

Exhibit A

Declaration of Thomas R. Califano

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

In re:

VIRGINIA UNITED METHODIST HOMES
OF WILLIAMSBURG, INC.,

Debtor.

Case No. 13-31098

Chapter 11

DECLARATION OF THOMAS R. CALIFANO IN SUPPORT
OF APPLICATION FOR ENTRY OF AN ORDER
AUTHORIZING EMPLOYMENT AND RETENTION
OF DLA PIPER LLP (US) AS COUNSEL TO
THE DEBTOR NUNC PRO TUNC TO THE PETITION DATE

Pursuant to Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), I, Thomas R. Califano, declare that the following is true to the best of my knowledge, information and belief:

1. I am a partner of DLA Piper LLP (US) (“DLA Piper”), which maintains an office for the practice of law at 1251 Avenue of the Americas, New York, New York 10020. I am an attorney-at-law, duly admitted and in good standing to practice in the State of New York. I submit this declaration (“Declaration”) in connection with the application (the “Application”) of Virginia United Methodist Homes of Williamsburg, Inc. (“VUMHW” or the “Debtor”), to retain DLA Piper as counsel to the Debtor in its Chapter 11 case *nunc pro tunc* to March 1, 2013 (the “Petition Date”) and to provide the disclosures required under Section 329 of Title 11 of the United States Code (the “Bankruptcy Code”), the rules of this Court, and Rules 2014(a) and 2016(b) of the Bankruptcy Rules.

2. The facts set forth in this Declaration are based upon my personal knowledge, discussions with other DLA Piper attorneys and DLA Piper’s client/matter records that were reviewed by me or other DLA Piper attorneys acting under my supervision and direction. DLA

Piper currently employs approximately 1,370 lawyers in the United States and 4,200 worldwide. To the extent any information disclosed herein requires amendment or modification upon DLA Piper's completion of further review or as additional information becomes available, a supplemental declaration will be submitted to the Court reflecting such amended or modified information. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Application.

3. DLA Piper is particularly well suited for the type of representation required by the Debtor. In fact, DLA Piper has acted as counsel to at least six (6) continuing care retirement communities ("CCRCs") which have filed for Chapter 11 in the last four years, including filings such as The Clare at Water Tower, Case No. 11-46151 (Bankr. N.D. Ill.), and In re Erickson Retirement Cmtys., LLC, Case No. 09-37010 (Bankr. N.D. Tex.). DLA Piper is one of the largest law firms in the world, with a national and international practice, and has substantial experience in virtually all aspects of the law that may arise in its role in this Chapter 11 case. DLA Piper's restructuring group provides an array of services to assist financially distressed businesses and their creditors in maximizing values and ultimate recoveries in a broad range of challenging circumstances. The group comprises approximately 50 attorneys practicing in the United States. In roles ranging from Debtor's counsel to committee counsel, DLA Piper lawyers have played a significant part in many of the largest and most complex cases under the Bankruptcy Code, including those of Dana Corporation, Loewen Group International, Inc., Delta Air Lines Inc., Federated Department Stores, Allegheny Health, Education and Research Foundation, Northwest Airlines Corporation, Kmart Corporation, Imperial Home Décor Group Inc., Kaiser Aluminum Corporation, Contech LLC, East West Resort Development, Fairfield Residential LLC, Polaroid Corporation, PFF Bancorp, Inc., Erickson Retirement Communities, LLC, Hingham Campus, LLC and The Clare at Water Tower.

DLA Piper's Disclosure Procedures

4. DLA Piper has a large and diversified legal practice that encompasses the representation of many financial institutions and commercial corporations. In preparing this Declaration, I used a set of procedures (the "Firm Disclosure Procedures") developed by DLA Piper to ensure compliance with the requirements of the Bankruptcy Code and the Bankruptcy Rules regarding the retention of professionals. Pursuant to the Firm Disclosure Procedures, I performed, or caused to be performed, the actions described below to identify DLA Piper's connections to parties in interest in these proceedings.

5. In preparing this Declaration, I submitted or caused to be submitted for review under our regularly updated conflicts check system the names of various parties in interest in this Chapter 11 case (collectively, the "Interested Parties"), as received from the Debtor.¹ The identities of the Interested Parties are set forth on Schedule 1 attached hereto and incorporated herein by reference. The results of our conflicts check were compiled and analyzed by DLA Piper attorneys acting under my supervision.

DLA Piper's Connections with Interested Parties

6. To the best of my knowledge, based on the review procedures described above, DLA Piper does not have any "connections" to the Interested Parties, except as described in this Declaration. Neither the term "connection," as used in Bankruptcy Rule 2014, nor the proper scope of a professional's search for a "connection" has been defined, and I am therefore uncertain what this Court may consider a "connection" requiring disclosure. Out of an abundance of caution, therefore, I am disclosing many representations that are not, to my

¹ The results set forth on Schedule 2 may be supplemented as necessary to reflect any subsequent identification of connections between Interested Parties and any international affiliates of DLA Piper.

understanding, disqualifying or problematic under either the Bankruptcy Code or applicable standards of professional ethics.

7. Neither I, nor any partner, counsel, or associate of DLA Piper, as far as I have been able to ascertain, has any connection with the Debtor, its creditors, the Debtor's attorneys and accountants or any other Interested Party, except as set forth below or otherwise in this Declaration:

- (a) Attached hereto as Schedule 2 and incorporated herein by reference is a list of Interested Parties (or their affiliates) whom DLA Piper currently represents, has represented in the past, and may in the future represent in matters unrelated to the Debtor's Chapter 11 case. Although DLA Piper has represented, currently represents, and may continue to represent certain entities and individuals listed on Schedule 2 hereto, DLA Piper will not represent any such entity or individual in this Chapter 11 case.
- (b) DLA Piper does not represent, and has not represented, any entity other than the Debtor in matters related to this Chapter 11 case.
- (c) In matters unrelated to this Chapter 11 case, DLA Piper represents, or has represented in the past, in connection with various financial transactions, certain institutions that the Debtor has identified as creditors. DLA Piper will not represent any of these creditors in the Debtor's Chapter 11 case.
- (d) Given the number of attorneys in its various offices, several attorneys at DLA Piper have professional, working, or social relationships with firms or professionals at firms that may be adverse to the Debtor. In addition, several attorneys at DLA Piper have spouses, parents, children, siblings, fiancés or fiancées who are attorneys at other law firms or companies. Also, certain attorneys at DLA Piper may have spouses, parents, children, siblings, fiancés or fiancées who are employees of one or more of the parties in interest. DLA Piper has strict policies against disclosing confidential information to anyone outside of DLA Piper, including spouses, parents, children, siblings, fiancés and fiancées.
- (e) DLA Piper has approximately 4,200 attorneys and 3,900 other employees worldwide. Despite the efforts described above to identify and disclose DLA Piper's connections with parties in interest in these cases, because DLA Piper is an international firm with thousands of attorneys in seventy-six offices in thirty countries, and because the Debtor is a substantial enterprise with myriad creditors and other relationships, DLA Piper is unable to state with certainty that every client representation or other connection has been disclosed. In this regard, if DLA Piper discovers

additional information that requires disclosure, DLA Piper will file a supplemental disclosure with the Court.

8. It should be noted that DLA Piper has obtained an executed waiver from Bank of America, N.A. (the "Bank"), the Debtor's former letter of credit bank, waiving any conflicts that could potentially arise in connection with DLA Piper's representation of the Debtor. However, DLA Piper may not represent the Debtor in commencing an action against the Bank.

9. To the best of my knowledge and belief, insofar as I have been able to ascertain after reasonable inquiry, neither I, nor DLA Piper, nor any partner, counsel or associate thereof holds or represents an interest adverse to the Debtor or its estate, and DLA Piper is a "disinterested person," as defined in Section 101(14) of the Bankruptcy Code and as required by Section 327(a) of the Bankruptcy Code, in that: (a) DLA Piper has no connection with the Debtor, its creditors, the United States Trustee, any person employed in the office of the U.S. Trustee or any other party with an actual or potential interest in this Chapter 11 case or their respective attorneys or accountants, except as set forth herein; (b) DLA Piper is not a creditor, equity security holder or insider of the Debtor; (c) DLA Piper is not and was not, within two years of the Petition Date, a director, officer or employee of the Debtor; and (d) DLA Piper neither holds nor represents an interest materially adverse to the Debtor, its estate or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with or interest in Debtor, or for any other reason. Accordingly, I believe that DLA Piper is a "disinterested person," as defined in Section 101(14) of the Bankruptcy Code and as required by Section 327(a) of the Bankruptcy Code.

DLA Piper's Rates and Billing Practices

10. DLA Piper has not received any promises as to payment or compensation in connection with this Chapter 11 case other than in accordance with the provisions of the

Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the United States Trustee Guidelines, and as disclosed herein.

11. It is DLA Piper's policy to charge its clients in all areas of practice for expenses incurred in connection with a client's case. The expenses charged to clients include, among other things, photocopying, witness fees, travel and lodging expenses, certain secretarial and other overtime expenses, filing and recording fees, postage, vendor charges, express mail and messenger charges, computerized legal research charges and other computer services, expenses for "working meals," and telecopier charges. DLA Piper will charge the Debtor for these expenses in a manner and at rates consistent with charges made generally to its other clients, subject to this Court's approval of such expenses pursuant to Sections 330 and 331 of the Bankruptcy Code, such Bankruptcy Rules and Local Rules as may from time to time be applicable, such procedures as may be fixed by Order of this Court or the United States Trustee Guidelines, and consistent with the parties' engagement letter. DLA Piper believes that failure to charge these expenses would require DLA Piper to increase its current hourly rates.

12. Subject to the Court's approval, DLA Piper intends to (a) charge for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date services are rendered, and (b) seek reimbursement of actual and necessary out-of-pocket expenses.² DLA Piper will maintain detailed, contemporaneous records of time and any actual and necessary expenses incurred in connection with the rendering of the legal services described in the Application by category and nature of the services rendered.

² The hourly rates charged by DLA Piper professionals differ based on, among other things, the professional's level of experience and the rates normally charged in the location of the office in which the professional is resident. These rates may change from time to time in accordance with DLA Piper's established billing practices and procedures.

13. DLA Piper intends to apply to the Court for payment of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the United States Trustee Guidelines, as well as pursuant to any additional procedures that may be established by the Court in this Chapter 11 case.

14. DLA Piper's hourly rates are set at a level designed to compensate it fairly for the work of its attorneys and paraprofessionals and to cover fixed and routine overhead expenses. I believe that these rates are commensurate with the hourly rates of other firms of similar size and expertise.

15. The DLA Piper professionals and paraprofessionals expected to be most active in the Debtor's Chapter 11 case and their current hourly rates include:

Professional	Rate Per Hour
Thomas Califano	\$930
George B. South, III	\$895
Sarah E. Castle	\$545
Emily A. Battersby	\$495
Carolyn B. Fox	\$240
Maria Grabis	\$115

16. Other DLA Piper attorneys and paraprofessionals may from time to time serve the Debtor. To reflect economic and other conditions, DLA Piper revises its regular hourly rates periodically and requests that, effective as of the date of such revision, the aforementioned rates be revised to the regular hourly rates that will be in effect at that time. DLA Piper agrees to be compensated based on the same rates generally charged for services rendered in matters handled by DLA Piper for its clients. DLA Piper understands, acknowledges, and agrees that it shall be entitled to reimbursement only for actual and necessary expenses incurred in connection with its representation of, or services for, the Debtor.

17. DLA Piper has not agreed to share any of its compensation from this Chapter 11 case with any other person, other than a partner, counsel, associate, or staff person employed by DLA Piper, as permitted by Section 504 of the Bankruptcy Code.

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 1, 2013
New York, New York

/s/ Thomas R. Califano
Thomas R. Califano
DLA Piper LLP (US)

Virginia United Methodist Homes of Williamsburg, Inc. Potential Parties In Interest

Schedule 1

<u>Debtor</u> Virginia United Methodist Homes of Williamsburg Inc.	<u>Debtor's Board of Directors and Officers</u> Mr. Thomas R. Harrison, Jr. Rev. Robert F. Coffield, Jr. Mrs. Kelli Mansel-Arbuckle Mr. Christopher P. Henderson Bishop Young Jin Cho (Ex Officio)	<u>Other Key Management Personnel</u> Kevin L. Salminen Dan Oetzel Marilyn Gladding Robin Page Melanie Taylor Kate Leach
<u>Debtor's Direct Parent</u> Virginia United Methodist Homes, Inc.	<u>Law Firms</u> Kane, Jeffries, Cooper & Carollo, LLP Sports Fain P.C. Hirschler Fleischer, P.C. DuretteCrump, PLC DLA Piper U.S., LLP McGuireWoods LLP McDermott Will & Emery Gebhardt & Smith LLP	<u>Professional Services Firms</u> Sawgrass Partners Deloitte Financial Advisory Services Herbert J. Sims & Co., Inc. AV Powell & Associates Clifton Larson Allen, LLP
<u>Debtor's Affiliates</u> Roanoke United Methodist Home Hermitage on the Eastern Shore Hermitage in Northern Virginia The Hermitage in Richmond The Hermitage at Cedarfield Lydia H. Roper Home	<u>Top 20 Unsecured Creditors</u> Hampton Roads Urology Wmbg Kiwanis Club of Williamsburg Michel Tyler Ragan Riverside Regional Medical Center Sam Rust Seafood, Inc. Spectrum Communications Cerner Corporation Home Depot Credit Services Harry Jeavons	<u>Landlord</u> Virginia United Methodist Homes, Inc.
<u>Other Potential Secured Creditors</u> Bondholder A Bondholder B Bondholder C Bondholder D	<u>Letter of Credit Provider</u> Bank of America, N.A.	<u>Bond Trustee and Master Trustee</u> UMB Bank, N.A.

Schedule 2

**SCHEDULE OF INTERESTED PARTIES THAT CURRENTLY EMPLOY
OR HAVE FORMERLY EMPLOYED DLA PIPER IN MATTERS
UNRELATED TO THE DEBTOR OR ITS CHAPTER 11 CASE**

INTERESTED PARTY OR ITS AFFILIATE	RELATIONSHIP TO THE DEBTOR	CLIENTS AND THEIR AFFILIATES
HD Supply Facilities Maintenance	Unsecured Creditor	HD Supply Facilities Maintenance LP
Bondholder A	Bondholder	Bondholder A and certain affiliated entities
Bondholder B	Bondholder	Certain affiliated entities of Bondholder B
Spectrum Communications	Unsecured Creditor	Spectrum Communications
Cerner Corporation	Unsecured Creditor	Cerner Corporation
Home Depot Credit Services	Unsecured Creditor	The Home Depot Home Depot, Inc. Home Depot USA Inc.