

Exhibit B

Armstrong Affidavit

**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

**AFFIDAVIT OF RICHARD S. ARMSTRONG, III IN SUPPORT OF THE
APPLICATION FOR AN ORDER AUTHORIZING THE DEBTORS TO EMPLOY AND
RETAIN TCI GROUP-LOWRY & FOSTER, INC. AS REAL ESTATE BROKER TO
THE DEBTORS PURSUANT TO 11 U.S.C. §§ 327(a) AND 328(a),
NUNC PRO TUNC TO APRIL 24, 2012**

I, Richard S. Armstrong, III, being duly sworn, state the following under penalty of perjury:

1. I am president and owner of TCI Group-Lowry & Foster, Inc. ("**TCI**"), a real estate broker that maintains offices at 403 Sixth Street, Bristol, Tennessee 37620, and am duly authorized to submit this affidavit (the "**Affidavit**") on behalf of TCI. The facts set forth in this Affidavit are personally known to me and, if called as a witness, I could and would testify thereto.

2. This Affidavit is submitted in support of the application ("**Application**")² of the above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**") in these Chapter

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.

² Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Application.

11 Cases for authorization of the employment and retention of TCI as real estate broker to the Debtors in these cases pursuant to Sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”), *nunc pro tunc* to April 24, 2012.

3. This Affidavit is also submitted as the statement required pursuant to Sections 328(a), 329 and 504 of the Bankruptcy Code and Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

4. TCI is a real estate brokerage firm that has extensive experience in matters concerning the purchase and sale of commercial and industrial real estate and the negotiation of real property transactions. TCI has a strong presence in the Tennessee real estate market as well as a high degree of market knowledge and an excellent reputation for the quality of services it renders to its clients.

5. TCI is well qualified to provide services to the Debtors in a cost-effective and timely manner. TCI is willing to act on behalf of the Debtors and to subject itself to the jurisdiction of this Court.

6. TCI is the first and largest commercial real estate group in the Tri-Cities region of Upper East Tennessee and Southwest Virginia. Our team of expert, knowledgeable brokers is experienced and skilled in every facet of commercial and industrial real estate, drawing on a vast network of affiliations to provide comprehensive real estate services throughout the region and the world. Specializing exclusively in commercial properties allows us to focus our efforts where it serves our clients best -- office, retail, commercial, medical and industrial properties. TCI has consistently proven to be a successful resource for our clients, regardless of their size.

7. TCI has agreed to provide the following services to the Debtors pursuant to the Engagement Letter:

- (a) TCI will use its best efforts to procure a buyer ready, willing, and able to purchase the Piney Flats Property at a price acceptable to the Debtors; and
- (b) TCI will assist in negotiating the terms of and filling out a preprinted real estate purchase and sale agreement.

8. TCI has agreed to provide these brokerage services to the Debtors in these Chapter 11 Cases pursuant to the terms and conditions of that certain agreement between Graceway Pharmaceuticals, LLC and TCI (the “**Engagement Letter**”), dated as of April 24, 2012, a copy of which is attached to the Application as Exhibit C.

9. As a standard practice, TCI receives a commission, which is a set percent of the sale amount of real property that it markets for its clients. The commission charged to the Debtors, detailed more clearly in Engagement Letter is TCI’s standard and ordinary commission for marketing similar real properties. Additionally, the amount and nature of compensation set forth in the Engagement Letter is consistent with the industry standard

10. Except where TCI may be required to share its compensation with another real estate broker in a situation where the approved buyer of the Piney Flats Property is represented by such broker, neither I nor any principal, partner, director, officer or professional employed by TCI has agreed to share or will share any portion of the compensation to be received from the Debtors with any person other than the principals and regular employees of TCI.

11. To the best of my knowledge and belief, neither I nor TCI, nor any professional thereof, has any connection or relationship with the Debtors, their creditors, or any other parties-in-interest in this case that would conflict with the scope of the retention of TCI or that would created any interest adverse to the Debtors or the Debtors’ estate, creditors, equity security holders or any other parties-in-interest. In connection with its proposed retention by the Debtors

in these Chapter 11 Cases, TCI researched its client database to determine whether it has any engagements with the following entities:

- (i) the Debtors and their affiliates;
- (ii) the Debtors' directors, officers or majority shareholders;
- (iii) the secured creditors;
- (iv) the 30 largest unsecured creditors on a consolidated basis;
- (v) the Debtors' pre- and post-petition lenders;
- (vi) any professionals retained by the Debtors in these Chapter 11 Cases; and
- (vii) other significant parties-in-interest.

12. Insofar as I have been able to ascertain from the results of the foregoing, to the best of my knowledge, and other than as described herein, neither TCI, nor its affiliates, nor any professional of TCI: (i) has represented the Debtors' creditors, equity security holders, or any other parties-in-interest, or their respective attorneys and accountants, the United States Trustee for the District of Delaware, or any person employed in the office of the United States Trustee, in any matters relating to the Debtors, their estates or these Chapter 11 Cases; or (ii) has any connection with the Debtors in these Chapter 11 Cases, or any interest materially adverse to the interest of any class of creditors or equity security holders by reason of any direct or indirect relationship to the Debtors, any other parties-in-interest herein, or its respective attorneys.

13. TCI has numerous clients, past and present, which are located throughout the world, in a variety of industries. Such clients may include certain of the persons or entities that are identified as creditors of the Debtors. It is also possible that some past or present clients of TCI may have some connection to, or are creditors or holders of securities of, the Debtors. Nevertheless, insofar as I have been able to ascertain based on the results of the foregoing, to the

best of my knowledge, other than as described herein and except for the Debtors, TCI has not advised any party in interest in connection with these Chapter 11 Cases.

14. To the extent TCI discovers any facts bearing on the matters described herein during the period of TCI's retention, TCI undertakes to amend and supplement the information contained in this Affidavit to disclose such facts.

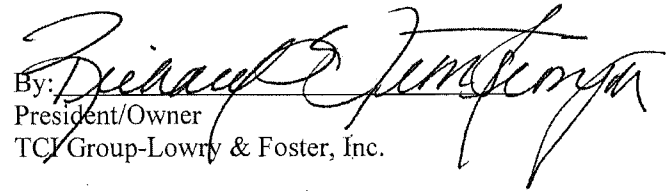
15. No promises have been received by TCI, or by any employee thereof, as to compensation in connection with these Chapter 11 Cases other than in accordance with the provisions of the Bankruptcy Code.

16. I understand that the payment of any commission with respect to the sale of the Piney Flats Property will be payable only upon closing of a sale prior to the expiration of the Engagement Letter, except as otherwise set forth therein.

17. I am generally familiar with the Bankruptcy Code and the Bankruptcy Rules, and TCI will comply with them, subject to the Orders of this Court.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this 19th day of April, 2012.

By: 
President/Owner
TCI Group-Lowry & Foster, Inc.