nyhan, Esq. (lnyhan@sidley.com) <u>Jeffrey E. Bjork, Esq. (jbjork@sidley.com)</u>	Goldman Sachs Credit Partners L.P. 30 Hudson Street, 5 th Floor Jersey City, NJ 07302 Fax: 212-357-4597 Attn: Michelle Latzoni (<u>gsd.link@gs.com</u>)
Receiver for Graceway Canada Company	Counsel to the Receiver for Graceway Canada Company
RSM-Richter <u>Duff & Phelps Canada Restructuring Inc.</u> 200 King Street West, Suite 1100 <u>1002</u> Toronto, ON M5H 3T4 Fax: 647-497-9490 Attn: Robert Kofman and David Sieradzki (<u>bobby.kofman@duffandphelps.com and david.sieradzki@duffandphelps.com</u>)	Davies Ward Phillips & Vineberg LLP 1 First Canadian Place, Suite 4400 P.O. Box 63 Toronto, ON M5X 1B1 Fax: 416-863-0871 Attn: Jay Swartz (<u>jswartz@dwvp.com</u>)
Liquidating Trustee	Counsel to Graceway Canada Company
Kip Horton RPA Advisors, LLC 45 Eisenhower Drive Paramus, NJ 07652 Fax: 201-527-6620 Attn: Kip Horton (khorton@rpaadvisors.com)	Goodmans LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7 Fax: 416-979-1234 Attn: Fred Myers, Joe Latham, and Caroline Descours (<u>fmyers@goodmans.ca, jlatham@goodmans.ca, and cdescours@goodmans.ca</u>)

Dated: ~~January 25,~~**February 28,** 2012

Graceway Pharma Holding Corp.

By: _____
Name: _____
Title: _____

Graceway Pharmaceuticals, LLC

By: _____
Name: _____
Title: _____

Chester Valley Pharmaceuticals, LLC

By: _____
Name: _____
Title: _____

Graceway Canada Holdings, Inc.

By: _____
Name: _____
Title: _____

Graceway International, Inc.

By: _____
Name: _____
Title: _____

Graceway Holdings, LLC

By: _____
Name: _____
Title: _____

Chester Valley Holdings, LLC

By: _____
Name: _____
Title: _____

Exhibit 1

List of Debtors

The Debtors, along with the last four digits of each Debtor's federal tax identification number and each Debtor's Chapter 11 Case Number, include:

1. Graceway Pharma Holding Corp. (9175): Case No. 11-13037 (PJW)
2. Graceway Holdings, LLC (2502): Case No. 11-13038 (PJW)
3. Graceway Pharmaceuticals, LLC (5385): Case No. 11-13036 (PJW)
4. Chester Valley Holdings, LLC (9457): Case No. 11-13039 (PJW)
5. Chester Valley Pharmaceuticals, LLC (3713): Case No. 11-13041 (PJW)
6. Graceway Canada Holdings, Inc. (6663): Case No. 11-13042 (PJW)
7. Graceway International, Inc. (2399): Case No. 11-13043 (PJW)

Exhibit 2

Liquidating Trust Agreement

Exhibit 3

Assumption Schedule

[to come]

	Contract Counterparty	Type of Contract	Contract Date	Notice Address	Brief Summary	Cure Amount
1.						
2.						