

**FOR IMMEDIATE RELEASE**

## **U.S. SUBSIDIARY OF WALTON WESTPHALIA DEVELOPMENT CORPORATION ENTERS INTO A SENIOR CREDIT FACILITY**

**Calgary – June 3, 2013:** Walton Westphalia Development Corporation (the "**Corporation**") announced today that its U.S. subsidiary, Walton Westphalia Development (USA), LLC ("**WWDU**") and its affiliate, Walton Westphalia Europe, LP ("**WWE**"), (WWDU and WWE are collectively, the "**Borrowers**"), have entered into a senior credit facility (the "**Senior Loan**") with an arm's length institutional lender to finance initial construction of the Westphalia property. WWDU and WWE are co-owners of the Westphalia property.

The Senior Loan is a secured loan for up to \$40.95 million USD with an interest rate of Libor +5.10% with a floor of 6.20% per annum. The initial term of the Senior Loan will be for 36 months. The term of the Senior Loan may be extended in certain circumstances. The Senior Loan is secured by, among other things, a first priority deed of trust on the Westphalia property.

Drawdown on the Senior Loan is subject to the Borrowers meeting certain standard conditions prior to funding.

The Corporation is also in negotiations with an arm's length mezzanine lender to obtain additional required construction financing of up to \$7.3 million USD.

As set out in the Corporation's press release dated May 27, 2013, reporting the Corporation's Q1 2013 results, other highlights in connection with the Westphalia property since January 1, 2013, include:

- obtaining signed letters of intent with three builders to construct homes on all of the lots in Phase 1;
- selecting a real estate company to represent the Corporation in the sale of the multi-family apartment site in Phase 1; and
- continuing a review of the hotel site in Phase 1 with a potential lodging group. In April, a formal offer was received from the group and is under review.

The project remains on track financially and from a timing perspective. As a result of securing the Senior Loan, management anticipates that construction on the project will commence by the end of Q2 2013.

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 Westphalia property is approximately 21.7 km 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.

Walton is a multinational group of real estate investment and development companies headquartered in Calgary, Alberta, Canada. As one of North America's leading land-based real estate investment and development firms, its expertise is in the research, acquisition, management and development of strategically located land in major growth corridors throughout Canada and the U.S. Walton currently manages over 74,000 acres, laying the foundation for communities where people can live, work and play, and creating wealth for our clients around the globe. Since 1979, Walton has returned over \$1.4 billion CAD\* in client distributions.

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 March 31, 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*
- *Interest and principal repayment on corporate bonds*

*This news release, required by Canadian laws, 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 February 2012 prospectus of the Corporation (including under the heading "Cautionary Statements") and other documents of the Corporation 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.*