

For Immediate Release

WALTON WESTPHALIA DEVELOPMENT CORPORATION ANNOUNCES SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JULY 31, 2015 AND POTENTIAL VERTICAL DEVELOPMENT VENTURE

Calgary – July 8, 2015: Walton Westphalia Development Corporation (the "**Corporation**") announces that a special meeting of the holders of Class "B" Non-Voting Common Shares (the "**Shareholders**") of the Corporation will be held at the offices of the Corporation, at 23rd Floor, 605 – 5th Avenue S.W., Calgary, Alberta, on Friday, July 31, 2015 at 10:00 a.m. (Calgary time) to consider, and if deemed advisable, to pass a non-binding, advisory resolution authorizing the Corporation to undertake, from time to time in the sole discretion of the board of directors of the Corporation, in one or more transactions and without further approval from the Shareholders, vertical development on all or any portion or portions of the Corporation's approximately 310-acre "Westphalia" property located in Prince George's County, Maryland, USA (the "**Property**").

The original investment strategies of the Corporation described in its initial public offering prospectus dated February 27, 2012 did not expressly include the Corporation undertaking vertical development of the Property. Accordingly, as part of the Corporation's commitment to strong corporate governance, the special meeting has been called to give Shareholders the opportunity to provide the Corporation with feedback regarding the proposed strategic direction of the Corporation in relation to vertical development.

In light of the current market conditions and other factors affecting the Property's development, management believes that the reasonable best course of action to potentially materially improve the net internal rate of return in respect of the project is to undertake vertical development on portions of the Property in partnership with vertical developers. Such vertical development would be in conjunction with other strategies, including those previously disclosed in the Corporation's May 29, 2015 news release.

Vertical development could include the Corporation contributing a serviced land parcel to a joint venture with an experienced developer or general contractor. The Corporation and developer/contractor would hold the interests in the joint venture. The developer/contractor would undertake the vertical development on behalf of the joint venture. The joint venture may incur additional debt to fund the vertical construction. The parcel may or may not be fully leased prior to construction. Once the construction is complete and the parcel and buildings sufficiently leased, they would be sold and any profits and/or losses after fees and expenses would be shared based on the joint venture percentages.

If the Shareholders do not approve the vertical development resolution at the special meeting, the Corporation will not undertake vertical development on the Property. Instead the Corporation will continue with horizontal development of the Property and management will continue to investigate and focus on strategies in that regard.

A management information circular and form of proxy in respect of the special meeting has been mailed to all Shareholders. Shareholders are encouraged to read the information circular, which provides further details regarding vertical development and its related risks, and to complete and return their proxies in accordance with the instructions provided.

Potential Vertical Development Venture

Walton Asset Management LP, in its capacity as manager of the Corporation, and its affiliates, have had non-binding discussions with a potential vertical development partner (the "**Co-Venturer**") to complete a retail commercial development that would involve horizontal development, the building of vertical improvements and the lease-up, stabilization, ownership and operation (the "**Project**") of a portion of the Property's commercial land in Phase 1 of the Westphalia project. The potential Co-Venturer is a real estate investment trust that is publicly traded on the New York Stock Exchange.

The proposed Project area is situated on approximately 28.73 net acres (34.12 gross acres) and the potential vertical development venture contemplates the formation of a new U.S. limited liability company ("**Newco**") to undertake the Project. It is proposed that the Corporation's U.S. subsidiary, Walton Westphalia Development (USA), LLC (the "**US Subsidiary**") and the co-owner of the Property, Walton Westphalia Europe, LP ("**WWE**"), would contribute the land (as their capital contribution to Newco) and the Co-Venturer would contribute to Newco cash in an amount equal to the value of the land contributed by the US Subsidiary and WWE. Any additional capital required to complete the Project would be funded by the Co-Venturer as needed and the US Subsidiary's and WWE's interest in the venture would be proportionately diluted.

Newco would obtain a conventional, senior secured construction loan, anticipated to be based upon a 60% to 65% loan-to-value ratio for the estimated costs of the Project. The Co-Venturer would have the right to self-fund the construction loan. In the event the Co-Venturer self-funds the construction loan, it would be required to competitively bid the loan to determine and price the appropriate rate and terms to market. In the event the Project requires any guarantees or credit enhancements, the Co-Venturer would be required to provide them and would be paid, by Newco, a guaranty fee, anticipated to be equal to 1% of the principal amount of the loan.

The Co-Venturer would be the managing partner of Newco but the US Subsidiary and the Co-Venturer would have joint control over all major financial, strategic and operational decisions. During the development period, Newco would earn a development fee, anticipated to be equal to 4% of the Project costs, excluding the cost of the land, with such development fee then being distributed to the US Subsidiary and the Co-Venturer based on their respective ownership interests in Newco.

Even with the expertise of the Co-Venturer, the lead-time to complete the Project is expected to be lengthy. The Co-Venturer estimates a maximum of 36 months to acquire approvals and permits from Prince George's County, Maryland, and to negotiate leases and clear all contingencies. In addition to that, the estimated construction period to deliver spaces to tenants is expected to be a further 18 to 24 months after receipt of permits and all approvals.

The Project would be envisioned to have approximately 184,600 square feet of gross leasable area.

The potential vertical development venture contemplates a "grocer restriction" on certain lands on the Property such that, for five years after a full line grocer opens for business on the Project, no such land may be used for a full line grocer.

Lastly, the potential vertical development venture contemplates providing the Co-Venturer with an option to purchase the Corporation's interest in Newco at any point after the fifth anniversary of the Project's stabilization date. The price would be at the then fair market value but in no event at a loss.

The above described potential vertical development venture continues to be the subject of on-going, non-binding discussions. Accordingly, there is no guarantee, and the Corporation makes no representation, express or implied, that the Corporation will enter into formal, binding agreements to give effect to the Project on the terms described above or at all.

Additional Information

The Corporation is managed by Walton Asset Management L.P. and the development of the Corporation's Westphalia land development project is managed by Walton Development & Management (USA), Inc., both of which are members of the Walton Group of Companies ("**Walton**").

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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