

MASTER TIMELINE

1869: the U.S. Naval Torpedo Station was founded on Goat Island, on the site of the former Army fort. The Station was greatly expanded over the next 100 years and produced many of the Navy's torpedoes through World War I and World War II at the island's Navy Torpedo Factory. The torpedo station was closed in 1951.

1960's: Globe Manufacturing (Tom Roos' grandfather's company) purchases Goat Island from Newport Redevelopment Agency.

Late 1970's: Globe constructs apartment complexes (America and Capella Building) and townhouses (Harbor Houses) for rental. Also constructs the Hotel and Marina. Roos works maintenance (mowing lawns, painting, etc.) on the island (age 12 and up).

1970's-1988: Globe rents apartments to residential tenants, leases Hotel to Sheraton, runs Marina.

1987-1988: Adler Pollack & Sheehan ("APS") drafts condominium documents on behalf of Globe to enable Globe to liquidate some of the capital tied up in Goat Island enterprises.

January 20, 1988: APS condominium-izes the realty south of the Hotel Parcel by recording Original Goat Island South Condominium (GIS Condominium) Declaration. Project is lead by Senior Partner Stanley Kanter but bulk of work is done by Barbara Bennett and Sally Dowling (two junior APS Associates). Subsequently, APS records the Harbor Houses Declaration (HH Declaration) condominium-izing the Harbor Houses Master Unit and the America Declaration condominium-izing the America Master Unit. At this time Globe owns all of the units but the GIS Condominium, Harbor Houses Condominium and America Condominium have been created. Globe controls all seats on the GISCA Board by virtue of its ownership at the creation of the condominium. Globe begins to sell sub-condominium units.

March 2, 1988: GISCA (controlled by Globe through its ownership of units) adopts and records the First Amended and Restated Declaration of Goat Island South Condominium, shortening the time period in which development rights must be exercised and setting the deadline at December 31, 1994 in order to avail potential purchasers of advantageous financing.

1989-1992: Jacques Hopkins of Hinckley Allen & Snyder ("HAS") sits on Board of Directors of Globe Mfg. with Roos who is present intermittently.

September 13, 1989: HAS attorney David Tracy advises Globe that the declarant has a right to withdraw the Reserved Area (later re-named the North Unit) from the GIS Condominium, but advises against doing so as he feels it could be developed within the condominium as an individually owned Master Unit by recording an amendment (exactly how Roos later did w/ the Sixth Amendment).

1992: Roos returns from military duty and assumes role on Globe's Board of Directors, becomes President of Island Development Corp., (a subsidiary of Globe that runs all Globe's Goat Island enterprises).

1992-1994: Roos sits on the Board of Directors of Island Development Corp. as president in charge of all Goat Island business enterprises. Works hand in hand with Globe's attorneys (HAS, APS and Edwards & Angell ("E&A")).

1993: Roos expresses interest to other shareholders of his desire to purchase the Goat Island enterprises from Globe.

March, 1994: Adler, Pollack & Sheehan drafts and records Third Amendment to Goat Island South Condominium Documents (with less than 100% approval of (then) five Master Units) which purports to extend the period in which declarant can exercise development rights (i.e. add real estate to condominium, create units or common elements, subdivide units, convert units into common elements, or withdraw units from the condominium). The lead attorney from APS is Stanley Kanter. The lead associate is Joe Miller. Miller advises Roos that such an amendment would have either a "neutral or beneficial effect on the unit owners".

August, 1994: Information Statement is prepared by Hinckley Allen describing what Roos is purchasing. Roos buys all of Globe's right, title and interest on Goat Island. This includes all unsold sub-condominium units (approximately 90 sub-condominium units), the Hotel, the Marina, the South Master Unit, the West Master Unit, and Development Rights (i.e. right to create North Master Unit).

October 1994: Roos executes purchase of assets through a newly formed, solely owned, corporation, IDC, INC. Simultaneously, IDC, INC transfers everything except the Hotel to IDC, PROPERTIES. The Hotel is simultaneously sold to a purchaser Roos had negotiated into a deal previously. Roos and his entities are represented by E & A.

November 1994: Attorney Tim More (E & A) (one of the drafters of the RI Condominium Act) advises Roos that the Third Amendment may have been illegal because unanimous consent (of the then 5 Master Units) may have been required. More notifies Roos who, in turn, asks More to send a letter to Stanley Kanter (APS) asking whether unanimous consent was considered under §2.17(d) of the Condominium Act.

December 1994: Kanter confuses which unanimous consent More is referring to (Master Units with sub-condominium units) and writes back to More stating unanimous consent was considered but regarded as futile as nearly 80 sub-condominium units had been sold at that point. More ignores Kanter's response and urges Roos to pursue adopting another amendment (Fifth Amendment) in which unanimous consent of the (then) five Master Units is achieved.

December 31, 1994:

- GISCA holds a meeting through which the Fifth Amendment is adopted, extending the time within which the declarant may exercise development rights again. This is similar to the Third Amendment but, in accordance w/ More's advice, unanimous consent of the (then) 5 Master Units is achieved. *(The unit owners later argue successfully (America I) that an amendment extending the period in which development rights may be exercised (i.e. Third and Fifth

Amendments) requires unanimous consent of the 154 sub-condominium units, not the 5 Master Units).

- The recent Palmisano Hearing was based upon Roos' actions (above) with regard to votes required for the Third and Fifth Amendments. The Associations argued Roos' failure to obtain the consent of the 154 sub-condominium units (as opposed to the 5 Master Units) was a willful violation of the Condominium Act and that he should therefore be subjected to punitive damages. This argument alleged that Roos knew that the 154 sub-condominiums had to vote on any amendment extending the time period in which to exercise the development rights and thus the Third and Fifth, which only counted Master Unit votes were a knowing violation of the owners of the 154 subcondominium units. Essentially, this issue turned on whether it was a reasonable interpretation of the condominium documents that the Master Units were the units of the GIS Condominium. The Palmisano Decision (March 1, 2010) held that Roos' interpretation was reasonable and that his attorneys advised him that the procedure he employed was appropriate, thus there was no willful violation. See March 1, 2010 Decision.
- Roos, concerned that his attorneys seemed confused regarding the votes required to extend the period in which to exercise development rights, chooses to exercise (rather than extend) his development right (which a declarant can do unilaterally without a vote) regarding the parcel of realty in the center of the island (where Regatta Club is located) by recording the Sixth Amendment which created the North Unit. This was accomplished before the original time period lapsed and vests ownership of the North Unit in IDC PROPERTIES.

1995-1996: Roos uses North Unit (at this time consisting of only grass and parking lot) to hold open air events such as Tall ships (parking), X-Games, helicopter pad, private clambakes, etc.

1995-1996: Unit owners vigorously complain that Roos is not paying enough money in condominium fees for the South, West, and North Master Units. Roos contends that they are merely vacant lots so he should not have to share the expense of security guards, pool etc. Unit owners contend Roos should have to share these expenses (to the tune of \$200,000 annually) because he owns the three Master Units and thus is required to share all expenses. Roos decides he needs to make money off the property if he is going to keep it and contemplates potential businesses (including port-entry facility for cruise ships).

April 18, 1996: Roos files Articles of Incorporation for IDC, CLAMBAKES, creating a corporation which will, in the future, operate the facility that is being conceptualized.

1996-1997: Meetings and negotiations ensue regarding the disputes between the unit owners and Roos concerning how much Roos owes in condominium fees, voting rights, various gripes regarding building defects, etc. At no time is there a mention that the North Unit is not owned by Roos.

1996-1997: Roos applies for various permits to construct a small, open air, event facility on the North Unit. Unit Owners challenge these licenses on the basis of noise, zoning etc. As a result, the City asks Tom to have the facility enclosed. Because it is enclosed he must have AC, etc. Conceptual project expands from small open air restaurant to large enclosed banquet facility.

October 1997: America Condominium Association challenges whether there is sufficient parking for facility in a letter, stating "While we don't have a particular objection as to the land use with respect to the building itself, we do have a substantial problem with the parking requirement for that bldg."

Fall 1997: Roos breaks ground for construction of Regatta Club, which construction cost in excess of \$3.5 Million over its course.

January 1998: Roos, IDC, INC, and IDC, PROPERTIES enters into a retro-active tolling agreement with the unit owners in attempt to resolve the disputes.

March 1, 1998: IDC PROPERTIES enters lease with Roos' operating company IDC CLAMBAKES to operate the Regatta Club facility.

Spring/Summer 1998: IDC CLAMBAKES begins executing banquet events on the North Unit.

May 28, 1999: Associations (represented by Medeiros & Co) file suit (C.A. No. 99-232)(the "America Litigation") against IDC arguing that the voting procedures (i.e. 5 votes constitutes unanimity)(as contained in the condominium documents drafted by Adler Pollack & Sheehan) employed in extending period in which to exercise development rights (i.e. Third and Fifth Amendments) are illegal. Complaint alleges (and Defendants admit) that IDC PROPERTIES is the owner of the North, South, and West Master Units.

Late Summer 1999: Hinckley Allen takes over representation of Associations and argues that not only are the voting procedures (contained in the documents they sold Roos) illegal, but the South and West Master Units do not exist as separately owned parcels but are merely common elements. Under this new theory the Associations (via HAS) argue that the North Unit (upon which Regatta Club is built) is also a common element.

October 14, 1999: HAS files a Lis Pendens alleging that IDC PROPERTIES is the "record owner" of the North, South, and West Master Units.

April 2001: Superior Court Judge M. Thunberg rules that the voting procedures are illegal but expressly refuses to rule on the ownership issue. Both sides appeal.

March 2004: Supreme Court issues "America I". Supreme Court affirms Superior Court ruling that the voting procedure employed in the Third and Fifth Amendment was illegal and the extension of the period in which development rights could be exercised was invalid. Supreme Court does not adequately address the creation or ownership of the North, South or West Master Units but orders that the Associations must pay back expenses paid by IDC/Roos related to the Master Units.

Summer 2004: IDC/Roos petition successfully for re-argument.

April 8, 2005: Supreme Court issues "America II". Supreme Court affirms its ruling in America I regarding the voting issue and concludes that the three IDC/Roos owned Master Units are common elements.

May, 2005: Superior Court enters Partial Judgment (J. Nugent).

June, 2005: Associations make an emergency motion seeking a Writ of Ejection, petitioning Superior Court to eject Roos and entities (excluding IDC CLAMBAKES) from property.

Summer 2005: Facing eviction from the Regatta Club, IDC CLAMBAKES files bankruptcy and is under a protective order by the Bankruptcy Court to ensure it can carry out weddings contracted for that summer. Associations and Court appointed Trustee for CLAMBAKES (DiOrio) signed a Consent Agreement whereby CLAMBAKES pays \$450,000 to stay on property until November 5, 2005. Associations enter claims against CLAMBAKES (BK.05-12267) for more than \$3M for trespass. Roos, sole shareholder, is forced to place into escrow \$3.5M against potential liability arising from trespass claims made by the Associations.

Summer 2005: Roos offers \$10M settlement to unit owners via negotiations with new GIS Board, represented by Hinckley Allen. In exchange he wants ownership and possession of property. Settlement is not forwarded to unit owners and is summarily rejected.

Summer 2005: CLAMBAKES files a claim against the unit owners (C.A. 05-117) for several million dollars based upon its reasonable reliance upon their consent and their unjust enrichment (the windfall received from CLAMBAKES' investment of time and money).

Summer 2005: New GIS Board sends a Request for Proposals seeking a potential lessee to operate the Regatta Club under a newly acquired (GIS owned) name "The Belle Mer".

Summer/Fall 2005: The Associations sign a lease agreement with Longwood Events (Boston) to continue events under the newly re-named Belle Mer. The agreement provides that \$100,000 will be reimbursed annually to the Associations for legal fees incurred in disputes w/ IDC and provides an additional \$450,000 annually as well for the use and occupancy.

November 5, 2005: CLAMBAKES (under control of Court appointed Bankruptcy Trustee) turns over the operation and possession of the Regatta Club.

January 24, 2007: Bankruptcy Court (J. Votolato) issues its first decision "Clambakes I" holding CLAMBAKES was a trespasser but not permitting an award of damages based "on the totality of the circumstances". Both sides appeal.

Summer 2007: Associations seek discovery of Roos/IDC financial assets for purposes of punitive damages (C.A. No. 99-232) (America Litigation). Roos/IDC move to strike claims pursuant to Palmisano v. Toth. Palmisano Hearings begin and continue through Spring 2009.

September 2007: Associations adopt a new GIS Declaration, the Second Amended Declaration of GIS Condominium (or "SAR Declaration").

February 8, 2008: US District Court (J. Smith) rules on appeal that Bankruptcy Court erred in applying the law of trespass, questions whether "totality of circumstances" is grounds for denying damages, and remands for full trial.

September 2008: Roos files claim (C.A. No. 08-504) that title to the entire island is defective based upon arguments successfully advanced by the Associations in the America Litigation (C.A. No. 99-232). Also, alleges that the SAR Declaration was invalid.

July 1, 2009: Legal Expenses of GISCA reach more than \$1.98 Million since FY-2005.

March 1, 2010 ("Palmisano Decision") (C.A. No. 99-232): Court issues decision agreeing with Roos and finding Roos did not act recklessly with regard to the voting in the 1994 Amendments (i.e. 3rd and 5th Amendments) and in fact relied upon the advice of counsel on an issue of law that was not clear at that time. Punitive Damages Count of Associations' claim should be stricken. Decision on whether Superior Court will strike claims is subject of a hearing Aug. 23, 2010.

June 6, 2010: Bankruptcy Court issues decision ("Clambakes II") (B.K. No. 05-12267): In Re Clambakes ruling that Clambakes did not trespass because the Associations consented to its operations at the Regatta Club. As a result the Associations are not entitled to any money damages and their claims are disallowed. Further rules that Clambakes reasonably relied upon their consent in investing in the property to its detriment. Both sides are presently appealing.