



# All in West!

## Capital Corporation

### **ALL IN WEST! CAPITAL CORPORATION ANNOUNCES RESTRUCTURING OF MORTGAGE DEBT**

Winnipeg, Manitoba (May 30, 2014) - All in West! Capital Corporation (the "Corporation") (TSX-V: ALW) is pleased to announce that it has reached an agreement with the mortgage lender (the "Lender") secured by the Econolodge Inn & Suites in Hinton, Alberta (the "Econolodge") to restructure the terms of the existing mortgage (the "Econolodge Mortgage"), effective June 1, 2014.

Under the agreement: (i) effective June 1, 2014, the principal amount of the Econolodge Mortgage will be reduced by approximately \$2,000,000 from \$6,494,819 to \$4,500,000; (ii) the Corporation will only be required to make interest only payments until the expiry of the term, which will be May 31, 2017; (iii) the interest rate will be 7.5% per annum.

In exchange for the approximately \$2 million of debt forgiveness, the Lender will have the right to purchase the property for \$4,500,000 at any time on or prior to May 31, 2017. The Econolodge was appraised by an independent third party appraiser at \$4.13 million as at December 31, 2013.

"The restructuring of the Econolodge mortgage debt has been our top priority. We believe that the debt restructuring is very positive for the Corporation and its shareholders and other stakeholders." reported Cornelius Martens, President and Chief Executive Officer of the Corporation. "In addition to improving our balance sheet as a result of \$2 million in debt forgiveness, the debt restructuring reduces our annual interest costs by approximately \$79,000, which is positive for our corporate cash flow."

The Corporation expects to continue to evaluate alternatives available to it. The Corporation continues to be in default of all of its debt obligations, other than the Econolodge mortgage, including:

- (i) the obligation to repay the principal amount on the Series A convertible debentures (the "Series A Debentures") in the aggregate principal amount of \$6,495,000 on March 31, 2012 and the obligation to make interest payments on the Series A Debentures since April 30, 2010;
- (ii) the obligation to repay the principal amount on the Series B convertible debentures (the "Series B Debentures") in the aggregate principal amount of \$1,180,000 on September 30, 2012 and the obligation to make interest payments on the Series B Debentures since April 30, 2010;

- (iii) the obligation to repay the principal amount on the Series C convertible debentures (the "Series C Debentures") in the aggregate principal amount of \$2,353,750 on October 1, 2012 and the obligation to make interest payments on the Series C Debentures since November 30, 2010;
- (iv) the "cross-default" covenants under its mortgage financing and security documents relating to the Phase I Grande Cache and Phase II Grande Cache hotels in Grande Cache, Alberta. The outstanding mortgage balances as at June 1, 2014 for such properties are \$7,393,623 in respect of the Phase I property and \$4,096,401 in respect of the Phase II property.

In 2010, the Corporation announced an action plan to reduce corporate costs. Measures taken since then include: the waiving of asset management fees; the waiving of director fees; ceasing interest payments to the holders of Series A Debentures, Series B Debentures and Series C Debentures; non-repayment of the Series A Debentures, Series B Debentures and Series C Debentures at their respective maturity dates; selling the formerly owned Days Inn Hinton and receiving approximately \$1.2 million of debt forgiveness; and now the restructuring of the Econolodge mortgage and the receiving of approximately \$2 million of debt forgiveness.

For further information please contact Mr. Cornelius Martens, President and Chief Executive Officer, or Mr. Cornelius William Martens, Investor Relations, Tel: (204) 947-1200.

*The TSX Venture Exchange has not reviewed or approved the contents of this press release.*

#### *Forward-Looking Statements*

*This press release contains forward-looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Particularly, statements regarding the Corporation's future operating results, performance and achievements are forward-looking statements. Without limiting the foregoing, the words "expects", "anticipates", "intends", "estimates", "projects", and similar expressions are intended to identify forward-looking statements.*

*The Corporation is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. Such risk factors include, but are not limited to, the impact of general economic conditions, industry conditions, interest rate fluctuations, tax-related risk factors, governmental regulation, environmental risks, competition from other industry participants, stock market volatility, the ability to access sufficient capital from internal and external sources and the risk of fluctuation and variation in actual operating results, which variation may be material. The Corporation cannot assure investors that actual results will be consistent with any forward-looking statements and the Corporation assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances. All forward-looking statements contained in this press release are qualified by this cautionary statement.*