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WALTON WESTPHALIA DEVELOPMENT CORPORATION REPORTS FISCAL YEAR-END AND Q4 2014 RESULTS, RESIGNATION OF RICHARD R. SINGLETON AS A DIRECTOR AND APPOINTMENT OF WILLIAM K. DOHERTY AS A DIRECTOR

Calgary – April 8, 2015: Walton Westphalia Development Corporation (the **"Corporation"**) announced today its results for the fiscal year ended December 31, 2014 and for the fourth quarter of 2014. 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 (the "**Property**") located in Prince George's County, Maryland, United States.

2014 HIGHLIGHTS

During the year-ended December 31, 2014, the main priority of the Corporation was to continue with construction on the project, prepare additional submissions necessary to achieve the remaining approvals as described in the offering documents, and meet with county officials to properly coordinate and discuss plans for the project. In addition, the following key activities were undertaken by the Corporation during the year:

- plats were recorded for the southern townhouse area;
- the Corporation received the following development permits with US $20 million in bonds provided to the related agencies to be used as construction guarantees for the associated permits including:
  - A revision to a previously issued rough grading permit to include additional clearing and grading, as well as storm drain installation
  - Culvert crossing permit
  - Onsite water and sewer permit
  - 30" waterline relocate permit
- the agreement with Mid-Atlantic Builders for the purchase of the 24' and 32' townhomes in Phase 1 became binding on April 21, 2014;
- site grading and the construction of the stormwater management ponds, and the installation of utilities and culverts in Phase 1 continued;
- construction of the sanitary sewer outfall and 30" waterline relocation were both completed; and
- the Corporation increased the financing available from US $40.95 million to US $43.012 million on its Senior Loan and extended the date of which Sub-phase 1 must be completed under the loan.

The current project schedule is behind the key project milestones as outlined in the offering documents. The delay was due to longer than anticipated time to obtain necessary regulatory and government approvals and permits, as well as weather delays. This resulted in a fourteen-month delay in the delivery of finished lots to builders from January 2014 to March 2015.

During 2013 and the year-ended December 31, 2014, greater cost certainty was obtained on the anticipated costs for developing Phase 1. The offsite improvement for Phase 1, the Woodyard Road interchange, has been redesigned to provide a more cost-effective design and the conceptual plan has been approved. A third-party cost estimate has been prepared based on this conceptual design. The Corporation will continue to value engineer this improvement as we move into final design and expect to be able to reduce costs even further. Excluding the redesign of the Woodyard Road interchange, the current budget for Phase 1 exceeds the original cost assumptions used by management in preparing the offering documents.

Due to weather delays and permit issues, the Phase 1 residential lot sales will be delayed until March 2015, however the revenues from these residential lot sales have increased 28% from that forecasted in the offering documents. Additionally, based on current market conditions, the Phase 1 retail, hotel and multi-family sales have been delayed and the revenue has been revised downward.

The combined impact of these factors is a change in the timing and amount of cash distributions when compared to the original assumptions. As reported in the 2014 first quarter news release, delays in construction, 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 were expected to result in a downward revision to the internal rate of return ("**IRR**") from the projected 15% disclosed in the offering documents. Based on management's current information as at the end of Q3 2014, the currently forecasted IRR is 5.7%. This IRR is based on achieving certain revenue targets, maintaining construction schedules, the timely receipt of recoveries, third-party sales and commitments for additional lots from the builders. Further changes to the IRR projection could occur due to the changes in the aforementioned and other factors.

On March 24, 2015, the Board of Directors approved an action plan proposed by management to address a range of strategies to potentially improve returns to the previously identified downward revision to the IRR. Under the action plan management will undertake the following initiatives and strategies:

1. Pursue the option of vertical development participation with development partners.
2. Accelerate the development of Phase 1A.
3. Pursue Tax Increment Financing ("**TIF**") bonds to recover applicable offsite improvements.
4. Pursue the re-planning of Phases 2 and 3, including, for example, a town centre re-design to realize on current market opportunities such as a senior living component and/or flex industrial within Phases 2 and 3.

Based on management's current information and assessment of the identified strategies and executing on the identified action plans, preliminary analysis suggests the potential hold period for the project could increase to 13 years from the seven years disclosed in the offering documents. Further material increases could occur to the potential hold period as a result of changes in the various factors that impact such timing.

Management continues to focus on strategies to maximize the project returns of the project, which include, but are not limited to:

- Securing a grocery anchor for the retail site, which can increase the attractiveness for other future retail tenants to locate in the project, and positively impact retail values, lease rates, and project absorptions. It will also positively impact the sales momentum for other components of the project, including the townhome product and other future residential development by providing an important retail based service and community amenity.

- Engaging in discussions with commercial and residential developers to broaden the awareness of the project and explore sales and/or partnering opportunities to realize the highest and best use and associated values for the project.
- Evaluating project positioning and retail product opportunities to maximize usable retail space and project amenities to accelerate market demand.
- Continuing efforts to attract a major hotel chain to construct a hotel in the Westphalia site.
- Partnering with the Prince George's County Economic Development Corporation to assist with marketing the office site, and with a strategic focus related to locating future government office buildings in Westphalia.

At a meeting of the Board of Directors of the Corporation held on March 24, 2015, after the audited financial statements and the management's discussion and analysis of the Corporation for the years ended December 31, 2014 and December 31, 2013 were approved by the Board, the Board accepted the resignation of Mr. Singleton as a director and appointed William K. Doherty as a director of the Corporation. As a result, the Board of Directors is now comprised of Clifford H. Fryers, Jon N. Hagan and Mr. Doherty. Mr. Doherty is the President and Chief Executive Officer of the Corporation and is also the President and Chief Executive Officer of Walton Global Investments Ltd. With the resignation of Mr. Singleton, Mr. Fryers was appointed to the audit committee of the Board of Directors of the Corporation which now consists of Mr. Hagan and Mr. Fryers, with Mr. Hagan being the chairman of the audit committee. Mr. Fryers remains the chairman of the Board of Directors. Within the meaning of Canadian Securities Administrators' National Instrument 52-110, Mr. Hagan is independent of management of the Corporation and Mr. Fryers and Mr. Doherty are not.

Year-end and Fourth Quarter Financial Results

Total other expenses increased by $607,827 from $838,733 for the year ended December 31, 2013 to $1,446,560 for the year ended December 31, 2014. The increase in other expenses was primarily due to marketing expenses from previous years of $581,199 which were reclassed from land development inventory and an increase in professional fees due to increased audit fees.

During the year ended December 31, 2014, the Corporation had comprehensive income of $1,129,932 which was an increase of $565,590 from $564,342 from the year-ended December 31, 2013. The increase in comprehensive income was mainly due to the gain on foreign exchange.

During the fourth quarter, the Corporation also incurred other expenses of $800,046 (December 31, 2013 - $154,368), other items of $532,177 (December 31, 2013 – $622,888), for a net income/(loss) before tax of ($267,869) (December 31, 2013 – $468,520), deferred tax expense/(recovery) of ($81,113) (December 31, 2013 - $419,007), and a comprehensive income of $219,434 (December 31, 2013 –$398,810). The amount of other expenses incurred during the fourth quarter of 2014 was higher in comparison to 2013 due to the increased marketing costs. This also contributed to the net loss incurred by the Corporation in the fourth quarter of 2014.

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 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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