

**IN THE MATTER OF THE
SECURITIES ACT, R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("Act")**

- and -

**IN THE MATTER OF 1763960 NOVA SCOTIA LIMITED
("Respondent")**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The parties to this Settlement Agreement ("Agreement") are the Respondent and Staff of the Nova Scotia Securities Commission.
2. The parties agree that the Nova Scotia Securities Commission ("Commission") has jurisdiction over this matter.
3. The parties agree to recommend to the Commission approval of this Agreement in accordance with the terms and process set out herein.

PART II – PROCEDURE FOR APPROVAL OF THE AGREEMENT

4. Staff of the Commission ("Staff") agrees to request that a Notice of Hearing be issued setting down a hearing ("Settlement Hearing") wherein the Commission will consider whether it is in the public interest to approve this Agreement and to issue an Order in the form attached as **Schedule "A"**.
5. The parties agree that the Agreement constitutes the entirety of evidence to be submitted to the Commission at the Settlement Hearing.
6. Staff agrees to recommend that the allegations acknowledged and admitted by the Respondent be resolved and disposed of in accordance with this Agreement.
7. The Parties acknowledge that this Agreement will become a public document upon its approval by the Commission at the Settlement Hearing.

PART III – STATEMENT OF AGREED FACTS

8. Staff and the Respondent agree with the facts and conclusions set out in this Part of the Agreement.
9. The Respondent (formerly Grandview Golf & Country Club Limited) is a body corporate, incorporated under the laws of Nova Scotia, with registered office

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located at 70 Lake Major Road, Dartmouth, Nova Scotia, B2Z 1B1.

10. The Respondent is a reporting issuer.
11. The Respondent's principal regulator is the Nova Scotia Securities Commission.
12. On May 13, 1992, the Respondent was granted an exemption under National Policy 41 by the Deputy Director Corporate Finance of the Commission with respect to communications with its shareholders in advance of annual general meetings of the Respondent ("Exemption Order").
13. This Exemption Order provided that the exemption would terminate thirty (30) days following the occurrence of a material change in the affairs of the Respondent.
14. On June 1, 2006, the shareholders approved a Special Resolution to sell all of its assets and undertaking in satisfaction of its debts (with the exception of certain debts to the principal shareholders, which debts remain outstanding).
15. On July 7, 2006, the Respondent sold all of its assets and undertaking pursuant to the Special Resolution referenced at paragraph 14. Consequently, the Respondent became insolvent and ceased to carry on business.
16. A Material Change Report, Form 51-102F3, dated July 10, 2006, and a Press Release, also dated July 10, 2006, were filed with the Commission to report the above-noted sale.
17. This material change resulted in a termination of the Exemption Order, thirty (30) days following its occurrence. Accordingly, the Respondent was subject to, and failed to satisfy, certain disclosure obligations as per paragraphs 18 to 24, below.
18. The Respondent failed to file the annual financial statements for the years ended October 31, 2006, October 31, 2007, October 31, 2008, October 31, 2009 and October 31, 2010 as required by Part 4.2 of National Instrument 51-102 ("NI 51-102").
19. The Respondent failed to file the annual Management's Discussion and Analysis ("MD&A") for the years ended October 31, 2006, October 31, 2007, October 31, 2008, October 31, 2009 and October 31, 2010 as required by Part 5.1 of NI 51-102.
20. The Respondent failed to file certification of disclosure for the years ended October 31, 2006, October 31, 2007, October 31, 2008, October 31, 2009 and October 31, 2010 as required by Part 2 of National Instrument 52-109 ("NI 52-109").
21. The Respondent failed to file interim financial statements for the interim periods ended January 31, 2007, April 30, 2007, July 31, 2007, January 31, 2008, April 30, 2008, July 31, 2008, January 31, 2009, April 30, 2009, July 31, 2009,



January 31, 2010, April 30, 2010 and July 31, 2010 as required by Part 4.4 of NI 51-102.

22. The Respondent failed to file the interim MD&A for the interim periods ended January 31, 2007, April 30, 2007, July 31, 2007, January 31, 2008, April 30, 2008, July 31, 2008, January 31, 2009, April 30, 2009, July 31, 2009, January 31, 2010, April 30, 2010 and July 31, 2010 as required by Part 5.1 of NI 51-102.
23. The Respondent failed to file certification of disclosure for the interim periods ended January 31, 2007, April 30, 2007, July 31, 2007, January 31, 2008, April 30, 2008, July 31, 2008, January 31, 2009, April 30, 2009, July 31, 2009, January 31, 2010, April 30, 2010 and July 31, 2010 as required by Part 3 of NI 52-109.
24. On November 29, 2006 the Respondent was placed on the list of defaulting reporting issuers under Commission Policy 51-601.

PART IV – STATEMENT OF ALLEGATIONS ACKNOWLEDGED AND ADMITTED BY THE RESPONDENT

25. The Respondent admits the facts set forth in Part III herein and acknowledges that it violated Nova Scotia securities laws.
26. The Respondent acknowledges and admits that it violated Parts 4.2, 4.4 and 5.1 of NI 51-102 and Parts 2 and 3 of NI 52-109.

PART V – MITIGATING FACTORS

27. The Respondent acknowledges and accepts responsibility for its conduct which is the subject matter of this Agreement.
28. The Respondent cooperated with Staff's investigation of this matter.
29. The Respondent complied with the terms of the Exemption Order until 2006 when it sold its assets and undertaking and ceased to carry on business.
30. The Respondent voluntarily revoked its registration with the Registry of Joint Stock Companies.
31. Due to the insolvency of the Respondent following the sale of its assets and undertaking and payment of its debts, the Respondent had insufficient funds to cause its financial statements to be audited or to otherwise comply with its disclosure obligations as a reporting issuer.
32. The Respondent states that its shareholders, being fully aware of and having approved the sale of all of the assets and the undertaking of the Respondent, would not have reasonably expected to receive any further disclosure following the said sale when the Respondent ceased to carry on business.



PART VI – TERMS OF SETTLEMENT

33. The terms of settlement are set forth in the order contained in **Schedule “A”** to this Agreement which is expressly incorporated herein.
34. The Respondent consents to the order contained in **Schedule “A”**.

PART VII – COMMITMENTS

35. If this Agreement is approved and the Order as set out in **Schedule “A”** is granted, the parties agree to waive any right to a full hearing and judicial review and appeal of this matter.
36. If this Agreement is approved by the Commission, the parties will not in any way make any statement, public or otherwise, that is inconsistent with the terms of this Agreement.
37. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement as set out in the Order attached as **Schedule “A”**.
38. If, for any reason whatsoever, this Agreement is not approved, or the Order set forth in **Schedule “A”** is not granted by the Commission:
- a. Staff and the Respondent will be entitled to proceed to a hearing of the allegations which are the subject matter of this Agreement unaffected by the Agreement or the settlement negotiations;
 - b. The terms of the Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of Staff and the Respondent or as may otherwise be required by law; and
 - c. The Respondent agrees that it will not raise in any proceeding the Agreement or the negotiations or process of approval thereof as a basis of any attack or challenge of the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.
39. If, in the view of Staff and prior to the approval of this Agreement by the Commission, there are new facts or issues of substantial concern regarding the facts set out in Part III of this Agreement, Staff will be at liberty to withdraw from this Agreement. Notice of such intention will be provided to Respondent in writing. In the event of such notice being given, the provisions of paragraph 38 in this Part will apply as if this Agreement had not been approved in accordance with the procedures set out herein.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

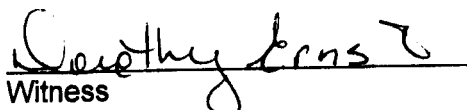
40. Staff or the Respondent may refer to any or all parts of this Agreement as required by the General Rules of Practice and Procedure and in the course of the Settlement Hearing. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all parties to it until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

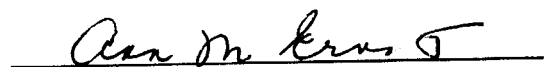
41. This Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

Dated this 11 day of April, 2011.

SIGNED, SEALED AND DELIVERED
In the presence of:



Witness

1763960 Nova Scotia Limited

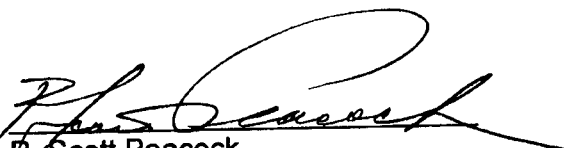

Per: Ann Ernst
Chief Financial Officer, Vice
President of Finance & General
Manager

Dated this 18th day of April, 2011.

SIGNED, SEALED AND DELIVERED
In the presence of:


Witness

**Staff of the Nova Scotia Securities
Commission**


R. Scott Peacock
Director of Enforcement
Nova Scotia Securities Commission

SCHEDULE "A"

**IN THE MATTER OF THE
SECURITIES ACT, R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("Act")**

- and -

**IN THE MATTER OF 1763960 NOVA SCOTIA LIMITED
("Respondent")**

**ORDER
Section 134(1)(b)(i)**

WHEREAS on _____, 2011, the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing to the Respondent pursuant to section 134(1)(b)(i);

AND WHEREAS the Respondent entered into a Settlement Agreement with Staff of the Commission ("Staff") whereby it agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS Staff recommended approval of the Settlement Agreement;

AND WHEREAS the Commission is of the opinion that the Respondent has contravened the Act and it is in the public interest to make this Order;

AND UPON reviewing the Settlement Agreement and the Notice of Hearing, and upon hearing submissions of counsel for Staff and the Respondent;

IT IS HEREBY ORDERED that:

1. The Settlement Agreement dated _____, 2011, a copy of which is attached, is approved; and
2. Pursuant to section 134(1)(b)(i) of the Act, all persons or companies shall permanently cease trading in securities of 1763960 Nova Scotia Limited, directly or indirectly.

DATED at Halifax, Nova Scotia, this ____ day of _____, 2011.



NOVA SCOTIA SECURITIES COMMISSION

(Chairman)