



For Immediate Release

WALTON WESTPHALIA DEVELOPMENT CORPORATION ANNOUNCES EXTENSION OF LOAN MATURITIES

Calgary – January 9, 2017: Walton Westphalia Development Corporation (the “**Corporation**”) announces that the senior lender (the “**Senior Lender**”) under its senior loan (the “**Senior Loan**”) and the mezzanine lender (the “**Mezzanine Lender**”) under its mezzanine loan (the “**Mezzanine Loan**”) have extended the maturity dates of such loans until June 30, 2017 (Senior Loan) and July 6, 2017 (Mezzanine Loan), respectively, and waived certain financial covenants of the guarantor, Walton Global Investments Ltd. (“**WGI**”).

The Corporation negotiated the extension of each of the Senior Loan and the Mezzanine Loan for a period of time that is anticipated to be sufficient to allow for the advancement of funds from MCFI Global Fund Westphalia, LLC (“**MCFI**”), as previously announced. The funds advanced from MCFI will be used by the Corporation to pay off or significantly pay down the Senior Loan and Mezzanine Loan, through the raising of EB 5 financing.

As conditions to the renewal for the Senior Loan, the interest rate was increased by 50 basis points to the Adjusted LIBOR Rate plus 5.60% and the minimum interest rate was also increased by 50 basis points to 6.70%. In addition, the Corporation’s wholly-owned United States subsidiary (the “**US Sub**”) and Walton Westphalia Europe, LP, an affiliate of the Corporation and the other co-owner of the Westphalia property (“**WWE**” and, together with the US Sub, the “**Borrowers**”), made a principal reduction payment to reduce the principal amount of the loan by US\$948,000. Additionally, the Senior Loan amendments includes a performance covenant with a loan to value test on or before April 30th, 2017 that requires the ratio of the Senior Loan to the appraised value of the Westphalia property to be at or less than 40% Loan to Value. If the Loan to Value covenant is not met, the loan would be in default and the Borrower would have to cure through an equity injection, a refinancing, an asset sale or additional debt issuance(s). There was no change to the interest rate or reduction of principal as a condition of the extension of the Mezzanine Loan.

WGI, an affiliate of the Corporation, has guaranteed to the Senior Lender the repayment of up to U.S\$19.5 million under the Senior Loan plus the amount of any outstanding letters of credit provided under the Senior Loan. In addition WGI has provided completion guarantees to the Senior Lender and the Mezzanine Lender. In the event that the Corporation defaults under the above loans, the lenders may be entitled to enforce those guarantees.

The amounts outstanding under the Senior Loan and the Mezzanine Loan as at December 31, 2016 were US\$22,233,537 and US \$11,122,108, respectively.

In an effort to create another great Walton community for Prince George’s County, as well as potentially increase investor returns, Walton proposed a tax increment financing plan (TIF) and on November 1, 2016, the Prince George’s County Council voted unanimously in favor of the TIF by establishing the Westphalia Town Center Development District and the Westphalia Town Center Special Taxing District. Walton continues to work with Prince George’s County officials, answering questions and responding to comments, in order to meet Walton’s goal of having the TIF bond sale authorization legislation introduced and subsequently approved before the end of 1st quarter 2017. The final approval of the TIF will also help with the Loan to Value covenant.

Additional Information

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

The Walton Group of Companies (“Walton”) is a 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.

Walton has been in business for over 35 years and takes a long-term approach to land planning and development. Walton’s 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.

The Walton Group manages 21 active developments and administers or manages over 108,000 acres of land in North America.

Its communities are comprehensively designed in collaboration with local residents for the benefit of community stakeholders. Its 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. For more information about Walton, visit Walton.com.

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