



For Immediate Release

## WALTON WESTPHALIA DEVELOPMENT CORPORATION ANNOUNCES EXTENSION OF SENIOR AND MEZZANINE CREDIT FACILITIES AND THE DECISION TO ISSUE ADDITIONAL INTEREST DEBENTURES

**Calgary – June 15, 2016:** Walton Westphalia Development Corporation (the “**Corporation**”) announced today that it has entered into agreements with its senior and mezzanine lenders to extend their respective credit facilities and that it has elected to pay its fourth interest payment on the Corporation’s 8% unsecured, subordinated, convertible, extendable debentures (“**Offering Debentures**”) by issuing interest debentures.

### Extension of Senior and Mezzanine Credit Facilities

The Corporation’s wholly-owned United States subsidiary (the “**US Sub**”) and Walton Westphalia Europe, LP, being an affiliate of the Corporation and the other co-owner of the Westphalia property (“**WWE**”), have entered into an amendment agreement with their US based senior lender whereunder, among other things:

- the maturity date of the senior loan has been extended to October 15, 2016;
- the maximum amount that may be borrowed under the senior loan has been reduced by US\$1,950,000 to US\$39,363,592. The amount outstanding under the senior loan as at March 31, 2016 was US\$24,278,714; and
- a principal reduction payment on the senior loan of US\$1,335,260 will be paid by the Corporation out of its available funds.

The senior loan has an interest rate of LIBOR plus 5.1% per annum with a minimum floor of 6.2% per annum and is secured by, among other things, a first priority deed of trust on the Westphalia property.

The US Sub and WWE have also entered into an amendment agreement with their US based mezzanine lender whereunder, among other things, the maturity date of the mezzanine loan has been extended to October 21, 2016. The mezzanine loan has an interest rate of 15% per annum and it is in a second secured priority position behind the security on the senior loan.

### Issuance of Interest Debentures

In addition, the Corporation has announced that it has elected to pay its fourth interest payment on its outstanding Offering Debentures by issuing to holders thereof, on a pro rata basis and on or before June 30, 2016, that principal amount of interest debentures (the “**Interest Debentures**”) that is equal to the amount of interest owing under the Offering Debentures, which is approximately \$1,206,868.00. In addition the Corporation has elected to pay the interest owing under the Interest Debentures that were issued in June 2014 (the “**2014 Interest Debentures**”) and June 2015 (the “**2015 Interest Debentures**”) by issuing to the holders of 2014 Interest Debentures and 2015 Interest Debentures, on a *pro rata* basis, additional Interest Debentures in the amount of \$96,548.82 with respect to the 2014 Interest Debentures and \$77,042.08 with respect to the 2015 Interest Debentures.

The Interest Debentures are 8% unsecured, subordinated, convertible, extendable debentures of the Corporation and have the same terms as the Offering Debentures. The issuance of the Interest Debentures will be in accordance with the terms of the trust indenture governing the Offering Debentures which was disclosed in the Corporation’s February 27, 2012 prospectus.

In March of 2017, each investor will receive, by mail, a T5 from the Corporation’s transfer agent or the investor’s brokerage firm. The T5 will indicate the amount of interest that the investor is required to report as a result of the issuance of the Interest Debentures.

## 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](http://www.sedar.com). For more information about Walton, visit [Walton.com](http://Walton.com).

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