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WALTON WESTPHALIA DEVELOPMENT CORPORATION REPORTS FIRST QUARTER 2015 FISCAL RESULTS AND DECISION TO ISSUE INTEREST DEBENTURES FOR THIRD INTEREST PAYMENT ON DEBENTURES

Calgary – May 29, 2015: Walton Westphalia Development Corporation (the **"Corporation"**) announced today its results for the first quarter of 2015. 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 of America.

First Quarter Highlights

During the first quarter of 2015, the Corporation focused its efforts on continuing construction on the project, preparing the additional submittals required to achieve the remaining regulatory and construction approvals, and meeting with County officials to coordinate and discuss plans for the project. The Corporation undertook the following activities during the quarter:

- received USD $1.2 million from the State Highway Administration for 4.4 acres of condemned (expropriated) land that will be used for the construction of the Suitland Parkway interchange;
- received the following development permits with USD $2.8 million in bonds provided to the related agencies to be used as construction guarantees for the associated permits;
  - street construction permit for the extension of Woodyard Road
  - temporary road construction permit connecting Woodyard Road extended to Melwood Road
  - State Highway Administration access permit for storm drain work along Pennsylvania Avenue;
- received approval from the State Highway Administration on the Traffic Impact Study for the redesigned Woodyard Road interchange; and
- continued site grading, utilities and culvert construction on Phase 1.

Subsequent to the end of the quarter, on April 24, 2015, NVR, Inc. d/b/a Ryan Homes closed on their showhome building containing seven lots for USD $580,000 which was used to pay down amounts owing under both the senior and mezzanine loans. On April 29, 2015, HWR LLC (Haverford Homes) closed on their showhome building containing six lots for USD $540,000 which was also used to pay down amounts owing under both the senior and mezzanine loans.

The current project schedule is behind key project milestones as outlined in the Corporation's initial 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 fifteen-month delay in the delivery of finished lots to builders (January 2014 to April 2015).

During 2013, 2014 and the quarter ended March 31, 2015, 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 of the interchange. The Corporation will continue to look at ways to further reduce the cost as we design the final construction plans. 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 Corporation's initial offering documents.

Due to weather delays and permit issues, Phase 1 residential lot sales were delayed until April 2015, however the revenues from these residential lot sales have increased 28% from that forecasted in the Corporation's initial offering documents due to the increase in market price for the lots and adding additional lots to this phase. Based on current market conditions, the Phase 1 retail, hotel and multi-family sales have been delayed and the projected 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 in the Corporation's initial offering documents. 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 (the "**IRR**") from the projected 15% disclosed in the Corporation's initial offering documents. Based on management's current information as at the end of Q1 2015, the 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 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 the IRR projections. Under the action plan, management will undertake the following initiatives and strategies:

1. Pursue the option of vertical development participation with development partners.
    - Management is having discussions with potential partners on the retail, multi-family, hotel and future phases of the residential portion of the development.
2. Accelerate the development of Phase 1A.
    - Management is pursuing mezzanine financing for soft costs, as well as having discussions with potential joint venture partners on this phase.
3. Pursue Tax Increment Financing ("**TIF**") bonds to recover applicable offsite improvements.
    - Management has brought on a consultant, Municap, Inc., to provide financial consulting services related to the public bond financing.
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.
    - Management has received a proposal from a land planner and will move forward with the re-planning once the potential uses are researched further.

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 Corporation's initial offering documents.

Management also continues to focus on additional complementary strategies to maximize the 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. Securing a grocery anchor tenant 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.

First Quarter Financial Results

Total other expenses increased by $75,230 from $210,189 for the period ended March 31, 2014 to $285,419 for the period ended March 31, 2015. The increase in other expenses was primarily due to marketing expenses.

During the period ended March 31, 2015, the Corporation had comprehensive income of $2,159,639 which was an increase of $1,260,668 from $898,971 from the period ended March 31, 2014. The increase in comprehensive income was mainly due to gains on foreign exchange of $1,956,853 for the period ending March 31, 2015 which was an increase of $1,167,088 from March 31, 2014.

Issuance of Interest Debentures

The Corporation also announced that it has elected to pay its third interest payment on the Corporation’s 8% unsecured, subordinated, convertible, extendable debentures (“**Offering Debentures**”) by issuing to the holders of the Offering Debentures, on a pro rata basis and on or before June 30, 2015, 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 $1,206,872. In addition, the Corporation has elected to pay the interest obligation owing under the Interest Debentures that were issued in June 2014, in respect of the second interest payment on the Offering Debentures (the “**2014 Interest Debentures**”) by issuing additional Interest Debentures in the amount of $1,206,872 at the same time.

The Interest Debentures are 8% unsecured, subordinated, convertible, extendable debentures of the Corporation and have substantially the same terms as the Offering Debentures.

In March of 2016, 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 Offering Debenture holder 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 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, 2015 and related notes, prepared in accordance with International Financial Reporting Standards.