

For Immediate Release

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## WALTON WESTPHALIA DEVELOPMENT CORPORATION AMENDS PHASE 1 DEVELOPMENT PLAN AND BUDGET AND INCREASES FINANCING UNDER THE SENIOR CREDIT FACILITY

**Calgary – January 27, 2014:** Walton Westphalia Development Corporation (the "**Corporation**") announced today that it has amended its development plan and construction budget for phase 1 ("**Phase 1**") of the 310-acre Westphalia property located in Prince George's County, Maryland, U.S.A. (the "**Property**") to now include the design and construction of a storm water pond that was originally scheduled to be built in a future phase of the development and to replace a water line to meet county requirements. The Corporation also announced that its US subsidiary, Walton Westphalia Development (USA), LLC ("**WWDU**"), has entered into arrangements with its current senior credit lender to increase the financing available under the senior credit facility (referred to in the Corporation's news release dated June 3, 2013 – the "**Senior Loan**") for the purposes of funding construction of Phase 1.

The Phase 1 construction budget has been increased from US\$49.25 million to US\$52.63 million, primarily to pay for these changes and associated permitting costs. This is the Phase 1 budget for the entire Property which is co-owned by both WWDU and its affiliate, Walton Westphalia Europe, LP ("**WWE**").

The amount available under the Senior Loan has been increased from US\$40,950,000 to US\$43,012,000. The Senior Loan is a secured loan with an interest rate of LIBOR +5.10% with a floor of 6.20% per annum. The initial term of the Senior Loan is until May 31 2016. The term of the Senior Loan may be extended under certain circumstances. The Senior Loan is secured by, among other things, a first priority deed of trust on the Property. As of December 31, 2013, US\$4.20 million was outstanding under the Senior Loan.

No increases have been made to the mezzanine loan referred to in the Corporation's news release dated June 6, 2013 (the "**Mezzanine Loan**"). As of December 31, 2013, US\$7.95 million was outstanding under the Mezzanine Loan.

The Corporation also proposes that, if required to further fund the construction costs of Phase 1, WWDU and WWE will utilize the remaining borrowing amount available under the loan agreement entered into with an affiliate of Walton Asset Management LP in May, 2013 as disclosed in the Corporation's news release dated May 16, 2013 (the "**Affiliate Loan**"). The amount remaining available under the Affiliate Loan is US\$719,000. The Affiliate Loan is subordinate to the Senior Loan and the Mezzanine Loan. There are no amounts currently outstanding under the Affiliate Loan.

The Corporation's management anticipates that, notwithstanding the changes resulting from the amended Phase 1 development plan and construction budget and the increase in borrowing referred to above, the horizontal development of the Property will be completed within the originally disclosed timeframe of approximately seven years and is still projected to achieve the originally disclosed net internal rate of return of 15.0%.

Launched in March 2012, the Corporation was formed to provide investors with the opportunity to participate in the acquisition and development of the 310-acre Westphalia property located in Prince George's County, Maryland, U.S.A. The Property is approximately 21.7 kilometres from Capitol Hill in Washington D.C., which is the site of the White House, the National Mall and the Capitol Building.

The Corporation is managed by Walton Asset Management L.P. and the development of the Property is managed by Walton Development & Management (USA), Inc., both of which are members of the Walton Group of Companies.

#### Additional Information

The Walton Group of Companies ("**Walton**") is a family-owned, multinational real estate investment, planning, and development group concentrating on the research, acquisition, administration, planning and development of strategically located land in major North American growth corridors. With over 79,000 acres of land under administration and management, Walton is one of North America's premier land asset administrators and managers. Since 1979, Walton has returned \$1.5 billion in client distributions.\*

Walton has been in business for over 30 years. We take a long-term approach to land planning and development. Our industry-leading expertise in real estate investment, land planning and development uniquely positions Walton to responsibly transition land into sustainable communities where people live, work and play.

Its communities are comprehensively designed in collaboration with local residents for the benefit of all community stakeholders. Our goal is to build communities that will stand the test of time: hometowns for present and future generations.

For more information about Walton Westphalia Development Corporation, please visit [www.sedar.com](http://www.sedar.com). For more information about Walton, visit [www.Walton.com](http://www.Walton.com).

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*\*As of September 30, 2013, the amount returned is unaudited and consists of:*

- *Exit proceeds on sales of pre-development land;*
- *Distributions, interest and principal repayment on development projects; and*
- *Interest and principal repayment on corporate bonds.*

*This news release does not constitute an offer of securities, and is not for distribution or dissemination outside Canada. This news release contains forward looking information, and actual future results may differ from what is disclosed in this news release. The risks, uncertainties and other factors that could influence results are described in the Corporation's prospectus and other documents filed with Canadian securities regulatory authorities and available online at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this document are made as at the date of this news release and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*