

RELEASE, SETTLEMENT and ADJOURNMENT AGREEMENT

BETWEEN:

CENTRE STAGE HOLDINGS LTD., DAVID YOUNG, MICHIKO YOUNG, GWENDOLYN
SMEETS, TAMARA HUDGEON, GORDON HOWARD, FREDERICK HARRIS, MARY ANNE
MCDONALD, SIMON COSSAR and ANDREW STANILAND

(the "Plaintiffs")

AND:

GABRIOLA ROD, GUN AND CONSERVATION CLUB

(the "Club")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH
COLUMBIA

(the "Crown")

WHEREAS:

- A. The Plaintiffs have brought a Supreme Court action against the Club and the Crown under action no. S124092 advancing claims in Nuisance (the "Action").
- B. The Plaintiffs and the Club have engaged in settlement negotiations and wish to pursue a settlement of the Action.
- C. The Crown has agreed to consent to adjournment and dismissal if the other parties can reach agreement.
- D. The parties agreed to adjourn the November 2013 trial and tentatively reset it to be heard for 10 days in Nanaimo, commencing March 17, 2014, in order to allow for an orderly settlement process.
- E. The Club and Plaintiffs wish to enter into this settlement agreement (the "Agreement") to ensure that the shooting activities taking place on the Club's premises do not create a nuisance for neighbouring residents.
- E. The Club has obtained detailed plans of the abatement measures set out in Schedule 1 to this Agreement from a qualified sound expert with prior experience and knowledge of noise abatement, namely Mark Bliss of BKL Consultants Ltd., and his report and recommendations, dated February 27, 2014, is attached to and forms part of this Agreement (the "BKL recommendations").

THE PARTIES NOW AGREE AS FOLLOWS:

General

1. Subject to reaching Final Settlement, the Club agrees to complete the works that are

designed to mitigate and abate gun firing noise and undertake the additional works for that purpose as set out in Schedule 1 to this Agreement within the time frames as specified in that Schedule, in accordance with the BKL recommendations.

2. Subject to reaching Final Settlement, the Club agrees to implement and manage its weekly and monthly scheduling of Club activities in a manner set out in Schedule 2 to this Agreement.
3. When this Agreement is executed by each of the parties' solicitors or other agents, the Plaintiffs and the Club each agree to forthwith seek a ratification and confirmation of this Agreement.
4. The parties agree to seek ratification of this agreement, by obtaining, on behalf of the Plaintiffs, written agreement of all of them; and on behalf of the Club by the necessary directors' or members' resolution. Upon such ratification the Action shall be settled (the "Final Settlement").
5. Upon Final Settlement:
 - a. The Parties agree to adjourn the trial of this Action, generally, and to instruct their respective solicitors to agree to and sign a consent dismissal order in the Action, without costs to any party;
 - b. The Club will, at its sole cost, implement the abatement measures in accordance with Schedules 1 and 2, and the directors' and members' resolutions ratifying and confirming this Agreement, unless and to the extent waived in writing by the Plaintiffs;
 - c. The Club will take all necessary steps for the publication, notification and enforcement of the schedules and schedule limitations in Schedules 1 and 2. Schedules 1 and 2 are attached to and form part of this Agreement;
 - d. The Plaintiffs agree that they will each sign and deliver to the Club and the Crown, a release of all claims advanced in the Action and related to nuisance arising out of the activities of the Club to the date of Final Settlement, including without limitation all claims advanced in the Action or which could have been advanced in the Action, including costs. For certainty, the said releases will include an agreement by all the Plaintiffs that the activities of the Club, undertaken in accordance with the requirements agreed to in this Agreement, and limited by the schedule agreed, constitute a reasonable use of the Club property, and the Plaintiffs will undertake to inform any future occupants or purchasers of their properties as to the existence of the Club and this Agreement, and the reasonableness of the activities in the circumstances. The releases shall be in the form attached as Schedule 3;
 - e. For greater certainty, the Plaintiff Centre Stage Holdings Ltd. will agree, in addition to a release, to ensure that any disclosure documents used in the marketing and sale of its properties include a specific disclosure and reference to the existence of the Club, its activities and the items set out in Schedules 1 and 2 to this Agreement, and the reasonableness of the activities in the circumstances. Centre Stage Holdings Ltd. will insert a clause in its purchase agreements that confirms that the purchaser has received, and read the disclosure statement;

- f. The Club will ensure that all new Club members, forthwith upon becoming members, sign a declaration that they are aware of and will abide by Schedules 1 and 2.
6. When the Club has completed all of the work required under Schedule 1, it will give written notice to counsel for the Plaintiffs, Ashley Mitchell of Miller Thomson, and will allow BKL Consultants Ltd. to view and inspect the work.
7. For greater certainty, the work required under Schedule 1 will be said to be completed when the Club has delivered to the Plaintiffs written confirmation that the Club has completed the work required under Schedule 1 to the satisfaction of BKL Consultants Ltd.

In witness whereof the parties have each executed these agreements, by their solicitors, acting for and on behalf of and as agents for each of the said parties.

Dated: March 7, 2014



M. Ashley Mitchell, Counsel for the Plaintiffs

Dated: March 7, 2014



per L. John Alexander, Counsel for the Club

Dated: March 7, 2014



Leanne Johnston, Counsel for the Crown

SCHEDULE 1

The Club agrees to complete the following works, to make the following requirements of its members and to set the following limits that are designed to mitigate and abate gun firing noise:

1. Complete the BKL recommendations relating to the rifle shed as expeditiously as reasonably possible and in any event within 12 months of the date of Final Settlement;
2. Construct a pistol shed with built-in sound abatement measures within 12 months of the date of Final Settlement in accordance with the BKL recommendations;
3. Construct and/or implement additional noise abatement measures in accordance with the BKL recommendations, within 12 months of the date of Final Settlement;
4. Require its members and visitors to use the appropriate noise abatement measures, including the rifle shed and pistol shed, once constructed;
5. Not conduct any sporting clay shooting events at the Club;
6. Not conduct any five-stand shooting events at the Club;
7. Create and participate in quarterly communication meetings between representatives of the Club and its immediate neighbours;
8. Set the following limits on the number of rounds each Club member may fire per day:
 - (a) 200 rounds per day for rimfire firearms; and
 - (b) 50 rounds per day for centrefire firearms.

SCHEDULE 2

The Club agrees to implement and manage its weekly and monthly scheduling of Club activities in the following manner, for Club operations:

1. The Club will reduce the hours it is open for shooting activities to a total of 38 hours per week made up as follows:
 - (a) Monday from 9:00am to 5:00pm, except for Mondays that follow a Youth Group Sunday (as hereinafter defined), when the hours will be 12:00pm to 5:00pm;
 - (b) Tuesday from 9:00am to 5:00pm;
 - (c) Thursday from 9:00am to 5:00pm;
 - (d) Friday from 9:00am to 5:00pm; and
 - (e) Saturday from 10:00am to 4:00pm;
2. The use of centrefire firearms is limited to a total of 9 hours per week at the following times:
 - (a) Tuesday from 12:00pm to 3:00pm;
 - (b) Friday from 12:00pm to 3:00pm; and
 - (c) Saturday from 12:00pm to 3:00pm;
3. The Club shall be closed to all firearm activities on Wednesdays.
4. The Club shall be closed to all firearm activities on Sundays, with the exception of one Sunday per calendar month (a "Youth Group Sunday") designated for the Club's Youth Group activities for three hours from 1:00pm to 4:00pm and that take place each month from November to June inclusive;
5. The Club will not permit firearm activities on Easter Sunday, Christmas Day and the Saturday, Sunday and Monday of the Thanksgiving Weekend;
6. The Club shall fix its event schedule quarterly and make it public; and
7. A representative from the Club shall send a weekly e-mail to interested neighbours with information of upcoming dates and times of scheduled events at the Club.

SCHEDULE 3
GENERAL FINAL RELEASE (SAMPLE)

WHEREAS:

CENTRE STAGE HOLDINGS LTD., DAVID YOUNG, MICHIKO YOUNG, GWENDOLYN SMEETS, TAMARA HUDGEON, GORDON HOWARD, FREDERICK HARRIS, MARY ANNE MCDONALD, SIMON COSSAR and ANDREW STANILAND (collectively, the "Releasors") and others are the plaintiffs in an action brought under Registry File Number S124092 in the Supreme Court of British Columbia at Nanaimo, British Columbia, against GABRIOLA ROD, GUN AND CONSERVATION CLUB (the "Club") and HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA (the "Crown") advancing claims in nuisance (the "Action").

The Club and the Crown have each filed a Response to Civil Claim and defended the Action;

The trial of the Action is set to be heard for 10 days in Nanaimo, commencing March 17, 2014.

The Releasors wish to consent to a dismissal of their claims in the Action, without costs.

The Releasors and the other parties to the Action have agreed to settle the Action on terms set out in a Final Settlement. It is a term of the Final Agreement that the Releasors shall provide a release in this form.

FOR AND IN CONSIDERATION of the Releasors discontinuing and dismissing their claims in the Action and agreeing not to make any claim or take or continue any proceeding against any other person or corporation which might claim contribution or indemnity against the Club or the Crown under any term of contract, statute, common law or otherwise, and the Club forgiving its' claim for costs in the Action, the Releasors do for ourselves, our heirs, legal and personal representatives, executors, administrators, successors and assigns hereby acknowledge the sufficiency of the consideration and RELEASE, REMISE AND FOREVER DISCHARGE, the Club and the Crown, their officers, directors, employees, servants, agents, legal and personal representatives, administrators, successors and assigns from all claims including claims that are advanced in the Action and related to nuisance arising out of the activities of the Club to the date of Final Settlement, including without limitation all claims advanced in the Action or which could have been advanced in the Action, including costs, and from any and all manner of actions, causes of actions, contracts, covenants, whether expressed or implied, and any and all claims whether statutory or otherwise and whether said claims are

framed in contract or tort, demands for damages, equity, indemnity, costs, interest, loss or injury of any and every nature and kind whatsoever and howsoever arising which the Releasors now have by reason of or arising out of any cause, matter or thing and including any cause of action in nuisance whatsoever occurring or existing up to and including the date of execution of these presents, and in particular, but without limiting the generality of the foregoing, for or by reason of or arising out of the Action.

IT IS FURTHER AGREED that the activities of the Club, undertaken in accordance with the requirements agreed to in the Final Settlement, and limited by the schedule agreed therein, constitute a reasonable use of the Club property, and the Releasors undertake to inform any future occupants or purchasers of their properties as to the existence of the Club and the Agreement and the reasonableness of the activities in the circumstances.

IT IS FURTHER UNDERSTOOD that nothing in this Release shall be deemed to be an admission of liability on the part of the Club or the Crown;

IT IS FURTHER UNDERSTOOD AND AGREED that this Release contains the entire agreement between the parties hereto and the terms of this Release are contractual and not merely a recital.

IT IS FURTHER DECLARED that the terms of this Release are fully understood, that the consideration herein is the sole consideration of this Release, and that this Release is signed for the express purpose of making full and final compromise, adjustment and settlement of all claims as aforesaid, and this Release shall be a full estoppel and defence to any further claims made by the Releasors.

I have carefully read the foregoing Release, obtained independent legal advice in regard thereto, and know the contents thereof;

I sign this Release freely and voluntarily, without duress, fraud, undue influence or coercion, as my own free act;

SIGNED, SEALED AND DELIVERED

This ____ day of _____, 2014)

By _____ in the presence)

Of:) _____

)

Etc.