



December 21, 2009

Dear Fellow Shareholder:

Re: Unsolicited Take-over Bid by Maxam Acquisition Corporation (“Maxam”)

You should have recently received an offer from Maxam to purchase all of your common shares of C.A. Bancorp Inc. (“**C.A. Bancorp**”) for Cdn.\$1.22 per share.

Your Board of Directors, after receiving the recommendation of its Special Committee and the advice of its financial and legal advisors, has unanimously determined that Maxam’s offer is not in the best interests of C.A. Bancorp or its shareholders, and that the consideration offered to you thereunder is inadequate. **The Board recommends that you REJECT Maxam’s offer and NOT tender your shares.**

In reaching its conclusion, your Board of Directors, assisted by its financial and legal advisors, carefully considered all aspects of Maxam’s offer, including the factors described in the enclosed Directors’ Circular. In making your decision regarding Maxam’s offer, you should consider that:

- Maxam’s offer is inadequate, as it significantly undervalues C.A. Bancorp’s assets and business.
 - Maxam’s offer price represents a **49.9%** discount to net asset value as of September 30, 2009.
 - C.A. Bancorp’s cash, public investments (including Charter REIT and C.A. Bancorp Canadian Realty Finance Corporation) and marketable securities alone have an aggregate value of \$1.03 per share.
 - Maxam’s offer materially undervalues C.A. Bancorp’s private investment portfolio, which has achieved an implied internal rate of return (“**IRR**”) of approximately 20% from inception to September 30, 2009.
 - Additionally, Maxam’s offer does not reflect the value of C.A. Bancorp’s other assets, such as its management agreements, regulatory licences and tax loss carryforwards.
- CIBC World Markets Inc. (“**CIBC**”), C.A. Bancorp’s independent financial advisor, has delivered a written opinion dated December 21, 2009 stating that, as of such date and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered by Maxam to C.A. Bancorp shareholders pursuant to Maxam’s offer is inadequate, from a financial point of view, to such shareholders.

- The timing of Maxam's offer is opportunistic and is prejudicial to C.A. Bancorp and its shareholders.
 - Maxam's offer attempts to take advantage of C.A. Bancorp's temporarily depressed share price.
 - C.A. Bancorp recently completed the internalization of its administration and management functions, which is only starting to benefit C.A. Bancorp and its shareholders.
 - C.A. Bancorp enjoys a very solid financial position, with virtually no long-term debt or capital lease obligations and minimal other long-term obligations.
 - Maxam's offer has been made during the winter holiday season and is only open for acceptance for the legal minimum of 35 days, denying shareholders the opportunity to make a reasoned and informed decision.
- The Board of Directors has initiated a process under which superior proposals, delivering greater value for shareholders, may emerge.
- Maxam's offer is extremely conditional, to the point where it is not a firm offer.
- Maxam's offer is at a discount to current trading prices. Maxam itself has made purchases since the announcement of its offer at a premium to the offer price.

You are encouraged to read the full explanation of the reasons for our recommendation in the enclosed Directors' Circular, including the opinion from our independent financial advisor, CIBC, described above.

C.A. Bancorp, with the assistance of its financial and legal advisors, is actively pursuing all alternatives to maximize value, and discussions with numerous interested parties are underway. As Maxam's offer is open for acceptance until at least January 12, 2010 (unless extended or withdrawn), you are advised to delay making any decision with respect to Maxam's offer or any other offer that may arise until the results of this process have been determined.

None of the directors or officers of C.A. Bancorp has accepted or intends to accept Maxam's offer.

Please read the enclosed material carefully. If you have any questions concerning our recommendation that you **REJECT** Maxam's offer, please call Kingsdale Shareholder Services Inc., the information agent retained by your Board of Directors, toll free at 1-888-518-1556 from anywhere in Canada or the United States.

Sincerely,

On behalf of the Board of Directors:

John F. Driscoll
Chairman of the Board of Directors

Timothy Unwin
Chairman of the Special Committee of the Board of
Directors