# FORM 51-102F3

## MATERIAL CHANGE REPORT

***Item 1*** ***Name and Address of Company***

Sterling Centrecorp Inc. ("Sterling" or the "Company")
123 Edward Street
Suite 703
Toronto, Ontario M5G 1E2

***Item 2*** ***Date of Material Change***

February 28, 2006

***Item 3*** ***News Release***

A news release was disseminated by Sterling on February 28, 2006 via CNW Group.

***Item 4*** ***Summary of Material Change***

Sterling announced the completion of the sale by Westover Hills Development Partnership (the "Partnership") of 63.15 Acres of land comprising part of its Westover Hills Development project located in San Antonio, Texas. Samoth Texas Corporation, a U.S. subsidiary of the Company, owns General Partnership and Limited Partnership interests in the Partnership. The total gross sales proceeds for the sale were US $12.823 million. The project has over 435 acres remaining to be sold. The Company's US subsidiary owns 35.75% of the limited partnership interests in the Partnership, and as General Partner is entitled to an additional share of Partnership revenues.

In connection with the Westover Hills Development Project, WH (TPST) Management, Inc., as Trustee of the Peter H. Thomas Spray Trust, Sandra Liane Thomas and Eugene Kaulius who are affiliated with Mr. Peter Thomas, the former Chairman and CEO of Samoth Capital Corporation, now known as Sterling Centrecorp Inc., have filed suit against Samoth Texas Corporation in Texas.

Under the Westover Hills Limited Partnership Agreement, after all original equity and accrued priority return had been returned to the limited partners, Samoth Texas Corporation became entitled to a General Partner distribution equal to 45% of all future net proceeds. All original equity and accrued priority return was returned to the Limited Partners in January of 2006.

***Item 5*** ***Full Description of Material Change***

See Schedule A attached hereto.

***Item 6*** ***Reliance on subsection 7.1(2) or (3) of National Instrument 51-102***

This report is not being filed on a confidential basis.

***Item 7*** ***Omitted Information***

No information has been omitted in respect of the material change.

***Item 8*** ***Executive Officer***

A. David Kosoy, Co-Chairman & Co-Chief Executive Officer
(561) 835-1810

or

Robert S. Green, President & Chief Operating Officer
(905) 477-9200.

**DATED** at Toronto, Ontario this 28th day of February, 2006.

## Schedule A

February 28, 2006 SEC# 82 2931
FOR IMMEDIATE RELEASE
SEDAR #1115
Listed TSX: SCF

### 63.15 ACRES SOLD IN COMPANY'S WESTOVER HILLS DEVELOPMENT PROJECT; G.P. OF WESTOVER HILLS (SAMOTH TEXAS) NAMED IN LAWSUIT

Toronto, Ontario - February 28, 2006 - Sterling Centrecorp Inc. (the "Company") today announced the completion of the sale by Westover Hills Development Partnership (the "Partnership") of 63.15 Acres of land comprising part of its Westover Hills Development project located in San Antonio, Texas. Samoth Texas Corporation, a U.S. subsidiary of the Company, owns General Partnership and Limited Partnership interests in the Partnership. The total gross sales proceeds for the sale were US $12.823 million. The project has over 435 acres remaining to be sold. The Company's US subsidiary owns 35.75% of the limited partnership interests in the Partnership, and as General Partner is entitled to an additional share of Partnership revenues as discussed below.

In connection with the Westover Hills Development Project, WH (TPST) Management, Inc., as Trustee of the Peter H. Thomas Spray Trust, Sandra Liane Thomas and Eugene Kaulius who are affiliated with Mr. Peter Thomas, the former Chairman and CEO of Samoth Capital Corporation, now known as Sterling Centrecorp Inc., have filed suit against Samoth Texas Corporation in Texas.

Under the Westover Hills Limited Partnership Agreement, after all original equity and accrued priority return had been returned to the limited partners, Samoth Texas Corporation became entitled to a General Partner distribution equal to 45% of all future net proceeds. All original equity and accrued priority return was returned to the Limited Partners in January of 2006.

WH Management's position in the legal action that it commenced is that because of an Allocation Agreement purportedly executed in 1991 by Samoth Texas Corporation. WH Management claims that 31.11% of the 45% General Partner interest (or 14.0% of all future net proceeds) does not go to Samoth Texas Corporation but instead is payable to the ultimate personal benefit of the beneficiaries of the Thomas/Spray Trust, Mr. Thomas' daughter and former Director of the Company, Liane Thomas and former President and Director of the Company, Eugene Kaulius.

The Company, WH Management, Liane Thomas and Eugene Kaulius do, however, acknowledge that by separate agreement 22.22% of the 45% General Partner interest (or 10.0% of all future net proceeds) is due to a third party.

To date, US$1,810,266 has been retained from sale proceeds, and not distributed, in connection with the dispute which is the subject matter of the above mentioned suit. It is Samoth Texas Corporation's current intention to hold back 14.0% of all future net proceeds from the Westover Hills Development Project until such time as a resolution is reached in the suit. The amounts in dispute could ultimately be several million dollars in excess of the currently retained proceeds.

Samoth Texas Corporation disputes both the enforceability and interpretation of the Allocation Agreement and intends to vigorously defend the suit. It is the belief of Samoth Texas Corporation that the above mentioned proceeds which have been held back, as well as any future proceeds held back as a result of the pending suit, are payable in their entirety to Samoth Texas Corp.

**About Sterling Centrecorp Inc.**

Sterling Centrecorp Inc. is a North American real estate investment and management services company specializing in the retail property sector, which is traded on the Toronto Stock Exchange. Sterling, through its North American platform uncovers and secures real estate opportunities and then aligns itself with strategic financial partners to maximize returns for all parties.

The Company has offices located in Toronto, Edmonton, and Montreal, and its U.S. subsidiary has offices located in West Palm Beach, Orlando, Charlotte, Dallas, San Antonio, and Scottsdale.

Additional company information is available on the Internet at: www.sterlingcentrecorp.com.

| **Executive Office:** | **U.S. Operations:** | **Registered Office:** |
|---|---|---|
| Sterling Centrecorp Inc.<br>2851 John Street, Suite One<br>Markham, Ontario, Canada L3R 5R7<br>Tel: (905) 477-9200<br>Fax: (905) 477-7390 | Sterling USA, Inc.<br>One North Clematis Street<br>Ste 305<br>West Palm Beach, Florida 33401<br>Tel: (561) 835-1810<br>Fax: (561) 833-4118 | Sterling Centrecorp Inc.<br>Suite 703, 123 Edward Street<br>Toronto, Ontario, Canada M5G 1E2<br>Tel: (416) 593-4093<br>Fax: (416) 593-0656 |

**For further information:**

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**Sterling Centrecorp Inc. – Company contacts:**

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| A. David Kosoy, Co-Chairman & Co-Chief Executive Officer | (561) 835-1810 |
| John W.S. Preston, Co-Chairman & Co-Chief Executive Officer | (561) 835-1810 |
| Robert S. Green, President & Chief Operating Officer | (905) 477-9200 |
| Carol Taccone, Executive Vice President and Chief Financial Officer | (905) 477-9200 |