

For Immediate Release

WALTON WESTPHALIA DEVELOPMENT CORPORATION REPORTS FIRST QUARTER 2014 RESULTS

Calgary – May 29, 2014: Walton Westphalia Development Corporation (the “**Corporation**”) announced today its results for the first quarter of 2014.

“We continue to be pleased with the attention our development project is receiving from the business community,” said Bill Doherty, Chairman of the Corporation. “During the first quarter of 2014 the Corporation continued to make progress in developing the property. Haverford Homes’ agreement to purchase townhome lots in Phase 1 became binding when the Corporation received security for their deposit in March. Subsequently, in April Mid-Atlantic Builders agreement for the purchase of townhome lots became binding. We expect model townhomes on the Property to be open by the end of 2014.”

Highlights for the First Quarter of 2014

- On March 4, 2014, the Haverford Homes agreement for the purchase of townhome lots became binding upon receipt of security for their deposit. Mid-Atlantic Builders’ agreement for the purchase of townhome lots became binding on April 21, 2014;
- The Umbrella Architecture Detailed Site Plan was approved by the Planning Board in September 2013, and was subsequently approved by the District Council, subject to some conditions, in February 2014. The Plan allows builders to directly apply for building permits without the need for a further detailed site plan for their specific building architecture. ;
- During the fourth quarter, a Conceptual Site Plan Reconsideration to revise a condition to allow up to 10% of the townhouse units to be front-lane garage units was approved by the Planning Board in October 2013. The Plan was subsequently approved by the District Council in February 2014; and
- The Detailed Site Plan for the Townhouse Area in Phase 1 was approved by the Planning Board in October 2013. This plan was subsequently approved by the District Council in February 2014 and received Certificate Approval from the Maryland-National Capital Park and Planning in April 2014.

Management continues to actively market the property, but anticipates office revenue to be delayed for two years due to market conditions. As a result, management will also delay off-site improvements that are required for the commercial space. Furthermore, the project’s net rentable area for retail tenants will be reduced, due to a number of factors, including parking requirements for a major grocer and anchor tenant.

As a result of construction delays caused by the wettest winter in a decade, downward revenue revisions for the retail and hotel sites, the extension of the estimated sale dates for the office sites, high office vacancy rates and the impact of the U.S. Government’s budget sequestration on the market, the timeframe for completing the project is anticipated to exceed the seven-year time horizon and the projected internal rate of return is expected to be

revised downwards, from that disclosed in the Prospectus. However, management has assessed that there is no significant impact on net realizable value and no provision is required.

Management is exploring strategies to maximize the financial returns. In this regard, management will report to investors no later than the release of the Q3 2014 financial results once the strategies have been implemented and their impacts, if any, are quantified.

First Quarter Financial Results

During the three months ended March 31, 2014, the Corporation recognized interest income of \$947, other expenses of \$211,136, other items of \$683,390, for a net income before tax of \$473,201, and comprehensive income of \$898,971. Comprehensive income increased due to the strengthening of the U.S. dollar in comparison to the Canadian dollar. This resulted in a translation gain recognized in other comprehensive income.

Additional Information

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.

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.

Walton has been in business for over 30 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.

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 www.Walton.com.

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Except as otherwise noted, all amounts are in Canadian dollars, and are based on unaudited financial statements for the three months ended March 31, 2014, and related notes, prepared in accordance with International Financial Reporting Standards.

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