

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, stockbroker, bank manager, accountant, lawyer or other professional advisor. The Offer has not been registered with or approved or disapproved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is unlawful.

June 3, 2010

1535633 ALBERTA LTD.

OFFER TO PURCHASE FOR CASH

all of the issued and outstanding Common Shares of

C.A. BANCORP INC.

**on the basis of
Cdn \$1.50 per Common Share**

The offer (the “Offer”) by 1535633 Alberta Ltd. (the “Offeror”) to purchase for cash all of the issued and outstanding common shares (the “Common Shares”) of C.A. Bancorp Inc. (“CAB”), including Common Shares that may become outstanding on the exercise of conversion or exchange rights, is open for acceptance until 5:00 p.m. (Toronto time) on July 9, 2010 (the “Expiry Time”), unless extended or withdrawn by the Offeror. 1535633 Alberta Ltd. is a wholly-owned subsidiary of Century Services LP (“Century”), an Alberta limited partnership.

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (“TSX”) under the symbol “BKP”. The \$1.50 cash offer for the Common Shares represents a premium of approximately 8.7% over the last trading price of the Common Shares on the TSX prior to the May 13, 2010 public announcement of the Offeror’s intention to make the Offer, and a premium of approximately 9.6% over the volume weighted average closing price of the Common Shares on the TSX for the 30 trading days preceding and including May 12, 2010. The \$1.50 cash offer for the Common Shares also represents a premium of approximately 35% over the last closing price on the TSX for the Common Shares prior to the December 3, 2009 public announcement of the take-over bid offer by Maxam Acquisition Corporation and an approximate 46% premium over the volume weighted average closing price of the Common Shares on the TSX for the 30 days prior to such announcement.

The Offer is subject to the conditions set forth in Section 4 of the Offer, “Conditions of the Offer”, including, among others, there being validly deposited or tendered and not withdrawn, at the Expiry Time, a number of Common Shares which constitutes at least 66 $\frac{2}{3}$ % of the issued and outstanding Common Shares (on a fully diluted basis).

The Board of Directors of CAB has not made a recommendation to Shareholders in respect of the Offer.

CAB has entered into an agreement with the Offeror dated May 12, 2010 (the “Pre-Acquisition Agreement”) to use its commercially reasonable best efforts to facilitate the completion of the Offer. See

Section 4 of the Circular, "Agreements Relating to the Offer".

The Offeror has entered into a lock-up agreement (the "Lock-Up Agreement") dated May 12, 2010, with John F. Driscoll, a director and Chairman of the Board of CAB, (the "Locked-Up Shareholder") pursuant to which Mr. Driscoll has agreed to irrevocably tender all Common Shares held by him or over which he exercises control or direction, directly or indirectly, to the Offer. See Section 4 of the Circular, "Agreements Relating to the Offer".

The Board of Directors of CAB has informed the Offeror that Richard Zarzeczny, a director of CAB, also intends to deposit pursuant to the terms of the Offer the outstanding Common Shares owned by him before the Expiry Time. For further information, see the accompanying CAB Directors' Circular.

Subject to the terms and conditions of the Offer, the Offeror will take up and pay for the Common Shares deposited under the Offer as soon as practicable after the Expiry Time.

Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal, or a manually signed facsimile thereof, and deposit it, together with certificate(s) representing their Common Shares, in accordance with the rules and instructions in the Letter of Transmittal. Alternatively, Shareholders may follow the procedure for guaranteed delivery described in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery. Persons whose Common Shares are held in an account with an investment dealer, stockbroker, bank, trust company or other nominee should contact their representative if they wish to accept the Offer. Depositing Shareholders will not be obligated to pay any fee or commission if they accept the Offer by transmitting their Common Shares directly to Computershare Investor Services Inc. (the "Depositary") at the address shown on the last page of this document.

Shareholders should be aware that, during the currency of the Offer, the Offeror and its affiliates, may, directly or indirectly, bid for and make purchases of Common Shares or other securities of CAB as permitted by applicable Law.

Questions and requests for assistance may be directed to the Depositary and additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained, without charge, upon request from the Depositary at its offices shown below or on the last page of this document. No person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, that information or representation must not be relied upon as having been authorized by the Offeror.

The Offer and this document do not constitute an offer or a solicitation to any person in any jurisdiction in which any such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from, or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror or its agents may, in its or their sole discretion, take such action as it or they may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

The Depositary for the Offer is:
COMPUTERSHARE INVESTOR SERVICES INC.

By Mail:

P.O. Box 7021
31 Adelaide St. E.
Toronto, Ontario M5C 3H2
Attention: Corporate Actions

By Registered Mail, Courier, or by Hand:

100 University Avenue
9th Floor
Toronto, Ontario M5J 2Y1
Attention: Corporate Actions

Toll Free (North America): 1-800-564-6253
Overseas: 1-514-982-7555

E-mail: corporateactions@computershare.com

The Soliciting Agent for the Offer is:

LAUREL HILL ADVISORY GROUP COMPANY

The Soliciting Agent will be available to respond to enquiries relating to the Offer via their toll-free number at:

1-888-239-4509

(banks and brokers should call (416) 304-0211)

June 3, 2010

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

This transaction has not been filed with, or approved or disapproved by the United States Securities and Exchange Commission or any state securities or “blue sky” regulatory authority, nor has any such authority reviewed or passed upon the adequacy of the Offer or the accuracy or adequacy of the information contained in the Circular. Any representation to the contrary is unlawful.

The Offer is being made by a Canadian company for the securities of another Canadian company and, while the Offer is subject to applicable disclosure requirements in Canada, Canadian disclosure requirements are different in a number of material respects from those in the United States. Canadian disclosure requirements assume a level of familiarity with Canadian laws (to which specific reference is made in certain cases) and the regulations of the TSX (on which the Common Shares are publicly traded). Furthermore, neither the Offeror nor CAB has any of their respective securities listed on any U.S. national securities exchange and neither is a reporting company under U.S. securities laws. As a result, significant information concerning the Offeror and CAB is not publicly available within the United States, and Shareholders in the United States who determine to consider the Offer may want to consult with Canadian counsel and advisors.

Monetary amounts set forth in the Circular, as well as in many referenced documents, are expressed in Canadian dollars, and the exchange rate between the Canadian dollar and the U.S. dollar has not been consistent over time.

Information concerning CAB, to the extent set forth or referenced in the Circular, has been obtained from CAB or is based upon information made available by CAB and, in most instances, has not been independently verified by the Offeror. The enforcement by Shareholders of civil liabilities under United States securities laws may be affected adversely by the fact that all or some of CAB’s officers and directors are non-residents of the United States and all or a substantial portion of the assets of CAB and said persons may be located outside the United States. The enforcement by Shareholders of civil liabilities against the Offeror under United States federal and state securities laws may be affected adversely by the fact that the Offeror is governed by the provincial laws of Alberta, that some of its officers and directors may be non-residents of the United States, and that a substantial portion of the assets of the Offeror and said persons are located outside the United States. It is difficult to compel a foreign company and foreign individuals to subject themselves to the jurisdiction of a United States court, and if a judgment is obtained, subsequent enforcement outside of the United States raises additional difficulties.

Moreover, the Offer provides that the Offer, itself, and all contracts resulting from acceptance of the Offer are to be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and that each party to an agreement resulting from the acceptance of the Offer unconditionally and irrevocably consents to the exclusive jurisdiction of the courts of the Province of Ontario.

Shareholders should be aware that, during the currency of the Offer, the Offeror or its entities may, directly or indirectly, bid for or make purchases of Common Shares or other securities of CAB as permitted by applicable Canadian law.

The disclosure in this document addresses certain Canadian tax consequences arising from a Shareholder accepting the Offer, but does not address any United States tax consequences of the Offer to Shareholders. Shareholders should be aware that the disposition of Common Shares will have tax consequences both in the United States and in Canada. Accordingly, Shareholders subject to U.S. taxes who determine to participate in the Offer should consult their own tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Acceptance of the Offer requires timely deposit of the Common Shares and the required accompanying documentation with the Toronto, Ontario office of the Depositary. As a result of such time constraints, use of the U.S. mail to transmit documents to the Depositary is not recommended. During the pendency of the Offer, notices may be given through the Canadian postal system and will be deemed to have been received one Business Day after posting, which will be prior to actual receipt in the United States, and notices which are published will be published in a Canadian newspaper, which generally is not widely distributed outside of Canada. As a result, Shareholders in the U.S. should not expect to receive notices on a timely basis and should use their own means to keep informed of the status of the Offer. Upon conclusion of the Offer, payment for properly tendered and accepted Common Shares will be by Canadian check, in Canadian currency, and will be delivered via the Canadian and U.S. postal services to Shareholders in the U.S.

FORWARD LOOKING STATEMENTS

Certain statements in the Offer and accompanying Circular under “Background to the Offer”, “Purpose of the Offer and the Offeror's Plans for CAB,” and “Acquisition of Common Shares Not Deposited Under the Offer”, in addition to certain statements contained elsewhere in the Offer and Circular, are forward looking statements and are prospective in nature. Forward looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward looking statements. These statements generally can be identified by the use of forward looking words such as “may”, “should”, “will”, “could”, “except”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe”, or “continue” or the negative thereof or similar variations. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from the Offeror's expectations include, among other things, general business and economic conditions, industry risks and other risks that may be identified in the Offeror's public disclosures and in CAB's public filings. Such forward looking statements should, therefore, be construed in light of such factors and the Offeror is under no obligation and expressly disclaims any intention or obligation, to update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by applicable Law.

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SUMMARY

The following is a summary only and is qualified in its entirety by the detailed provisions contained in the Offer and Circular. You should read the Offer and Circular in their entirety. Certain capitalized and other terms used in this summary are defined in the Glossary. The information concerning CAB contained in the Offer and Circular has been taken from or is based upon publicly available information filed with Canadian securities regulators and other public sources available at the time of the Offer and information provided to the Offeror by CAB. All currency amounts expressed herein, unless otherwise indicated, are in Canadian dollars.

The Offer

The Offer is made by the Offeror to purchase, on and subject to the terms and conditions set forth in the Offer, Circular, Letter of Transmittal and Notice of Guaranteed Delivery, all of the outstanding Common Shares, including Common Shares that may become outstanding on the exercise of conversion or exchange rights, for \$1.50 in cash per Common Share.

The \$1.50 cash offer for the Common Shares represents a premium of approximately 8.7% over the last trading price on the TSX for the Common Shares prior to the May 13, 2010 public announcement of the Offeror's intention to make the Offer and a premium of approximately 9.6% over the volume weighted average closing price of the Common Shares on the TSX for the 30 trading days preceding and including May 12, 2010. The \$1.50 cash offer for the Common Shares also represents a premium of approximately 35% over the last closing price on the TSX for the Common Shares prior to the December 3, 2009 public announcement of the take-over bid offer by Maxam Acquisition Corporation. See Section 1 of the Offer, "The Offer".

No Recommendation by CAB Board of Directors

The Board of Directors of CAB has made no recommendation to Shareholders concerning the Offer. The Board of Directors of CAB approved the entering into of the Pre-Acquisition Agreement dated May 12, 2010, which requires the making of the Offer by the Offeror. For further information, see the accompanying Directors' Circular.

Reasons to Accept the Offer

Management of the Offeror believes that the Offer represents significant value for shareholders of CAB and that shareholders of CAB should consider the following in deciding to accept the Offer:

Premium Offer Price - The Offer represents a premium of approximately 8.7% over the last trading price of the Common Shares on the TSX prior to the May 13, 2010 public announcement of the Offeror's intention to make the Offer, and a premium of approximately 9.6% over the volume weighted average closing price of the Common Shares on the TSX for the 30 trading days preceding and including May 12, 2010. The \$1.50 cash offer for the Common Shares also represents a premium of approximately 35% over the last closing price on the TSX for the Common Shares prior to the December 3, 2009 public announcement of the take-over bid offer by Maxam Acquisition Corporation and an approximate 46% premium over the volume weighted average closing price of the Common Shares on the TSX for the 30 days prior to such announcement.

Cash Offer - The Offer is an all cash offer, providing immediate liquidity to shareholders irrespective of the number of Common Shares held, and will not be subject to brokerage fees or commissions.

Best Offer Following Extensive Search - The Offer is the result of an extensive process undertaken by CAB, including the engagement of CIBC, the solicitations of interest from potential parties, and the review of proposals received prior to the Offer and therefore, represents the best available cash option for Shareholders.

Offer is Superior to Alternative (Liquidation of Assets) Proposed by CAB Board - CAB has indicated in its press release of May 13, 2010 and in the Directors' Circular that if the Offer is not successfully completed the Board of Directors intends to liquidate CAB's assets and distribute the proceeds to Shareholders (the "Liquidation Strategy"). The Board of Directors has noted that, as compared to the Offer, the Liquidation Strategy could result in less value to the Shareholders and presents significant risks to the Shareholders, including: (i) the risk of significant transaction costs associated with the proposed sales of assets of CAB which would reduce the proceeds available for distribution to Shareholders, (ii) the risk that the realizable value of the CAB assets, which are in part comprised of minority equity interests, and debt instruments, issued by private companies, may be subject to a discount, especially in light of the Board of Directors' stated objective to pursue an accelerated liquidation of assets. Based on CAB's March 31, 2010 financial statements approximately 48% of CAB's net book value per share is comprised of CAB's minority equity interests, and debt instruments, issued by private companies, (iii) in addition to CAB's minority equity interests, and debt instruments, issued by private companies, approximately 23% of CAB's net book value is invested in minority interests in managed entities. There is a risk that the realizable value of CAB's interest in such managed entities would be less than the book value of such interests, especially in light of the Board of Directors' stated objective to pursue an accelerated liquidation of assets, (iv) the risk that CAB may not be able to sell some or all of its minority interests in private companies in a timely fashion, if at all, (v) the risk that it may take a significant amount of time to sell the assets of CAB and therefore a significant amount of time for Shareholders to receive distributions of the proceeds from the sale of such assets, (vi) the risk that accelerated liquidation of CAB's assets, which is part of the Liquidation Strategy proposed by the Board of Directors of CAB, may result in proceeds which are less than the net asset values or the amounts due or expected on the assets' normal realization schedules, and (vii) the risk that while CAB executes the Liquidation Strategy, which the Directors' Circular indicates may span a 2 year period, the cost of maintaining CAB's status as a reporting issuer listed on the TSX could materially reduce the proceeds available for distribution to Shareholders. The Directors' Circular also outlines various risks associated with pursuing the Liquidation Strategy

Offer Supported by Significant Shareholder/Chairman of CAB - John F. Driscoll, a director and the Chairman of CAB, who beneficially owns or exercises control or direction over 3,467,176 Common Shares, comprising approximately 13% of the outstanding Common Shares of CAB on a non-diluted basis, has endorsed the Offer by entering into the Lock-Up Agreement pursuant to which he has agreed to tender to the Offer all of the Common Shares which he beneficially owns or over which he exercises control or direction.

Recent Changes to Key Management Personnel - CAB indicated in its Press Release of May 18, 2010, and in the Directors' Circular, that its President and its Chief Financial Officer, who played fundamental, formative roles in the development and management of CAB, had left their respective positions with CAB and with CAB's subsidiaries. This recent departure of key management personnel could have a negative impact on the performance of CAB and its ability to dispose of its assets in a timely manner, and could have a negative impact on the price of the Common Shares, at least in the near term.

The Offeror

The Offeror is a wholly-owned subsidiary of Century, an Alberta limited partnership. Century provides diversified financial services including asset-based lending, specialized financial services, asset appraisals, and asset-to-cash recovery strategies to companies and their advisors. Century has offices in

Vancouver, Los Angeles, Calgary, Grande Prairie, Edmonton, Winnipeg, Toronto, Montreal, and Chicago.

The Offeror's corporate head office is located at 105 10th Avenue SE, Suite 200, Calgary, Alberta, T2G 0V8 and its registered office is located at 100, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

CAB

CAB is a corporation incorporated under the laws of the Province of Alberta.

CAB is a publicly traded Canadian merchant bank and alternative asset manager that provides investors with access to a range of private equity and other alternative asset class investment opportunities. C.A. Bancorp is focused on investments in small- and middle-capitalization public and private companies, with emphasis on the industrial, real estate, infrastructure and financial services sectors.

CAB's head office is located at The Exchange Tower, 130 King St. West, Suite 2810, Toronto, Ontario, M5X 1A4. The address of CAB's registered office is 3700 Canterra Tower, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

Purpose of the Offer and Plans for CAB

The purpose of the Offer is to enable the Offeror to acquire all of the Common Shares. If permitted by applicable Law, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to: (i) de-list the Common Shares from the TSX; and (ii) cause CAB to cease to be a "reporting issuer" for purposes of relevant Canadian securities Laws. The effect of these actions will be that CAB will no longer be required to file publicly, or to provide to security holders or others, certain financial information or timely disclosure with respect to its business and affairs and that the liquidity and market value of any remaining Common Shares held by the public may be adversely affected. See Section 6 of the Circular, "Purpose of the Offer and the Offeror's Plans for CAB".

Pre-Acquisition Agreement

CAB has entered into a Pre-Acquisition Agreement with the Offeror dated May 12, 2010 (the "Pre-Acquisition Agreement"), pursuant to which it has consented to the Offer and has agreed to use its commercially reasonable best efforts to facilitate the completion of the Offer. See Section 5 of the Circular, "Agreements Relating to the Offer".

Lock-Up Agreement

The Offeror has entered into a Lock-Up Agreement with John F. Driscoll, a director and Chairman of the Board of CAB, pursuant to which Mr. Driscoll agreed to irrevocably tender all Common Shares held by him, and all Common Shares over which he exercises control or direction, directly or indirectly, to the Offer. Mr. Driscoll represented that, as at May 12, 2010, he beneficially owned, or exercised control or direction over, in the aggregate, 3,467,176 Common Shares and Options to purchase 347,500 Common Shares, representing in the aggregate, approximately 13.7% of the outstanding Common Shares on a fully diluted basis. See Section 5 of the Circular, "Agreements Relating to the Offer".

Time for Acceptance

The Offer is open for acceptance for the period commencing on the date hereof and ending at the Expiry Time, specifically 5:00 p.m. (Toronto time) on July 9, 2010, or such later time or times and date or dates to which the Offer may be extended from time to time by the Offeror (subject to the terms of the Pre-Acquisition Agreement), in accordance with Section 5 of the Offer, "Extension, Variation or Change of the Offer" (and subject to the Pre-Acquisition Agreement), unless withdrawn by the Offeror.

Manner of Acceptance

Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal, or a manually signed facsimile thereof, and deposit it, together with certificate(s) representing their Common Shares, at or prior to the Expiry Time, at the office of the Depository specified in the Letter of Transmittal. Detailed rules and instructions are contained in the Letter of Transmittal. Alternatively, Shareholders may follow the procedure for guaranteed delivery described in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery" using the accompanying Notice of Guaranteed Delivery. Persons whose Common Shares are held in an account with an investment dealer, stockbroker, bank, trust company or other nominee should contact their representative if they wish to accept the Offer.

By depositing Common Shares under the Offer and provided the Offeror takes up and pays for the deposited Common Shares, a depositing Shareholder will release CAB, the Offeror, and their respective subsidiaries, and present and former directors, officers and employees of and from certain claims and cancel all outstanding options and warrants to acquire Common Shares held by the depositing Shareholder which have not been exercised at or prior to the Expiry Time. See Section 3 of the Offer, "Manner of Acceptance".

Shareholders will not be required to pay any fee or commission if they accept the Offer by transmitting their Common Shares directly to the Depository. However, a broker or other nominee through whom a Shareholder owns its Common Shares may charge a fee to deposit Common Shares on the Shareholder's behalf. A Shareholder should consult its broker or other nominee to determine whether any charges will apply.

Conditions of the Offer

The Offeror reserves the right to withdraw or terminate the Offer and not take up and pay for any Common Shares deposited under the Offer, or extend the period of time during which the Offer is open for acceptance and delay taking up and paying for any Common Shares deposited under the Offer, unless all of the conditions described in Section 4 of the Offer, "Conditions of the Offer", are satisfied or waived by the Offeror on or prior to the Expiry Time. These conditions include, among others, there being validly deposited and not withdrawn, at the Expiry Time, that number of Common Shares which, together with the Common Shares held by the Offeror and its affiliates, constitutes at least 66% of the outstanding Common Shares (on a fully-diluted basis).

Subject to the terms and conditions of the Offer, the Offeror will take up and pay for the Common Shares deposited under the Offer as soon as practicable after the Expiry Time.

Payment for Deposited Common Shares

If, in respect of the Offer, all of the conditions referred to in Section 4 of the Offer, “Conditions of the Offer”, are satisfied or waived, then at the Expiry Time, the Offeror will become obligated to take up Common Shares validly deposited under the Offer and not withdrawn, not later than 10 days from the Expiry Time of the Offer, and will pay for Common Shares taken up as soon as possible but in any event not later than three Business Days after taking up the Common Shares. In accordance with applicable Law, the Offeror will take up and pay for Common Shares deposited under the Offer after the date on which it first takes up Common Shares deposited under the Offer within 10 days of such deposit. See Section 6 of the Offer, “Payment for Deposited Common Shares”.

Withdrawal of Deposited Common Shares

Except as otherwise provided in Section 7 of the Offer, “Withdrawal of Deposited Common Shares”, all deposits of Common Shares pursuant to the Offer are irrevocable.

Acquisition of Common Shares Not Deposited Under the Offer

If sufficient Common Shares are tendered to the Offer, the Offeror currently intends to acquire the remaining Common Shares pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction. To effect a Subsequent Acquisition Transaction, the Offeror may seek to cause a special meeting of Shareholders to be called to consider such a transaction. The details of any Subsequent Acquisition Transaction, including the timing of its implementation and the consideration to be received by the Shareholders, would necessarily be subject to a number of considerations, including the number of Common Shares acquired pursuant to the Offer. The Offeror’s current intention is that the consideration to be paid to Shareholders pursuant to any Subsequent Acquisition Transaction will be equal in amount to and in the same form as that payable under the Offer.

See Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”.

Material Canadian Federal Income Tax Considerations

A Shareholder resident in Canada who holds Common Shares as capital property and who disposes of those Common Shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is exceeded by) the aggregate adjusted cost base to the Shareholder of those Common Shares. Shareholders who are not resident in Canada will not be subject to Canadian federal income tax on a disposition of their Common Shares pursuant to the Offer unless those Common Shares constitute “taxable Canadian property” (as defined in the Tax Act) to them and any capital gain realized on the disposition of such Common Shares is not exempt from tax by virtue of the provisions of an applicable income tax treaty or convention.

The tax treatment of a Subsequent Acquisition Transaction will depend on the exact nature of the transaction to be carried out. The tax consequences to a Shareholder of a Subsequent Acquisition Transaction, may differ from the tax consequences to such Shareholder of accepting the Offer.

See Section 16 of the Circular, “Material Canadian Federal Income Tax Considerations”.

Depositary and Soliciting Agent

Computershare Investor Services Inc. is acting as Depositary under the Offer. The Depositary will receive deposits of certificates representing Common Shares and accompanying Letters of Transmittal at the office specified in the Letter of Transmittal. The Depositary will receive the Notice of Guaranteed Delivery at its Toronto office specified in the Notice of Guaranteed Delivery. The Depositary will also be responsible for giving certain notices, if required, and making payment for Common Shares purchased by the Offeror under the Offer. Depositing Shareholders will not be obligated to pay any fee or commission if they accept the Offer by transmitting their Common Shares directly to the Depositary.

Laurel Hill Advisory Group Company is acting as soliciting agent under the Offer. The Soliciting Agent will communicate with Shareholders to provide information about the Offer and to solicit Shareholders to tender their Common Shares pursuant to the Offer. The Soliciting Agent will also be available to respond to enquiries relating to the Offer via their toll-free number at 1-888-239-4509 (banks and brokers should call (416) 304-0211).

THE OFFER

June 3, 2010

TO: THE HOLDERS OF COMMON SHARES OF CAB

1. The Offer

The Offer is made by the Offeror to purchase, on and subject to the terms and conditions set forth in the Offer, Circular, Letter of Transmittal and Notice of Guaranteed Delivery, all of the outstanding Common Shares, including Common Shares that may become outstanding on the exercise of conversion or exchange rights, for \$1.50 in cash per Common Share.

The \$1.50 cash offer for the Common Shares represents a premium of approximately 8.7% over the last trading price on the TSX for the Common Shares prior to the May 13, 2010 public announcement of the Offeror's intention to make the Offer, and a premium of approximately 9.6% over the volume weighted average closing price of the Common Shares on the TSX for the 30 trading days preceding and including May 12, 2010. The \$1.50 cash offer for the Common Shares also represents a premium of approximately 35% over the last closing price on the TSX for the Common Shares prior to the December 3, 2009 public announcement of the take-over bid offer by Maxam Acquisition Corporation and an approximate 46% premium over the volume weighted average closing price of the Common Shares on the TSX for the 30 days prior to such announcement.

The Offer is made only for the Common Shares and is not made for any options, warrants or other conversion or exchange rights to acquire Common Shares. Any holder of options, warrants or other conversion or exchange rights to purchase Common Shares who wishes to participate in the Offer must, to the extent permitted by the terms of such securities and applicable Law, exercise the options, warrants or other conversion or exchange rights to purchase Common Shares and deposit any certificate(s) representing those Common Shares in accordance with the Offer. Any such exercise must be sufficiently in advance of the Expiry Time to ensure that holders of options, warrants or other conversion or exchange rights to purchase Common Shares, as the case may be, will have share certificate(s) available for deposit before the Expiry Time, or in sufficient time to comply with the procedure described in Section 3 of the Offer, "Manner of Acceptance".

All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

The accompanying Circular, Letter of Transmittal and Notice of Guaranteed Delivery are incorporated into and form part of the Offer and contain important information that should be read carefully before making a decision with respect to the Offer.

2. Time for Acceptance

The Offer is open for acceptance for the period commencing on the date hereof and ending at the Expiry Time, meaning, 5:00 p.m. (Toronto time) on July 9, 2010, or such later time or times and date or dates to which the Offer may be extended from time to time by the Offeror in accordance with Section 5 of the Offer, "Extension, Variation or Change of the Offer", unless withdrawn by the Offeror.

3. Manner of Acceptance

Letters of Transmittal

The Offer may be accepted by delivering the following documents to the Depositary at the office listed in the Letter of Transmittal and at the end of this document so as to arrive there not later than the Expiry Time:

- (a) the certificate or certificates representing the Common Shares for which the Offer is being accepted;
- (b) a Letter of Transmittal, in the form accompanying the Offer, or a manually signed facsimile thereof, properly completed and duly executed in accordance with the rules and instructions set out in such Letter of Transmittal; and
- (c) any other relevant documents required by the rules and instructions set out in the Letter of Transmittal.

The Offer will be deemed to be accepted only if the Depositary has actually received such documents no later than the Expiry Time. Except as otherwise provided in the rules and instructions set out in the Letter of Transmittal or as may be permitted by the Offeror, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution or in some other manner acceptable to the Depositary (except that no guarantee is required for the signature of a depositing Shareholder which is an Eligible Institution). If the Letter of Transmittal is executed by a person other than the registered holder of the Common Shares represented by the certificate(s) deposited therewith, the certificate(s) must be endorsed or accompanied by an appropriate transfer power of attorney duly and properly completed by the registered holder with the signature on the endorsement panel or transfer power guaranteed by an Eligible Institution. In addition, Common Shares may be deposited in compliance with the procedure set forth below for guaranteed delivery.

Book-Entry Transfer

CDS Participants should contact CDS with respect to the deposit of Common Shares under the Offer. Shareholders wishing to accept the Offer whose Common Shares are registered in the name of a nominee should contact their broker, investment dealer, bank, trust company or other nominee for assistance in depositing their Common Shares.

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Common Shares pursuant to the Offer and the certificate(s) representing the applicable Common Shares are not immediately available or the required documents cannot be provided to the Depositary at or prior to the Expiry Time, such Common Shares may nevertheless be deposited validly by the Shareholder under the Offer, provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution;
- (b) a Notice of Guaranteed Delivery in the form accompanying the Offer or a manually executed facsimile thereof, in each case properly completed and duly executed, together with a guarantee by the Eligible Institution in the form specified in the Notice of

Guaranteed Delivery, is received by the Depository at or prior to the Expiry Time at the applicable address specified in the accompanying Notice of Guaranteed Delivery; and

- (c) the certificate(s) representing the applicable Common Shares in proper form for transfer together with a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed with any required signature guarantees covering the deposited Common Shares and all other documents required by the Letter of Transmittal, are received by the Depository at the applicable address specified in the Notice of Guaranteed Delivery no later than 5:00 p.m. (Toronto time) on the third trading day on the TSX after the Expiry Time.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmission or mailed to the Depository at the applicable address specified in the Notice of Guaranteed Delivery and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery. **Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificates to any office other than such office of the Depository does not constitute delivery for purposes of satisfying a guaranteed delivery.**

General

The Offeror will, in its sole discretion, be entitled to determine finally all questions relating to acceptances of the Offer and to the withdrawal of Common Shares deposited thereunder, including, without limitation, the validity, form, eligibility, timely receipt, acceptance and effect of any deposit of Common Shares and/or withdrawal of Common Shares and the propriety of the completion and execution of any Letter of Transmittal or Notice of Guaranteed Delivery. Depositing Shareholders agree that such determinations by the Offeror will be final and binding. The Offeror reserves the absolute right to reject any and all deposits that it determines not to be in proper form or that may be unlawful to accept under the Laws of any jurisdiction. The Offeror reserves the absolute right to waive any defect or irregularity in the deposit or acceptance of any particular Common Shares or by any particular Shareholder. None of the Offeror, the Depository or any other person will be under any duty or obligation to give notice of any defect or irregularity in any deposit or acceptance nor will any of them incur any liability for failure to give such notice. The Offeror's interpretation of the terms and conditions of the Offer, including the Circular, the Letter of Transmittal, and the Notice of Guaranteed Delivery will be final and binding.

In all cases, payment for Common Shares deposited and taken up by the Offeror will be made only after timely receipt by the Depository of the certificate(s) representing the Common Shares and Letter of Transmittal or a manually executed facsimile thereof, properly completed and duly executed, covering such Common Shares with the signature(s) guaranteed in accordance with the instructions set out in the Letter of Transmittal and any other required documents.

The acceptance of the Offer pursuant to the procedures set forth above will constitute a binding agreement between the depositing Shareholder and the Offeror in accordance with the terms and conditions of the Offer.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than as set forth herein.

The method chosen to transmit certificate(s) representing Common Shares, Letters of Transmittal, Notices of Guaranteed Delivery and all other required documents is at the option and risk of the person depositing the same. The Offeror recommends that documents be delivered by hand to the Depository and a receipt obtained or, if mailed, that registered mail with return receipt requested be used and that proper insurance be obtained.

Shareholders whose Common Shares are registered in the name of an Intermediary and who wish to accept the Offer should contact their Intermediary for assistance in depositing the Common Shares under the Offer.

Dividends and Distributions

Subject to the terms and conditions of the Offer, and except as provided below, by accepting the Offer pursuant to the procedures set forth above, a Shareholder deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Common Shares covered by the Letter of Transmittal delivered to the Depository (the "Deposited Securities") and in and to all rights and benefits arising from such Deposited Securities, including any and all dividends, distributions, payments, securities, property or other interests which may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Securities or any of them on and after the date of the Offer, including any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "Distributions"). CAB has agreed in the Pre-Acquisition Agreement that until the Effective Time it will not, without the prior written consent of the Offeror, declare or make any distribution (in cash, securities or other property) in respect to any securities of CAB.

Power of Attorney

The execution of the Letter of Transmittal or Notice of Guaranteed Delivery irrevocably constitutes and appoints each officer of the Depository and each officer of the Offeror and any other person designated by the Offeror in writing, as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Common Shares covered by the Letter of Transmittal or Notice of Guaranteed Delivery with respect to Common Shares registered in the name of the Shareholder, on the securities register maintained by or on behalf of CAB and deposited pursuant to the Offer and purchased by the Offeror (the "Purchased Common Shares") and with respect to any and all dividends, interest, distributions, payments, securities, rights, warrants, assets or other interests (collectively "Other Securities") which may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Purchased Common Shares or any of them on or after May 12, 2010 (being the date of the Pre-Acquisition Agreement). See Section 13 of the Circular, "Dividends and Dividend Policy".

The power of attorney granted irrevocably upon execution of the Letter of Transmittal or Notice of Guaranteed Delivery shall be effective on or after the date that the Offeror takes up and pays for the Purchased Common Shares with full power of substitution and re-substitution (such powers of attorney, being coupled with an interest, being irrevocable), to, in the name of and on behalf of such Shareholder: (a) register or record the transfer or cancellation of Purchased Common Shares and Other Securities on the appropriate registers maintained by or on behalf of CAB; (b) vote, execute and deliver as and when requested by the Offeror, any instruments of proxy, authorization or consent in form and on terms satisfactory to the Offeror in respect of any Purchased Common Shares and Other Securities, revoke any such instrument, authorization or consent, or designate in any such instrument, authorization or consent, any person or persons as the proxyholder or proxy nominee or nominees of such Shareholder in respect of such Purchased Common Shares or Other Securities for all purposes including, without limitation, in connection with any meeting (whether annual, special or otherwise or any adjournment or postponement thereof) of holders of relevant securities of CAB; (c) execute and negotiate any cheques or other instruments representing any Other Securities payable to or to the order of, or endorsed in favour of a holder of Purchased Common Shares or Other Securities; (d) exercise any rights of a holder of Purchased Common Shares and Other Securities with respect to such Purchased Common Shares and Other Securities; and (e) execute all such further and other documents, transfers or other assurances as may be necessary or desirable in the sole judgment of the Offeror to effectively convey Purchased Common Shares and Other Securities to the Offeror, all as specified in the Letter of Transmittal or Notice of Guaranteed Delivery.

A Shareholder who executes a Letter of Transmittal agrees, effective on and after the date the Offeror takes up and pays for Purchased Common Shares, not to vote any of the Purchased Common Shares or Other Securities at any meeting (whether annual, special or otherwise or any adjournment or postponement thereof) of holders of Common Shares or holders of Other Securities and not to exercise any or all of the other rights or privileges attached to the Purchased Common Shares or Other Securities and agrees to execute and deliver to the Offeror, at any time and from time to time, as and when requested by, and at the expense of, the Offeror, any and all instruments of proxy, authorizations or consents, in form and on terms satisfactory to the Offeror, in respect of all or any of the Purchased Common Shares and Other Securities. A Shareholder who executes a Letter of Transmittal also agrees to designate in such instruments of proxy the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder in respect of the Purchased Common Shares or Other Securities. Upon such appointment, all prior proxies given by the holder of such Purchased Common Shares and Other Securities with respect thereto shall be revoked and no subsequent proxies may be given by such person with respect thereto.

Further Assurances

A Shareholder who executes a Letter of Transmittal covenants under the Letter of Transmittal to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Common Shares or Other Securities to the Offeror and acknowledges that all authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such Shareholder and shall, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

Release of CAB and Certain Persons and Cancellation of Options

By depositing Common Shares under the Offer and provided the Offeror takes up and pays for the deposited Common Shares, the depositing Shareholder: (i) releases and forever discharges CAB, the Offeror, and their respective Subsidiaries and present and former directors, officers and employees of and from all actions, causes of action, suits, claims, demands, and liabilities whatsoever, whether presently known or unknown, which the depositing Shareholder ever had, now has, or may thereafter have against such entities and persons, or any of them, for or by reason of, or in any way arising out of any cause, matter or thing arising prior to the Expiry Time (except that such release, insofar as it relates to directors, officers and employees of CAB and its Subsidiaries shall only extend to actions, causes of action, suits, claims, demands, and liabilities arising out of their conduct as directors, officers, and employees of CAB and its Subsidiaries), other than, in the case of the Offeror, actions, causes of action, suits, claims, demands, and liabilities arising out of or pursuant to the Offer; and (ii) cancels, irrevocably releases and waives all rights which the depositing Shareholder ever had, now has, or may thereafter have pursuant to all outstanding options and warrants to acquire Common Shares held by the depositing Shareholder which have not been exercised at or prior to the Expiry Time.

Depositing Shareholders' Representations and Warranties

All Shareholders depositing Common Shares pursuant to the Offer must have full power and authority to deposit, sell, assign and transfer the Common Shares to the Offeror. Shareholders depositing Common Shares pursuant to the Offer must have good title to their Common Shares free and clear of all liens, restrictions, charges, encumbrances, claims, adverse interests, equities and rights of other persons. The acceptance of the Offer pursuant to the procedures described above will constitute a binding

agreement between the depositing Shareholder and the Offeror upon the terms and subject to the conditions of the Offer, including the depositing Shareholder's representation and warranty that: (i) such person has full power and authority to deposit, sell, assign and transfer the Common Shares and Other Securities being deposited and all interests therein and has not sold, assigned or transferred or agreed to sell, assign or transfer any of such Common Shares and Other Securities (or interests therein) to any other person; (ii) such Shareholder depositing the Common Shares (and any Other Securities), or on whose behalf such Common Shares (and any Other Securities) are being deposited, has good title to and is the beneficial owner of the Common Shares (and any Other Securities) being deposited within the meaning of applicable securities and other Laws; (iii) the deposit of such Common Shares (and any Other Securities) complies with applicable securities Laws; and (iv) when such deposited Common Shares are taken up and paid for by the Offeror, the Offeror will acquire good title to the Common Shares (and any Other Securities) free and clear of all liens, restrictions, charges, encumbrances, claims, adverse interests, equities and rights of any other Persons.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer and subject to applicable Law, the Offeror shall have the right to withdraw or terminate the Offer and not take up, purchase or pay for, and shall have the right to extend the period of time during which the Offer is open for acceptance and postpone taking up and paying for, any Common Shares deposited under the Offer, unless all of the following conditions are satisfied or waived by the Offeror at or prior to the Expiry Time:

- (a) the Pre-Acquisition Agreement and the Lock-Up Agreement shall not have been duly terminated;
- (b) CAB shall have complied in all material respects with all of its covenants and agreements in the Pre-Acquisition Agreement (without giving effect to any materiality qualifiers therein), except to the extent that such breach(es), if capable of being remedied, is (or are) remedied by CAB within five Business Days from the date of breach, and, in such circumstances, the Expiry Time shall be extended for such five Business Day cure period;
- (c) each of the representations and warranties of CAB (without giving effect to any materiality qualifiers therein) provided in the Pre-Acquisition Agreement shall be true and correct as at the Expiry Time, except (with respect to representations the inaccuracy of which would not affect the legality of the Offer or the ability of the Offeror to complete the Transactions) to the extent that (i) any such breach(es) would not individually or in the aggregate result in a Material Adverse Effect (without giving effect to any "Material Adverse Effect" qualifications or other materiality qualifications therein), or (ii) such breach(es), if capable of being remedied, is (or are) remedied by CAB within five Business Days from the date of breach, and, in such circumstances, the Expiry Time shall be extended for such five Business Day cure period;
- (d) there shall not be in effect as at the Expiry Time, any cease trade order, injunction or other prohibition under applicable Laws which prohibits or makes illegal the taking up and paying for any Common Shares deposited under the Offer or the completion of the Transactions;
- (e) no Law shall have been enacted that would prohibit the Offeror from making the Offer or taking up or paying for any Common Shares deposited under the Offer or completing the Transactions;

- (f) there shall have been validly deposited under the Offer and not properly withdrawn at the Expiry Time that number of Common Shares which, together with the Common Shares held by the Offeror and its affiliates, constitutes at least 66 $\frac{2}{3}$ % of the Common Shares outstanding (calculated on a fully-diluted basis) (the “Minimum Tender Condition”);
- (g) the Board of Directors shall have not recommended approval or acceptance of an Alternative Transaction;
- (h) all outstanding options, warrants and other securities of CAB convertible or exchangeable for Common Shares shall have been exercised, cancelled, exchanged or otherwise terminated;
- (i) the Offeror shall have determined in its reasonable judgment that CAB has not adopted a shareholder rights plan that provides rights to the Shareholders to purchase any securities of CAB as a result of the Offer or Subsequent Acquisition Transaction;
- (j) the Offeror shall have determined in its sole discretion, acting reasonably, that there does not exist and there shall not have occurred since December 31, 2009 any change, condition, event, circumstance, development, occurrence or state of facts (or change, condition, event, circumstance, development, occurrence or state of facts involving a prospective change or effect) which is or may be or would have a Material Adverse Effect, excluding matters disclosed in writing to the Offeror and matters publicly disclosed;
- (k) all requisite third party consents that the Offeror, acting reasonably, may consider to be necessary as a result of the change of control of CAB pursuant to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction shall have been obtained on terms satisfactory to the Offeror;
- (l) the Regulatory Approvals and Notifications for the Offer and any Compulsory Acquisition or any Subsequent Acquisition Transaction shall have been obtained or made or concluded, each on terms and conditions satisfactory to the Offeror;
- (m) the Offeror shall have determined, in its sole discretion, acting reasonably, that there shall not have occurred or been threatened on or after the date of the Offer:
 - (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in Canada ;
 - (ii) any extraordinary or material adverse change in the financial markets or major stock exchanges in Canada or the United States or in the market price of the Common Shares;
 - (iii) any change in the general political, market, economic or financial conditions in Canada or the United States that could constitute a Material Adverse Effect;
 - (iv) any change to any tax, duty, custom or fiscal laws, regulations, administrative policies, rulings or proposals of any country or jurisdiction (including, without limitation, to the Tax Act or the regulations thereunder (including without limitation any proposal by the Minister of Finance (Canada) to amend the Tax Act or the regulations thereunder or any announcement, governmental or regulatory initiative, condition, event or development involving a change or a

prospective change to the Tax Act or the regulations thereunder), that could constitute a Material Adverse Effect; or

- (v) a declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States;
- (n) the Offeror shall have determined in its sole judgment that there are minimum gross cash resources in CAB of at least \$7.4 million at the Expiry Time, after payment of all costs, fees and expenses payable by CAB in connection with the Transactions, provided that such amount shall be increased by the net proceeds received by CAB upon the sale of any assets from and after May 12, 2010.

The foregoing conditions are for the sole benefit of the Offeror. The Offeror may, in the Offeror's sole discretion, waive any of the foregoing conditions with respect to the Offer in whole or in part at any time and from time to time in its sole discretion, without prejudice to any other rights which the Offeror may have. The failure by the Offeror at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, the waiver of any such right with respect to particular facts and other circumstances will not be deemed a waiver with respect to any other facts and circumstances, and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time by the Offeror.

Any waiver of a condition or the withdrawal of the Offer will be effective upon written notice, or other communication confirmed in writing, by the Offeror to that effect to the Depositary at its principal office in Toronto, Ontario. The Offeror, after giving any such notice, will make a public announcement of such waiver or withdrawal, will cause the Depositary, if required by law, as soon as practicable thereafter to notify the Shareholders, in the manner set forth in Section 9 of the Offer, "Notices and Delivery", and will provide a copy of the aforementioned public notice to the TSX. If the Offer is withdrawn, the Offeror will not be obligated to take up or pay for any Common Shares deposited under the Offer and the Depositary will promptly return all documents tendered to the Depositary under the Offer including certificates representing deposited Common Shares, Letters of Transmittal, Notices of Guaranteed Delivery and related documents to the parties by whom they were deposited. See Section 10 of the Offer, "Return of Common Shares".

Any determination by the Offeror concerning any events or other matters described in this Section 4 will be final and binding upon all parties for purposes of the Offer.

5. Extension, Variation or Change of the Offer

The Offer shall be open for acceptance until 5:00 p.m. (Eastern time) on the Expiry Date (the time at which the Offer initially expires being referred to as its "Initial Expiry Time"). The Offeror shall, subject to the terms and conditions hereof and of the Pre-Acquisition Agreement and subject to the Outside Date, extend the Initial Expiry Time if, on the date and at the time upon which the Offer is scheduled to expire, any of the conditions to the Offer described in section 4 above (other than as a result of an uncured breach by CAB) shall not have been waived by the Offeror or satisfied, until such time as such conditions to the Offer are waived by the Offeror or satisfied (the date and time at which the Offer, as it may be extended, expires being referred to as its "Extended Expiry Time") provided that the Offeror has determined in good faith that there is a reasonable prospect that such conditions will be satisfied by the Outside Date. The Extended Expiry Time shall be no later than the Outside Date.

The Offeror may not vary any term or condition of the Offer without the prior written consent of CAB, such consent not to be unreasonably withheld or delayed, provided that the Offeror may, without the consent of CAB: (i) extend the Expiry Date to a date not later than the Outside Date if any of the

conditions to the Offer shall not have been satisfied or waived by the Offeror; (ii) modify any term or condition of the Offer to comply with applicable Laws; (iii) waive any condition of the Offer for the benefit of the Offeror, other than the Minimum Tender Condition; or (iv) increase the consideration per Share (provided the form of consideration is not changed).

In connection with any such extension or variation the Offeror shall give written notice, or other communication confirmed in writing, of such extension or variation to the Depositary at its principal office in Toronto, Ontario and by causing the Depositary as soon as practicable thereafter to communicate such notice in the manner set forth in Section 9 of the Offer, "Notices and Delivery", to all Shareholders whose Common Shares have not been taken up pursuant to the Offer prior to the extension or variation. The Offeror will, as soon as possible after giving notice of an extension or variation to the Depositary, make a public announcement of the extension or variation and provide a copy of the notice thereof to the TSX. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario.

If the terms of the Offer are varied (other than a variation consisting solely of a waiver of a condition of the Offer), the Offer will not expire before 10 days after the notice of such variation has been given to Shareholders to whom an Offer is being made, unless otherwise permitted by applicable Law and subject to abridgement or elimination of that period pursuant to such orders as may be granted by Canadian courts or applicable securities regulatory authorities.

If, at any time before the Expiry Time, or at any time after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer and Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to whom the Offer is being made to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), the Offeror will give written notice of such change to the Depositary at its principal office in Toronto, Ontario and will cause the Depositary to provide as soon as practicable thereafter a copy of such notice in the manner set forth in Section 9 of the Offer, "Notices and Delivery" to all Shareholders whose Common Shares have not been taken up pursuant to the Offer at the date of the occurrence of the change, if required by applicable Law. The Offeror will, as soon as practicable after giving notice of a change in information to the Depositary, make a public announcement of the change in information and provide a copy of the public announcement to the TSX. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario.

During any such extension or in the event of any variation, all Common Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms hereof. An extension of the Expiry Time of the Offer or a variation of the Offer does not constitute a waiver by the Offeror of its rights under Section 4 of the Offer, "Conditions of the Offer".

If the consideration being offered for the Common Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose Common Shares are taken up under the Offer.

6. Payment for Deposited Common Shares

If, in respect of the Offer, all the conditions referred to under Section 4 of the Offer, "Conditions of the Offer" are satisfied or waived at the Expiry Time, the Offeror will become obligated to take up the Common Shares validly deposited under the Offer and not withdrawn not later than 10 days from the

Expiry Time of the Offer and will pay for the Common Shares taken up as soon as possible, but in any event not later than three Business Days after taking up the Common Shares. In accordance with applicable Law, the Offeror will take up and pay for Common Shares deposited under the Offer after the date on which it first takes up Common Shares deposited under the Offer within 10 days of such deposit. The Offeror will be deemed to have taken up and accepted for payment Common Shares validly deposited and not withdrawn pursuant to the Offer as, if and when the Offeror gives written notice to the Depository to that effect.

Subject to applicable Law, the Offeror expressly reserves the right in its sole discretion to delay taking up and paying for any Common Shares or to terminate the Offer and not take up or pay for any Common Shares pursuant to the Offer if any condition specified in Section 4 of the Offer, "Conditions of the Offer" is not satisfied or waived, by giving written notice thereof or other communication confirmed in writing to the Depository at its principal office in Toronto, Ontario. The Offeror also expressly reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Common Shares in order to comply, in whole or in part, with any applicable Law.

The Offeror will pay for Common Shares validly deposited under the Offer and not withdrawn by providing the Depository with sufficient funds (by wire transfer or other means satisfactory to the Depository) for transmittal to depositing Shareholders.

The Depository will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting payment to such persons, and receipt of payment by the Depository will be deemed to constitute receipt of payment by persons depositing Common Shares.

Under no circumstances will interest accrue or be paid by the Offeror or the Depository on the purchase price for Common Shares purchased by the Offeror to persons depositing Common Shares, regardless of any delay in making such payment.

Settlement with each Shareholder who has deposited Common Shares under the Offer will be made by the Depository forwarding to each such Shareholder a cheque, payable in Canadian funds, representing the cash to which the depositing Shareholder is entitled. Subject to the foregoing and unless otherwise directed by a Letter of Transmittal, cheques will be issued in the name of the registered holder of the Common Shares deposited. Unless the person depositing the Common Shares instructs the Depository to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, such cheque will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, such cheque will be sent to the address of the holder as shown on the register of Shareholders maintained by or on behalf of CAB. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing.

7. Withdrawal of Deposited Common Shares

Except as otherwise provided in this Section 7, all deposits of Common Shares pursuant to the Offer are irrevocable. Unless otherwise required or permitted by applicable Law, any Common Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder (i) at any time prior to the Expiry Time or (ii) if the Common Shares have not been paid for by the Offeror within three Business Days after having been taken up.

In addition, if:

- (a) there is a variation of the terms of the Offer before the Expiry Time (including any extension of the period during which Common Shares may be deposited thereunder or the

modification of a term or condition of an Offer, but excluding, unless otherwise required by applicable Law, a variation consisting solely of a waiver of a condition or conditions, or solely of an increase in the consideration offered under the Offer where the Expiry Time is not extended for a period greater than 10 days after notice of the variation has been delivered); or

- (b) a notice of change in respect of the information contained in the Offer and the accompanying Circular or if any subsequent notice of change or variation is delivered to persons whose Common Shares were not taken up at the date of the occurrence of the change;

then any Common Shares deposited under the Offer and not taken up and paid for by the Offeror at such time may be withdrawn by or on behalf of the depositing Shareholder at the place of deposit at any time until the expiration of 10 days after the date upon which the notice of such change or variation is mailed, delivered or otherwise communicated.

For any withdrawal to be made, notice of the withdrawal must be made in writing (which includes a facsimile communication or notice by electronic means that produces a printed copy) and must be actually received by the Depositary at the place of deposit within the period permitted for withdrawal. Any such notice of withdrawal must (i) be made by a method, including a facsimile transmission, that provides the Depositary with a written or printed copy, (ii) be signed by or on behalf of the person who signed the Letter of Transmittal (or Notice of Guaranteed Delivery) that accompanied the Common Shares to be withdrawn, and (iii) specify such person's name, the number of Common Shares to be withdrawn, the name of the registered holder and the certificate number, if any, shown on each certificate representing the Common Shares to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in the Letter of Transmittal (as described in the rules and instructions set out in such letter), except in those cases where the Common Shares were deposited for the account of an Eligible Institution. The withdrawal will take effect upon receipt by the Depositary of the properly completed notice of withdrawal. None of the Depositary, the Offeror or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or will incur any liability for failure to give such notification.

Withdrawals may not be rescinded and any Common Shares withdrawn will thereafter be deemed to be not validly deposited for purposes of the Offer. However, withdrawn Common Shares may be re-deposited no later than the Expiry Time by again following one of the procedures described in Section 3 of the Offer, "Manner of Acceptance". Once the Offeror accepts the deposited Common Shares for payment upon the expiration of the Offer (including the expiration of any extension thereof), Shareholders will no longer be able to withdraw them, except in accordance with applicable law.

If the Offeror extends the Offer, is delayed in taking up or paying for Common Shares or is unable to take up or pay for Common Shares for any reason, then, without prejudice to the Offeror's other rights, Common Shares deposited under the Offer may be retained by the Depositary on behalf of the Offeror and such Common Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as set forth in this Section 7 or pursuant to applicable Law.

In addition to the foregoing rights of withdrawal, Shareholders in certain provinces of Canada are entitled to statutory rights of rescission or to damages, or both, in certain circumstances. See Section 17 of the Circular, "Statutory Rights".

All questions as to the validity (including timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion, and such determination will be final and binding.

8. Market Purchases

The Offeror and its affiliates reserve the right to, and may, directly or indirectly, purchase Common Shares or other securities of CAB as permitted by applicable Law, including by making purchases through the facilities of the TSX at any time and from time to time before the Expiry Time. In no event will the Offeror or its affiliates make any purchases of Common Shares through the facilities of the TSX until the third clear trading day following the date of the Offer. The Offeror will issue and file on SEDAR a press release containing information prescribed by applicable Law forthwith after the close of business of the TSX on each day on which any such Common Shares have been purchased.

The Offeror intends to retain all Common Shares acquired pursuant to the Offer, however, if currently unanticipated circumstances arise in the future, it reserves the right, subject to compliance with applicable securities Laws, to make or enter into an arrangement, commitment or understanding prior to the Expiry Time to sell after the Expiry Time any Common Shares taken up and paid for under the Offer, although the Offeror has no current intention of doing so.

9. Notices and Delivery

Except as otherwise provided in the Offer and without limiting any other lawful means of giving notice, any notice to be given by the Offeror or the Depositary pursuant to the Offer will be deemed to have been properly given if it is mailed in Canada by first class mail, postage prepaid, to the Shareholders at their respective addresses as shown on the registers maintained by or on behalf of CAB and will be deemed to have been received on the first Business Day following the date of mailing, even if not actually received by the recipient. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail services in Canada following mailing. In the event of any interruption of mail service following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication in Canada. Except as otherwise required or permitted by Law, in the event of any interruption of or delay in mail service following mailing or if post offices in Canada are not open for the deposit of mail, any notice which the Offeror or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by Shareholders if a summary of the material provisions thereof is (i) given to the TSX for dissemination through its facilities, (ii) published once in the National Edition of *The Globe and Mail* or the *National Post*, or (iii) given to the Canada News Wire Service for dissemination through its facilities.

The Offer and Circular, Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to Shareholders or made available in such other manner as is permitted by applicable regulatory authorities and the Offeror will use its reasonable efforts to furnish such documents to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the Shareholder lists, or if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmission to beneficial holders of Common Shares when such list or listing is received.

Wherever the Offer calls for documents to be delivered to the Depositary, those documents will not be considered delivered unless and until they have been physically received at the address listed for the Depositary on the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable. Wherever the Offer calls for documents to be delivered to the office of the Depositary, those documents will not be considered delivered unless and until they have been physically received at the office at the address indicated on the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable.

10. Return of Common Shares

If for any reason any deposited Common Shares are not taken up and paid for pursuant to the terms and conditions of the Offer, certificates for Common Shares that are not purchased and any other relevant documents will be returned, at the expense of the Offeror to the depositing Shareholder as soon as practicable after the Expiry Time or withdrawal or early termination of the Offer.

Certificates and other relevant documents will be forwarded by first class mail in the name of and to the address specified by the Shareholder in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the Shareholder registers maintained by or on behalf of CAB.

11. Changes in Capitalization, Dividends, Distributions and Liens

Pursuant to the terms of the Pre-Acquisition Agreement CAB shall not, without the written consent of the Offeror, divide, reclassify, consolidate, convert, split, combine or otherwise change any of the Common Shares or its capitalization, declare or pay any dividend, pay any interest, or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Common Shares which is or are payable or distributable to Shareholders of record on a date which is prior to the date of the transfer to the name of the Offeror or its nominees or transferees on the transfer register maintained by or on behalf of CAB in respect of Common Shares accepted for purchase pursuant to the Offer.

If, on or after May 12, 2010 (being the date of the Pre-Acquisition Agreement), CAB should, with the consent of the Offeror, divide, reclassify, consolidate, convert, split, combine or otherwise change any of the Common Shares or its capitalization or shall disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion, make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amounts payable therefor), to reflect such division, reclassification, consolidation, conversion, split, combination or other change.

Common Shares acquired by the Offeror pursuant to the Offer shall be transferred to the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims, adverse interests, equities and rights of others and together with all rights and benefits arising therefrom including the right to all Other Securities which may be declared, paid, issued, accrued, distributed, made or transferred on or after May 12, 2010.

If, on or after May 12, 2010, CAB should, with the consent of the Offeror, declare or pay any dividend, pay any interest, or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Common Shares which is or are payable or distributable to Shareholders of record on a date which is prior to the date of the transfer to the name of the Offeror or its nominees or transferees on the transfer register maintained by or on behalf of CAB in respect of Common Shares accepted for purchase pursuant to the Offer, then without prejudice to the Offeror's rights under Section 4 of the Offer, "Conditions of the Offer": (a) in the case of a cash dividend, distribution or payment, the amount of the dividend, distribution or payment shall be received and held by the depositing Shareholders for the account of the Offeror until the Offeror pays for such Common Shares, and to the extent that such dividend, distribution or payment does not exceed the cash purchase price per Common Share payable by the Offeror pursuant to the Offer, the cash purchase price per Common Share pursuant to the Offer will be reduced by the amount of such dividend, distribution or payment; (b) in the case of a non-cash dividend, distribution, payment, right or other interest, the whole of any such non-cash dividend, distribution, payment, right or other interest shall be received and held by the depositing Shareholders for the account of the Offeror and shall be required to be promptly remitted and

transferred by the depositing Shareholders to the Depository for the account of the Offeror, accompanied by appropriate documentation of transfer; and (c) in the case of any cash dividend, distribution or payment in an amount that exceeds the cash purchase price per Common Share payable by the Offeror pursuant to the Offer, the whole of such cash dividend, distribution or payment shall be received and held by the depositing Shareholders for the account of the Offeror and shall be required to be promptly remitted and transferred by the depositing Shareholders to the Depository for the account of the Offeror, accompanied by appropriate documentation of transfer.

Pending such remittance, the Offeror will be entitled to all rights and privileges as owner of any such dividend, distribution, payment, right or other interest and may withhold the entire purchase price payable by the Offeror pursuant to the Offer or deduct from the purchase price payable by the Offeror pursuant to the Offer the amount or value of the dividend, distribution, payment, right or other interest, as determined by the Offeror in its sole discretion. The declaration or payment of any such dividend or distribution may have tax consequences not discussed under Section 16 of the Circular, "Material Canadian Federal Income Tax Considerations".

12. Mail Service Interruption

Notwithstanding the provisions of the Offer, the Circular, the Letter of Transmittal or the Notice of Guaranteed Delivery, cheques, certificates and any other relevant documents may not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to cheques, certificates or any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depository to which the deposited certificates for Common Shares were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror will provide notice of any such determination not to mail made under this Section 12 as soon as reasonably practicable after the making of such determination and in accordance with Section 9 of the Offer, "Notices and Delivery". The deposit of cheques and certificates with the Depository in such circumstances will constitute delivery to the persons entitled thereto and the Common Shares will be deemed to have been paid for immediately upon such deposit at the office of the Depository at which the Common Shares were deposited.

13. Other Terms of the Offer

The Offeror reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates, the right to purchase all or any portion of the Common Shares deposited pursuant to the Offer, but any such transfer or assignment will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing Common Shares to receive prompt payment for Common Shares validly deposited and taken up pursuant to the Offer.

The Offer and all contracts resulting from acceptance of the Offer will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each party to an agreement resulting from the acceptance of an Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

No broker, dealer or other person (including the Depository) has been authorized to give any information or to make any representation or warranty on behalf of the Offeror or any of its affiliates in connection with the Offer other than as contained in the Offer and Circular, the Letter of Transmittal and Notice of Guaranteed Delivery and, if any such information, representation or warranty is given or made, it must not be relied upon as having been authorized.

The Offeror, in its sole discretion, will be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawal of Common Shares.

The provisions of the Circular, Letter of Transmittal and Notice of Guaranteed Delivery accompanying the Offer, including the rules and instructions contained therein, as applicable, are incorporated into and form part of the terms and conditions of the Offer.

Where the Offer provides that the time for the taking of any action, the doing of any thing or the end of any period, expires or falls upon a day that is not a Business Day, the time shall be extended and action may be taken, the thing may be done or the period shall end as the case may be, on the next Business Day.

The Offer and the accompanying Circular constitute the take-over bid circular required under Canadian provincial securities legislation with respect to the Offer. Shareholders are urged to refer to the accompanying Circular and Directors' Circular for additional information relating to the Offer, CAB and the Offeror.

Dated: June 3, 2010

1535633 ALBERTA LTD.

CENTURY SERVICES LP

By Its General Partner

Century Services Inc.

Per: (Signed) BRUCE MACLENNAN
President

Per: (Signed) BRUCE MACLENNAN
President

CIRCULAR

This Circular is furnished in connection with the accompanying Offer dated June 3, 2010 by the Offeror to purchase all of the outstanding Common Shares, including Common Shares that may become outstanding on the exercise of conversion or exchange rights. The terms and provisions of the Offer, Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Terms defined in the Offer and the Glossary and not otherwise defined in this Circular shall have the respective meanings given thereto in the Offer and the Glossary, unless the context otherwise requires.

The information concerning CAB contained in this Circular has been taken from or is based upon publicly available information filed with Canadian securities regulators and other public sources available at the time of the Offer and information provided to the Offeror by CAB. Although the Offeror has no knowledge that would indicate that any statements contained herein relating to CAB taken from, or based upon, such documents and records are untrue or incomplete, none of the Offeror or any of its respective officers or directors assumes any responsibility for the accuracy or completeness of the information relating to CAB taken from, or based upon, such documents and records, or for any failure by CAB to disclose events which may have occurred or may affect the significance or accuracy of any such information, but which are unknown to the Offeror.

All currency amounts expressed herein, unless otherwise indicated, are in Canadian dollars.

1. The Offeror

The Offeror is a wholly-owned subsidiary of Century, an Alberta limited partnership. Century provides diversified financial services, including asset-based lending, specialized financial services, asset appraisals, and asset-to-cash recovery strategies, to companies and their advisors. Century has offices in Vancouver, Los Angeles, Calgary, Grande Prairie, Edmonton, Winnipeg, Toronto, Montreal, and Chicago.

The Offeror's corporate head office is located at 105 10th Avenue SE, Suite 200, Calgary, Alberta, T2G 0V8 and its registered office is located at 100, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

2. CAB

CAB was incorporated under the *Business Corporations Act* (Alberta) on March 29, 2005 under the name "Master Mines and Metals Inc." and by articles of amendment, changed its name on April 19, 2005 to Master West Resources Inc., then on April 27, 2005 changed its name to Masthead Resources Inc. and finally on January 17, 2006 changed its name to C.A. Bancorp Inc.

C.A. Bancorp is a publicly traded Canadian merchant bank and alternative asset manager that provides investors with access to a range of private equity and other alternative asset class investment opportunities. C.A. Bancorp is focused on investments in small- and middle-capitalization public and private companies, with emphasis on industrial, real estate, infrastructure and financial services sectors.

CAB's head office is located at The Exchange Tower, 130 King St. West, Suite 2810, Toronto, Ontario, M5X 1A4. The address of CAB's registered office is 3700 Canterra Tower, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

The authorized share capital of CAB consists of an unlimited number of Common Shares, an unlimited number of Class A preference shares issuable in series, an unlimited number of Class B preference shares issuable in series and an unlimited number of Class C preference shares issuable in series, all without par value. The board of directors of CAB will fix the provisions attached to each series of preference shares before issuance, including dividend, redemption and voting rights. In respect to dividends and return of capital, the Class A preference shares rank ahead of the Class B preference shares, which rank ahead of the Class C preference shares. The Class A preference shares, Class B preference shares and Class C preference shares rank ahead of the Common Shares in respect to dividends and return of capital. As of March 31, 2010, CAB had approximately 26,736,773 Common Shares outstanding (and as at December 31, 2010, 1,157,500 outstanding Options providing for the issuance of Common Shares upon the exercise thereof) and no Class A preference shares, Class B preference shares or Class C preference shares outstanding.

The Common Shares are listed and posted for trading on the TSX under the symbol "BKP".

CAB is subject to the information and reporting requirements of the securities laws of all provinces and territories of Canada and the rules of the TSX. In accordance therewith, CAB is required to file reports, financial statements and other information with certain Canadian securities regulators and with the TSX relating to its business, financial condition and other matters. Information as of particular dates concerning CAB's directors and officers, their remuneration, their indebtedness, if any, to CAB, the principal holders of securities and any material interests of such persons in transactions with CAB and other matters are all required to be disclosed in proxy statements distributed to shareholders and filed with Canadian securities regulators and with the TSX and may be inspected at CAB's offices, as filed with Canadian securities regulators at www.sedar.com or through the facilities of the TSX.

Pursuant to the provisions of the securities laws of particular provinces of Canada, the directors of CAB must send a circular to all Shareholders in connection with the Offer, which circular, together with other information, must disclose any material changes in the affairs of CAB subsequent to the date of the most recently published financial statements of CAB. See the accompanying Directors' Circular.

3. Background to the Offer

In January of 2010, management of Century, the parent of the Offeror, became aware that CAB was entertaining offers regarding a potential acquisition transaction with CAB. In the view of Century's management, CAB's business is a strategic fit with Century's existing financial services businesses.

During the week of January 7, 2010, a representative of management of Century contacted the President of CAB to inquire about entering into a potential transaction with CAB and was advised to contact CAB's financial advisor, CIBC World Markets Inc. ("CIBC"), which had developed a process for dealing with interested parties and potential offers.

On or about January 11, 2010, management of Century contacted CIBC to express its interest in considering a proposal and on January 12, 2010, CIBC sent a letter to Century ("CIBC Letter 1") which set out a process comprised of two phases, the first phase consisting of the provision of an information package to an interested party followed by the tendering of preliminary proposals in respect of potential transactions. Based on preliminary proposals received, the second phase of the process would involve a selection by CAB of candidates which would be invited by CAB to conduct more detailed due diligence on CAB (following execution of a confidentiality agreement) and then to submit a binding offer to CAB.

On or about January 15, 2010, management of Century submitted to CIBC a preliminary non-binding letter expressing Century's interest in acquiring the outstanding shares of CAB by means of a take-over bid for cash. Management of Century was provided with a confidentiality agreement which Century executed and returned to CIBC on or about January 19, 2010. Thereafter, Century was given access to a CAB data room for the purpose of conducting due diligence on CAB. In the course of conducting due diligence, management of Century met with management of CAB.

By e-mail dated January 29, 2010, and confirmed by letter dated February 2, 2010 to CIBC, management of Century outlined the basic terms under which Century would be prepared to acquire the outstanding shares of CAB for cash consideration.

On February 24, 2010 CIBC sent a further letter to Century ("CIBC Letter 2") in which Century was given access to additional due diligence information on CAB and was invited to participate in phase 2 of the process in order that Century would be in a position to submit a binding offer subject to confirmatory due diligence.

Further to CIBC Letter 2 Century submitted a proposal by letter dated March 12, 2010 (the "Century Proposal") to CIBC in which Century set out the general terms of a proposed transaction that it would be prepared to offer to CAB, including that Century was contemplating an all-cash take-over bid offer for all of the outstanding Common Shares, the bid would be subject to certain conditions, among them that at least two-thirds of outstanding shares of CAB would be tendered to the bid, payment of a break fee of \$1.5 million in certain circumstances, a standstill from CAB with respect to soliciting offers and that Century needed additional time for further due diligence on CAB's private investments.

Following the submission of the Century Proposal, management of Century conducted further due diligence on CAB, its subsidiaries and investee companies. Due to confidentiality agreements between CAB and its private investee companies, the amount of information available to Century in respect of certain of CAB's private investments was limited. On or about March 23, 2010 CAB submitted a letter agreement to Century pursuant to which CAB agreed that it would not negotiate with any party other than Century in respect to a proposed transaction until March 30, 2010 (the "Exclusivity Agreement"). Century signed and delivered the Exclusivity Agreement to CAB on or about March 26, 2010 and subsequently obtained CAB's verbal commitment to extend the period of exclusivity beyond March 30, 2010. On or about March 30, 2010 the Exclusivity Agreement was extended in writing in order to allow CAB and Century an opportunity to negotiate and sign a pre-acquisition agreement which would commit Century to making a definitive take-over bid offer to the CAB shareholders.

After delivering the Exclusivity Agreement to CAB, management of CAB met with management of Century on at least two occasions to discuss due diligence issues. During this time management of Century also discussed the terms of the proposed take-over bid offer with representatives of the Board of Directors and discussed with the Locked-Up Shareholder, John F. Driscoll, the terms under which he might commit to tendering the shares of CAB which he owned, and over which he exercised control or direction, to the proposed take-over bid offer.

Between March 23 and May 12, 2010, Century, CAB, the Locked-Up Shareholder and their respective advisors negotiated the terms of the Pre-Acquisition Agreement and the Lock-Up Agreement. These agreements were finalized and executed after close of business on May 12, 2010, and promptly thereafter the Offer was publicly announced by a press release issued by CAB.

4. Reasons to Accept the Offer

Management of the Offeror believes that the Offer represents significant value for Shareholders and that Shareholders should consider the following reasons, among others, in deciding to accept the offer:

Premium Offer Price

The Offer represents a premium of approximately 8.7% over the last trading price of the Common Shares on the TSX prior to the May 13, 2010 public announcement of the Offeror's intention to make the Offer, and a premium of approximately 9.6% over the volume weighted average closing price of the Common Shares on the TSX for the 30 trading days preceding and including May 12, 2010. The \$1.50 cash offer for the Common Shares also represents a premium of approximately 35% over the last closing price on the TSX for the Common Shares prior to the December 3, 2009 public announcement of the take-over bid offer by Maxam Acquisition Corporation and an approximate 46% premium over the volume weighted average closing price of the Common Shares on the TSX for the 30 days prior to such announcement.

Cash Offer

The Offer is an all cash offer, providing immediate liquidity to Shareholders irrespective of the number of Common Shares held, and will not be subject to brokerage fees or commissions.

Best Offer Following Extensive Search

The Offer is the result of an extensive process undertaken by CAB, including the engagement of CIBC, the solicitations of interest from potential parties, and the review of proposals received prior to the Offer and therefore represents the best available cash option for Shareholders.

Offer is Superior to Alternative (Liquidation of Assets) Proposed by CAB Board

CAB has indicated in its press release of May 13, 2010 and in the Directors' Circular that if the Offer is not successfully completed the Board of Directors intends to liquidate CAB's assets and distribute the proceeds to Shareholders (the "Liquidation Strategy"). The Board of Directors has noted that, as compared to the Offer, the Liquidation Strategy could result in less value to the Shareholders and presents significant risks to the Shareholders, including: (i) the risk of significant transaction costs associated with the proposed sales of assets of CAB which would reduce the proceeds available for distribution to Shareholders, (ii) the risk that the realizable value of the CAB assets, which are in part comprised of minority equity interests, and debt instruments, issued by private companies, may be subject to a discount, especially in light of the Board of Directors' stated objective to pursue an accelerated liquidation of assets. Based on CAB's March 31, 2010 financial statements approximately 48% of CAB's net book value per share is comprised of CAB's minority equity interests, and debt instruments, issued by private companies, (iii) in addition to CAB's minority equity interests, and debt instruments, issued by private companies, approximately 23% of CAB's net book value is invested in minority interests in managed entities. There is a risk that the realizable value of CAB's interest in such managed entities would be less than the book value of such interests, especially in light of the Board of Directors' stated objective to pursue an accelerated liquidation of assets, (iv) the risk that CAB may not be able to sell some or all of its minority interests in private companies in a timely fashion, if at all, (v) the risk that it may take a significant amount of time to sell the assets of CAB and therefore a significant amount of time for Shareholders to receive distributions of the proceeds from the sale of such assets, (vi) the risk that accelerated liquidation of CAB's assets, which is part of the Liquidation Strategy proposed by the Board of Directors, may result in proceeds which are less than the net asset values or the amounts due or expected on the assets' normal realization schedules, and (vii) the risk that while CAB executes the

Liquidation Strategy, which the Directors' Circular indicates may span a 2 year period, the cost of maintaining CAB's status as a reporting issuer listed on the TSX could materially reduce the proceeds available for distribution to Shareholders. The Directors' Circular also outlines various risks associated with pursuing the Liquidation Strategy

Offer Supported by Significant Shareholder/Chairman of CAB

John F. Driscoll, a director and the Chairman of CAB, who beneficially owns or exercises control or direction over 3,467,176 Common Shares, comprising approximately 13% of the outstanding Common Shares of CAB on a non-diluted basis, has endorsed the Offer by entering into the Lock-Up Agreement pursuant to which he has agreed to tender to the Offer all of the Common Shares which he beneficially owns or over which he exercises control or direction.

Recent Changes to Key Management Personnel

CAB indicated in its Press Release of May 18, 2010 and in the Directors' Circular that its President and its Chief Financial Officer, who played fundamental, formative roles in the development and management of CAB, had left their respective positions with CAB and with CAB's subsidiaries. This recent departure of key management personnel could have a negative impact on the performance of CAB, its ability to dispose of its assets in a timely manner, and could have a negative impact on the price of CAB's Common Shares, at least in the near term.

5. Agreements Relating to the Offer

Confidentiality Agreement

On January 19, 2010, CAB entered into the Confidentiality Agreement with the Offeror. The Confidentiality Agreement contains customary provisions, including provisions whereby the Offeror and its affiliates agreed to (i) keep confidential information concerning CAB disclosed to them; and (ii) certain "standstill" provisions.

Pre-Acquisition Agreement

On May 12, 2010, the Offeror and CAB entered into the Pre-Acquisition Agreement. The Pre-Acquisition Agreement sets forth the terms and conditions under which the Offeror agreed to make the Offer and the agreement by CAB to take, or refrain from taking, certain actions in response to the Offer. The Pre-Acquisition Agreement also establishes the conditions of the Offer, which are set forth in Section 4 of the Offer, "Conditions of the Offer". The following is a summary of the principal terms and conditions of the Pre-Acquisition Agreement. This summary is qualified in its entirety by the full text of the Pre-Acquisition Agreement filed by CAB with the Canadian securities regulatory authorities, which is available at www.sedar.com.

Modification or Waiver of Terms of Offer

The Offeror and CAB have agreed in the Pre-Acquisition Agreement that the Offeror may not modify any term or condition of the Offer without the prior written consent of CAB, such consent not to be unreasonably withheld or delayed; provided that the Offeror may, without the prior consent of CAB: (i) extend the Expiry Date if, on the Expiry Date, any of the conditions to the Offer shall not be satisfied or waived by the Offeror; (ii) modify any term or condition of the Offer to comply with applicable laws; (iii) waive any condition of the Offer for the benefit of the Offeror, or (iv) increase the consideration per Common Share (provided the form of consideration is not changed).

Designation of Directors

CAB has agreed that immediately following the acquisition by the Offeror pursuant to the Offer of at least 66 $\frac{2}{3}$ % of the outstanding Common Shares (on a fully diluted basis), if so requested by the Offeror CAB shall use its commercially reasonable efforts to facilitate: (a) the reconstitution of the board of directors of CAB through resignations of some or all, as applicable, of the members thereof (upon receipt by each member of a full release and discharge of him or her from CAB and evidence of certain insurance coverage of him or her as contemplated by the Pre-Acquisition Agreement and execution by such members of a reciprocal release and discharge in favour of CAB) and the appointment of nominees of the Offeror in their stead, and (b) the replacement of CAB's nominees on the boards of directors of Charter Real Estate Investment Trust and/or C.A. Bancorp Canadian Realty Finance Corporation.

Conduct of Business by CAB

Pursuant to the Pre-Acquisition Agreement, CAB has agreed that it will, and will cause its Subsidiaries to, conduct its and their respective businesses only in, and not take any action except in, the ordinary course of business, unless the Offeror shall otherwise consent in writing, such consent not to be unreasonably withheld or delayed, and except (i) as otherwise expressly permitted or contemplated by the Pre-Acquisition Agreement, (ii) as otherwise required by applicable law, or (iii) as otherwise disclosed in the Disclosure Letter. CAB has also agreed to use commercially reasonable efforts to maintain and preserve its business organization, goodwill and assets and to keep available the services of its officers and employees subject to the foregoing exceptions. In addition, CAB has agreed not to, and to cause its Subsidiaries not to: (a) amend their Constatng Documents; (b) issue, sell or pledge, or agree to issue, sell or pledge, any shares or other securities, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares; (c) redeem, purchase or otherwise acquire any of its outstanding Common Shares or other securities; (d) split, combine or reclassify any of its shares; (e) adopt a plan of liquidation or resolutions providing for liquidation, dissolution, merger or consolidation; (f) amalgamate or merge with any other Person; (g) reduce its stated capital; (h) declare or make any distribution (in cash, securities or other property) in respect of any securities; (i) enter into or modify any contract to do any of the foregoing; or (j) terminate the employment of any executive of CAB or of a Material Subsidiary of CAB.

The Pre-Acquisition Agreement also precludes CAB and its subsidiaries from directly or indirectly doing any of the following except in the ordinary course: (a) sell, pledge, dispose of or encumber any assets with a value, individually or in the aggregate, of more than \$250,000 except as previously disclosed in writing to the Offeror; (b) acquire (by merger, amalgamation, consolidation, acquisition of shares or assets or otherwise) another Person or division thereof or make any investment, whether by purchase of shares or securities, contribution of capital (other than to wholly-owned Subsidiaries), property transfer or purchase of any property or assets of any other Person or division thereof, in each case, with a market price of, individually or in the aggregate, more than \$250,000; (c) incur any indebtedness for borrowed money or any other material liability or obligation, or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other Person (other than CAB or one of its Subsidiaries) or make any loans or advances, except (i) in the ordinary course of business; or (ii) with respect to any extension, renewal, replacement (or successive extensions, renewals or replacements) in whole or in part of any existing indebtedness; (d) expend or commit to expend any amounts with respect to capital expenditures except as required or recommended by a Governmental Authority; (e) pay, discharge or satisfy any material claims, liabilities or obligations other than any payment, discharge or satisfaction reflected or reserved against in the Financial Statements; and (f) except as disclosed to the Offeror prior to the execution and delivery of the Pre-Acquisition Agreement, enter into or modify any Contract to do any of the foregoing.

CAB also agreed to: (a) not take any action that would, or would reasonably be expected to, render untrue any representation or warranty made by it in the Pre-Acquisition Agreement; (b) subject to compliance with its obligations under applicable laws or with third parties, promptly notify the Offeror orally and in writing of any material change in the normal course of the business, operations or properties of it or any of its Subsidiaries and of any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) that, individually or in the aggregate, could result in a Materially Adverse Effect on CAB or any of its Subsidiaries, (c) cause the current insurance policies of CAB not to be cancelled or terminated or any of the coverage thereunder to lapse, unless concurrently with such termination, cancellation or lapse, replacement policies are obtained providing coverage similar to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums, (d) not create any Officer Obligations and CAB and its Subsidiaries shall not grant to any director, officer, or employee an increase in compensation in any form, make any loan to any Director, officer, director or Employee, or take any action with respect to the grant of any severance or termination pay arising from the Offer or a change of control of CAB or enter into any employment agreement with, any director, officer, or employee, or enter into any other agreement with respect to any increase of benefits payable under its current severance or termination pay or any other policies, and (e) not adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan for the benefit of employees or consultants to CAB or its Subsidiaries.

Non-Solicitation

CAB agreed, among other things, pursuant to the Pre-Acquisition Agreement that except as otherwise provided in the Pre-Acquisition Agreement, CAB (or, in the case of (i), its Board of Directors) shall not, directly or indirectly, (i) recommend acceptance or approval of an Alternative Transaction, (ii) solicit or initiate any inquiries or proposals regarding an Alternative Transaction, (iii) participate in any discussions or negotiations with any Person regarding an Alternative Transaction, (iv) provide any confidential information relating to CAB or any of its Subsidiaries to any Person in connection with an Alternative Transaction, (v) approve or recommend, or propose publicly to approve or recommend, any Alternative Transaction, or (vi) accept or enter into any agreement, understanding or arrangement in respect of an Alternative Transaction.

CAB has also agreed not amend, modify or waive any provisions of any confidentiality and/or standstill agreement, including standstill provisions, entered into by CAB with any other Person, and to take commercially reasonable steps to enforce the said standstill commitments.

Notwithstanding the foregoing or any other provision of the Pre-Acquisition Agreement, if CAB receives a request for material non-public information from a Person(s) who propose(s) a *bona fide* Alternative Transaction that was not solicited after the date of the Pre-Acquisition Agreement in contravention of the aforementioned non-solicitation provisions, CAB may (directly or through its agents): (a) contact the Person(s) making such proposal and its agents for the purpose of clarifying such proposal and any material terms thereof and the conditions to and likelihood of consummation so as to determine whether such proposal is, or is reasonably likely to lead to, a Superior Proposal; and (b) if, in the opinion of the board of directors of CAB, the proposal is, or is reasonably likely to lead to, a Superior Proposal: (i) furnish information with respect to CAB and its Subsidiaries to such Person(s) only after such Person(s) enter(s) into a confidentiality agreement (if one has not already been entered into); provided that (A) such confidentiality agreement may not include any provision calling for an exclusive right to negotiate with CAB and may not prohibit CAB from providing the information required by the Pre-Acquisition Agreement to be provided to the Offeror regarding any Alternative Transaction; and (B) CAB promptly provides access to the Offeror to all non-public information delivered to such Person(s) that has not previously been made available to the Offeror; (ii) consider and/or participate in discussions

or negotiations with such Person(s) regarding such Alternative Transaction; and (iii) subject to the provisions of the Pre-Acquisition Agreement relating to the receipt of a Superior Proposal, including providing the Offeror with a copy of the Superior Proposal, accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal.

The Board of Directors is not prohibited from responding through a directors' circular or otherwise as required by applicable law to an Alternative Transaction, proposal provided that the Offeror and its counsel are given a reasonable opportunity to review and comment on the form and content of such disclosure.

Superior Proposal

CAB is required to promptly notify the Offeror, at first orally and then in writing, of any Superior Proposal received by it, of which any of its directors or officers are or become aware, or any amendments thereto and a description of the material terms and conditions together with a copy thereof.

CAB has agreed that it will not accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal (other than a confidentiality agreement permitted by the Pre-Acquisition Agreement) unless: (a) CAB has complied with its covenants under the Pre-Acquisition Agreement and has provided the Offeror with a copy of the Superior Proposal; and (b) a period (the "Response Period") of five Business Days shall have elapsed from the date on which the Offeror received written notice from the Board of Directors that the Board of Directors has determined, subject only to compliance with the agreements described in this paragraph, to accept, approve, recommend or enter into a binding agreement to proceed with the Superior Proposal.

Right to Match Superior Proposal

During the Response Period, the Offeror will have the right, but not the obligation, to offer to amend in writing the terms of the Offer. The board of directors of CAB will review any such written amendment to determine whether the Alternative Transaction to which the Offeror is responding would continue to be a Superior Proposal when assessed against the Offer as it is proposed by the Offeror as amended. If the board of directors of CAB does not so determine, the board of directors of CAB will cause CAB to enter into an amendment to the Pre-Acquisition Agreement reflecting the offer by the Offeror to amend the terms of the Offer. If the board of directors of CAB does so determine, CAB may approve, recommend, accept or enter into an agreement, understanding or arrangement to proceed with the Superior Proposal. Each successive amendment to any Alternative Transaction that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders shall constitute a new Alternative Transaction and the Offeror shall be afforded a new Response Period in respect of each such Alternative Transaction.

Termination of the Pre-Acquisition Agreement and Termination Expense

The Pre-Acquisition Agreement (other than certain provisions which survive termination) may be terminated as follows:

- (a) by mutual consent of the Offeror and CAB;
- (b) by CAB: (i) if the Offeror shall not have performed any covenant to be performed by it under the Pre-Acquisition Agreement (unless such non-performance or breach, if capable of being remedied, is remedied by the Offeror within the lesser of 10 days from the date of notice of termination from CAB and the number of days remaining before the Outside

Date) or if any representation or warranty of the Offeror shall have been or become untrue to the extent that the failure of such representation or warranty to be true or correct shall have a Material Adverse Effect on the Offeror and/or the Offeror's ability to consummate the Offer; (ii) if (A) the Offer has not been made by the Initial Mailing Time or the Extended Mailing Time, as the case may be; (B) the Offer (or any amendment thereto other than as permitted under the Pre-Acquisition Agreement or any amendment thereof that has been mutually agreed to by the Parties) does not conform in all material respects with the Pre-Acquisition Agreement, including the conditions which are contained in Schedule "B" thereto (see "The Offer – Conditions of the Offer") or any amendment thereof that has been mutually agreed to by the Parties; or (C) the Offer has been terminated, withdrawn or expires without the Common Shares being taken up thereunder; or; (iii) in order to enter into a binding written agreement with respect to a Superior Proposal (other than a confidentiality agreement permitted by the Pre-Acquisition Agreement);

- (c) by the Offeror: (i) prior to the mailing of the Circular, if any condition contained in Section 2.2 ("Conditions to Making of the Offer") of the Pre-Acquisition Agreement is not satisfied or waived by the Offeror; (ii) if CAB shall not have performed any covenant to be performed by it under the Pre-Acquisition Agreement (unless such non-performance or breach, if capable of being remedied, is remedied by CAB within the lesser of 10 days from the date of notice of termination from the Offeror and the number of days remaining before the Outside Date) or if any representation or warranty of CAB shall have been or become untrue to the extent that the failure of such representation or warranty to be true or correct shall have a Material Adverse Effect on the Offeror and/or the Offeror's ability to consummate the Offer; or (iii) if the Board of Directors shall have approved or recommended an Alternative Transaction or accepted or entered into a binding agreement, understanding or arrangement in respect of an Alternative Transaction (other than a confidentiality agreement permitted by the Pre-Acquisition Agreement); and
- (d) by either CAB or the Offeror: (i) if any court of competent jurisdiction or other Governmental Authority of competent jurisdiction shall have issued an order or taken any other action permanently enjoining or otherwise prohibiting the making or completion of the Offer or the consummation of the transactions contemplated by the Offer and such order or other action shall have become final and non-appealable; (ii) if the Expiry Date does not occur on or prior to the Outside Date (including as a consequence of the failure of one or more conditions to the Offer being satisfied or waived), provided that the failure of the Expiry Date to so occur is not the result of the breach of a representation, warranty, agreement or covenant by the Party terminating the Pre-Acquisition Agreement; in each case prior to the Effective Time.

If the Pre-Acquisition Agreement has been terminated: (a) by CAB in order to enter into a binding written agreement with respect to a Superior Proposal; (b) by the Offeror if the Board of Directors have approved or recommended an Alternative Transaction or entered into a binding agreement, understanding or arrangement in respect of an Alternative Transaction; (c) a Superior Proposal is publicly disclosed prior to the termination of the Pre-Acquisition Agreement; or (d) by the Offeror if CAB shall not have performed any material covenant under the Pre-Acquisition Agreement or if the Expiry Date does not occur on or prior to the Outside Date due to the failure of the Offer to meet the Minimum Tender Condition, in either case in circumstances where the Board of Directors has issued a directors' circular, or an amendment thereto, or made any public disclosure, recommending rejection of the Offer, then CAB will pay the Offeror a break fee of \$1,500,000 (which includes the Offeror's out-of-pocket expenses including due diligence consultants, legal and investment banking fees) within 5 business days.

If the Pre-Acquisition Agreement is terminated (a) because the Expiry Date did not occur on or before the Outside Date due to the failure of the Offer to meet the Minimum Tender Condition (other than in the circumstances where the Board of Directors has recommended the rejection of the Offer); (b) due to non-performance by CAB of a material covenant; or (c) on the basis of certain breaches of any representation or warranty of CAB then, subject to certain exceptions, CAB shall pay to the Offeror the sum of \$250,000 in immediately available funds (the “Expense Reimbursement Amount”).

Officers’ and Directors’ Insurance, Indemnification

The Offeror has agreed that for the period from the Effective Time until six years after the Effective Time, the Offeror shall use commercially reasonable efforts to cause CAB and its Subsidiaries (or any successors thereof) to maintain the current directors’ and officers’ insurance policies or policies reasonably equivalent thereto, provided that without detracting from the foregoing, the insurance shall contain terms and conditions no less advantageous to the directors and officers of CAB and its Subsidiaries than those contained in the policies in effect on the date of the Pre-Acquisition Agreement, for all directors and officers of CAB and its Subsidiaries at the Effective Time and former directors and officers of CAB and its Subsidiaries, covering claims made prior to or within six years after the Expiry Time. Alternatively, CAB may purchase as an extension to CAB’s current insurance policies, pre-paid non-cancellable run-off directors and officers’ liability insurance providing such coverage for such Persons on terms comparable to those contained in the current insurance policies. The Offeror also has agreed that after the expiration of such six-year period, it will use reasonable efforts to cause such directors and officers to be covered under its then existing directors’ and officers’ insurance policies.

The Offeror also agreed that, from and after the Effective Time, it shall, and shall cause CAB and its Subsidiaries (or any successors thereof) to keep the current indemnity agreements in place for all directors and officers of CAB and its Subsidiaries at the Effective Time and former directors and officers of CAB and its Subsidiaries (or any successors thereof), and the Offeror shall cause CAB and its Subsidiaries (or any successors thereof) jointly and severally to indemnify such directors and officers to the fullest extent to which the Offeror and CAB are permitted to indemnify them under their respective constating documents and applicable Law, from all claims in connection with any transactions or matters contemplated under the Pre-Acquisition Agreement or otherwise in connection with CAB, its Subsidiaries and their respective businesses and properties.

Guarantee

On May 12, 2010, Century executed a form of guarantee under which it unconditionally and irrevocably guaranteed the prompt payment and performance of all of the obligations of the Offeror pursuant to the Pre-Acquisition Agreement.

Lock-Up Agreement

On May 12, 2010, the Offeror entered into a Lock-Up Agreement with John F. Driscoll, a director and Chairman of the Board of CAB, pursuant to which Mr. Driscoll agreed to irrevocably tender all Common Shares held by him, and over which he exercised control or direction, directly or indirectly, to the Offer (the “Subject Shares”). As at May 12, 2010 Mr. Driscoll represented that he beneficially owned or exercised control or direction over 3,467,176 Common Shares and Options to purchase 347,500 Common Shares, representing, in the aggregate, approximately 13.7% of the outstanding Common Shares on a fully diluted basis.

The following is a summary of the principal terms of the Lock-Up Agreement.

Acceptance of the Offer

Pursuant to the Lock-Up Agreement, the Locked-Up Shareholder has agreed with the Offeror that he will irrevocably deposit or cause to be deposited under the Offer all of Common Shares that the Locked-Up Shareholder owns or over which he exercises control or direction and that he may come to own or over which he may exercise control or direction, together with a duly completed and executed Letter of Transmittal on or before the 15th Business Day following the date on which the Offer is publicly announced. Century has guaranteed the performance of the obligations of the Offeror pursuant to the Lock-Up Agreement. The Locked-Up Shareholder has also agreed to exercise or surrender for cancellation all stock options, and any other rights, warrants, and entitlements to purchase or otherwise acquire any Common Shares. The Locked-Up Shareholder has also agreed that, except as permitted by the Lock-Up Agreement, he will not withdraw his Common Shares from the Offer.

Covenants of the Locked-Up Shareholder

The Locked-Up Shareholder has agreed that during the term of the Lock-Up Agreement he shall:

- (a) not, directly or indirectly, (i) solicit, initiate, facilitate or encourage the initiation of any inquiries or proposals regarding an Acquisition Proposal, (ii) participate in any discussions or negotiations regarding an Acquisition Proposal, (iii) furnish to any other person any information with respect to an Acquisition Proposal, or (iv) otherwise cooperate in any way with any effort or attempt by any other person or group to do or seek to do any of the foregoing;
- (b) immediately cease and cause to be terminated any existing discussions and negotiations with any person or group or any agent or representative of any person or group conducted before the date of the Lock-Up Agreement with respect to any Acquisition Proposal;
- (c) not, directly or indirectly, option, sell, transfer, pledge, encumber, grant a security interest in, hypothecate or otherwise convey or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Subject Shares, or any right or interest therein (legal or equitable), to any person or group or agree to do any of the foregoing, except pursuant to the Offer and the Lock-Up Agreement;
- (d) not acquire or dispose of any securities in the capital of CAB except for the purpose of tendering such securities pursuant to the Offer and as otherwise contemplated in section (e) below;
- (e) exercise or surrender for cancellation (or cause to be exercised or surrendered for cancellation), at his option, all of his outstanding options or other rights, warrants or entitlements to purchase or otherwise acquire authorized and unissued Common Shares;
- (f) immediately revoke any proxy, power of attorney or other right to vote the Subject Shares granted on or prior to the date of the Lock-Up Agreement and not, directly or indirectly, grant or agree to grant any proxy, power of attorney or other right to vote the Subject Shares, or enter into any voting agreement, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of Shareholders or give consents or approval of any kind with respect to any of the Subject Shares;
- (g) not, directly or indirectly, vote or cause to be voted any of the Subject Shares in respect of any proposed action by CAB or its Shareholders or affiliates or any other person or take any other action which might reasonably be anticipated to reduce the success of, or delay or interfere with the completion of, the Offer and the other transactions

contemplated by the Lock-Up Agreement (it being acknowledged and agreed that voting for the management slate of directors at an annual meeting of CAB shall not constitute a breach of this covenant);

- (h) notify the Offeror in writing of any proposed transaction (including the terms thereof and the identity of the party making the proposal);
- (i) notify the Offeror in writing forthwith of the details of any acquisition of ownership of or direction or control over Common Shares by the Locked-Up Shareholder after the date of the Lock-Up Agreement; and
- (j) not take any action of any kind, directly or indirectly, which may cause his representations or warranties in the Lock-Up Agreement to be untrue.

Termination of the Lock-Up Agreement

The Lock-Up Agreement may be terminated by either the Locked-Up Shareholder or the Offeror at any time by mutual agreement.

The Locked-Up Shareholder may terminate the Lock-Up Agreement if: (a) the Offeror has not materially complied with its covenants under the Lock-Up Agreement or the Pre-Acquisition Agreement; (b) the Pre-Acquisition Agreement is terminated in accordance with the provisions thereof; or (c) the Effective Time has not occurred by August 31, 2010.

The Offeror may terminate the Lock-Up Agreement if: (a) the Locked-Up Shareholder has not materially complied with its covenants under the Lock-Up Agreement; (b) any of the representations and warranties of the Locked-Up Shareholder in the Lock-Up Agreement is or becomes untrue or inaccurate in any material respect; (c) the Pre-Acquisition Agreement is terminated in accordance with the provisions thereof; or (d) the Effective Time has not occurred by August 31, 2010.

6. Purpose of the Offer and the Offeror's Plans for CAB

The purpose of the Offer is to enable the Offeror to acquire all of the outstanding Common Shares. If the conditions of the Offer are satisfied or waived and the Offeror takes up and pays for the Common Shares validly deposited under the Offer, the Offeror shall, as soon as practicable, but in any event within 120 days after the completion of the Offer, pursue and use its commercially reasonable best efforts to acquire any Common Shares not deposited under the Offer by Compulsory Acquisition, if available, or propose a Subsequent Acquisition Transaction, in each case for consideration per Common Share at least equal in value to the consideration paid by the Offeror per Common Share under the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including the number of Common Shares acquired by the Offeror pursuant to the Offer. The Offeror intends to retain all Common Shares acquired pursuant to the Offer, however, if currently unanticipated circumstances arise in the future, it reserves the right to transfer or sell these Common Shares at any time.

If permitted by applicable Law, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends: (i) to de-list the Common Shares from the TSX; and (ii) to cause CAB to cease to be a "reporting issuer" for purposes of relevant Canadian securities Laws. The effect of these actions will be that CAB will no longer be required to file publicly, or provide to security holders or others, certain financial information or timely disclosure with respect to its business and affairs and that the liquidity and market value of any remaining Common Shares held by the public may be adversely affected. Subsequent to the completion of the Offer and any Compulsory

Acquisition or Subsequent Acquisition Transaction, the Offeror intends to more closely evaluate the assets of CAB to determine which assets fit, and provide synergies, with the Offeror and its affiliates and with respect to those assets that don't, determine the best course of action for them.

The Pre-Acquisition Agreement also provides that immediately following the take-up of, and payment by the Offeror pursuant to the Offer for, more than 66 $\frac{2}{3}$ % of the outstanding Common Shares (on a fully diluted basis), if so requested by the Offeror, CAB shall use its commercially reasonable efforts to facilitate the reconstitution of the Board of Directors through resignations of some or all, as applicable, of the members thereof and the appointment of nominees of the Offeror in their stead and to facilitate the replacement of CAB's nominees on the boards of directors of Charter Real Estate Investment Trust and/or C.A. Bancorp Canadian Realty Finance Corporation.

7. Beneficial Ownership of and Trading in Common Shares Holdings of Securities of CAB

As of May 12, 2010, CAB had approximately 26,736,773 Common Shares outstanding and Options outstanding providing for the issuance of an additional 1,157,500 Common Shares upon the exercise thereof. The Offeror does not own any Common Shares. None of (i) the directors or senior or executive officers of the Offeror, or to the knowledge of the Offeror, its affiliates, after reasonable enquiry, or, (ii) to the knowledge of the directors and senior officers of the Offeror, after reasonable enquiry: (a) their respective associates; (b) any person acting jointly or in concert with the Offeror; or (c) any person holding more than 10% of any class of equity securities of the Offeror, beneficially owns, directly or indirectly, or controls or exercises direction over, or has the right to acquire, any securities of CAB.

During the six-month period preceding the Offer, no Common Shares have been traded by the Offeror. To the knowledge of the Offeror, after reasonable enquiry, none of the persons or companies referred to in the first paragraph of this section of the Circular has traded any securities of CAB during the six-month period preceding the date of the Offer.

The Directors' Circular discloses that as of May 13, 2010 investment funds managed by Weiss Asset Management LP own 3,767,700 Common Shares, or approximately 14.09% of the issued Common Shares as at March 31, 2010. John F. Driscoll, the Locked-Up Shareholder, beneficially owns or controls, directly or indirectly, 3,467,176 Common Shares and 347,500 Options. If the Locked-Up Shareholder exercised all of his options, he would beneficially own or exercise control or direction over, directly or indirectly, an aggregate of 3,814,676 Common Shares, comprising approximately 13.7% of the outstanding Common Shares on a fully-diluted basis. Other than the foregoing, to the knowledge of the Offeror, no Person beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the voting rights attached to the issued and outstanding Common Shares.

8. Commitments to Acquire Common Shares

Other than pursuant to the Offer, neither the Offeror nor any of its directors or senior officers, nor, to the knowledge of the directors and senior officers of the Offeror, after reasonable enquiry, any associate of any director or senior officer of the Offeror, any person or company holding more than 10% of any class of equity securities of the Offeror or any person acting jointly or in concert with the Offeror, has entered into any commitments to acquire any securities of CAB.

9. Arrangements, Agreements or Understandings

Other than as described in the Pre-Acquisition Agreement and the Lock-Up Agreement, there are no arrangements or agreements made or proposed to be made between the Offeror and any of the directors or senior officers of CAB and no payments or other benefits are proposed to be made or given by the Offeror to any of the directors or senior officers of CAB by way of compensation for loss of office or for remaining in or retiring from office as a result of the Offer. Other than as described herein, there are no contracts, arrangements or understandings, formal or informal, between the Offeror and any Shareholder with respect to the Offer or between the Offeror and any person with respect to any securities of CAB in relation to the Offer.

10. Material Changes and Other Information

Except as disclosed elsewhere in this Circular and except as publicly disclosed, the Offeror is not aware of any information which indicates any material change in the affairs of CAB since the date of the last published financial statements of CAB, other than has been publicly disclosed by CAB or as disclosed in this Circular. The Offeror has no knowledge of any other matter that has not previously been generally disclosed but which would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

11. Source of Funds

In the event that all of the outstanding Common Shares on a fully diluted basis are tendered to the Offer and are taken up and paid for by the Offeror, the total cash consideration payable to such tendering Shareholders would be approximately \$41,843,000. The Offeror intends to pay for the Common Shares with cash on hand at the Expiry Time. The Offeror provided evidence of its ability to finance the Offer to CAB prior to the execution and delivery of the Pre-Acquisition Agreement.

12. Information Concerning the Common Shares

Price Range and Trading Volume of Common Shares

The Common Shares are listed and posted for trading on the TSX under the symbol "BKP". The following table sets forth, for the periods indicated, the high and low closing prices per Common Share and the volume of trading of the Common Shares on the TSX, as compiled by the TSX:

Period	High (\$)	Low (\$)	Volume (#)
May 2009	0.94	0.80	507,000
June 2009	0.94	0.83	512,700
July 2009	0.89	0.66	297,400
August 2009	0.88	0.76	677,600

Period	High (\$)	Low (\$)	Volume (#)
September 2009	0.94	0.80	551,500
October 2009	1.12	0.83	519,400
November 2009	1.16	0.82	1,142,800
December 2009	1.40	1.08	1,544,300
January 2010	1.63	1.28	1,258,700
February 2010	1.55	1.34	1,008,100
March 2010	1.42	1.19	937,500
April 2010	1.45	1.25	553,900
May 2010 (to and including May 27, 2010)	1.49	1.33	2,132,100

CAB announced the Offeror's intention to make the Offer for all of the Common Shares on May 13, 2010. The last trading price of the Common Shares on the TSX prior to the May 13, 2010 announcement of the Offeror's intention to make the Offer, was \$1.38 per Common Share.

Effect of the Offer on the Market for and Listing of Common Shares; Public Disclosure by CAB

The purchase of Common Shares by the Offeror pursuant to the Offer will reduce the number of Common Shares that might otherwise trade publicly as well as the number of holders of Common Shares and, depending on the number of Shareholders depositing and the number of Common Shares purchased under the Offer, would likely adversely affect the liquidity and market value of the remaining Common Shares held by the public.

The rules and regulations of the TSX establish certain criteria which, if not met, could lead to the delisting of the Common Shares from such exchange. Among such criteria are the number of holders of Common Shares, the number of Common Shares publicly held and the aggregate market value of the Common Shares publicly held. If a sufficient number of Common Shares are purchased under the Offer, the Common Shares may fail to meet the criteria for continued listing on the TSX and, in that event, the Common Shares may be delisted from the TSX after completion of the Offer or any Compulsory Acquisition and/or Subsequent Acquisition Transaction.

After the purchase of the Common Shares under the Offer, CAB may cease to be subject to the public reporting and proxy solicitation requirements of the *Business Corporations Act* (Alberta) ("ABCA") and the securities Laws of certain provinces of Canada. Furthermore, it may be possible for CAB to request the elimination of the public reporting requirements of any province where a small number of holders of Common Shares reside. If permitted by applicable Law, subsequent to the

completion of the Offer or a Compulsory Acquisition and/or Subsequent Acquisition Transaction, if there are fewer than 15 holders of Common Shares in any province and fewer than 51 holders of Common Shares in total in Canada, the Offeror may cause CAB to cease to be a reporting issuer under the securities Laws of each such province. See Section 15 of this Circular, "Acquisition of Common Shares Not Deposited Under the Offer".

13. Dividends and Dividend Policy

According to publicly available information, the declaration of dividends by CAB is at the discretion of the Board of Directors of CAB, and, subject to the liquidity and solvency tests set forth in the ABCA, there are no restrictions on dividend payout. During the term of the Pre-Acquisition Agreement, CAB has agreed to neither declare nor pay any dividends without the consent of the Offeror. CAB has not declared or paid dividends during the last two years.

14. Previous Purchases and Sales

Based on publicly available information, the Offeror believes that CAB has not sold or purchased any of its securities during the 12 months preceding the date of the Offer except that during the period from January to June, 2009 CAB purchased an aggregate of 608,000 of its outstanding Common Shares at an average price of \$1.17 per Common Share pursuant to CAB's mandatory market purchase program which terminated in June, 2009.

15. Acquisition of Common Shares Not Deposited Under the Offer

Compulsory Acquisition

If by the Expiry Time or within 120 days of the date of the Offer, whichever period is shorter, the Offer has been accepted by holders of not less than 90% of the Common Shares under the Offer (calculated on a fully diluted basis), other than Common Shares held by or on behalf of the Offeror and its affiliates and associates (as such terms are defined in the ABCA), then the Offeror shall use its commercially reasonable best efforts to acquire, as soon as practicable, the Common Shares not deposited under the Offer on the same terms as the Common Shares acquired under the Offer pursuant to the provisions of section 195 of the ABCA (a "Compulsory Acquisition").

To exercise its statutory right of Compulsory Acquisition, the Offeror must give notice (the "Offeror's Notice") to each Shareholder who did not accept the particular Offer (and each person who subsequently acquires any such Common Shares) (in each case, a "Dissenting Offeree") of such proposed acquisition within 60 calendar days following the termination of that Offer and in any event within 180 calendar days following the date of the Offer. Within 20 calendar days after having given the Offeror's Notice, the Offeror must pay or transfer to CAB the consideration it would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the particular Offer, to be held in trust for the Dissenting Offerees. Within 20 calendar days after receipt of the Offeror's Notice, each Dissenting Offeree must send the certificates evidencing the Common Shares held by such Dissenting Offeree to CAB and must elect either to transfer such Common Shares to the Offeror on the terms on which the Offeror acquired Common Shares under the Offer or to demand payment of the fair value of the Common Shares by so notifying the Offeror. If the Dissenting Offeree fails to properly notify the Offeror within the applicable time period, the Dissenting Offeree will be deemed to have elected to transfer its Common Shares to the Offeror on the same terms on which the Offeror acquired the Common Shares under the Offer.

If a Dissenting Offeree has elected to demand payment of the fair value of its Common Shares, the Offeror may, within 20 calendar days after the Offeror has paid the payment or transferred the other consideration to CAB, apply to the Court of Queen's Bench of Alberta to fix the fair value of the Common Shares of that Dissenting Offeree. If the Offeror fails to apply to such court within 20 calendar days after it made the payment or transferred the consideration to CAB, the Dissenting Offeree may then apply to that court within a further period of 20 calendar days to have the court fix the fair value. If no such application is made by the Dissenting Offeree or the Offeror within such periods, the Dissenting Offeree will be deemed to have elected to transfer its Common Shares to the Offeror on the same terms on which the Offeror acquired Common Shares from the Shareholders who accepted the Offer.

Any judicial determination of the fair value of the Common Shares could be more or less than the amount of the consideration per Share paid pursuant to the Offer.

The foregoing is only a summary of the right of Compulsory Acquisition that may become available to the Offeror pursuant to the provisions of the ABCA. The summary is not intended to be complete. See Part 16 of the ABCA for the full text of the relevant statutory provisions. Part 16 of the ABCA is complex and may require strict adherence to notice and timing provisions, failing which such rights may be lost or altered. Shareholders who wish to be better informed about those provisions of the ABCA should consult with their legal advisors.

Subsequent Acquisition Transaction

Common Shares

If the Offeror acquires less than 90% of the Common Shares under the Offer the Offeror shall, if sufficient Common Shares are tendered to the Offer, as soon as practicable following completion of the Offer pursue other means of acquiring, directly or indirectly, all of the Common Shares in accordance with applicable Law, including by means of an arrangement, reclassification, consolidation, capital reorganization, amalgamation, merger or other combination of CAB with the Offeror or one or more of the Offeror's affiliates, on such terms and conditions as the Offeror, at the time, believes to be appropriate (each, a "Subsequent Acquisition Transaction"). To effect a Subsequent Acquisition Transaction, the Offeror may seek to cause a special meeting of Shareholders to be called to consider such a transaction. The detailed terms of any Subsequent Acquisition Transaction, including the timing of its implementation and the consideration to be received by the holders of Common Shares, would necessarily be subject to a number of considerations, including the number of Common Shares acquired pursuant to the Offer. The Offeror's current intention is that the consideration to be paid to Shareholders pursuant to any Subsequent Acquisition Transaction would be equal in amount to and in the same form as that payable under the Offer.

If a Subsequent Acquisition Transaction were to be consummated, holders of the Common Shares may, under the ABCA, have the right to dissent and demand payment of the fair value of their Common Shares. This right, if the statutory procedures are complied with, could lead to a judicial determination of the fair value required to be paid to those dissenting holders for their Common Shares. The fair value of the Common Shares so determined could be more or less than the amount paid per Common Share pursuant to the Subsequent Acquisition Transaction or the Offer. Any such judicial determination of the fair value of the Common Shares could be based upon considerations other than, or in addition to, the market price of the Common Shares.

The tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ from the tax consequences to such Shareholder having its Common Shares acquired pursuant to the Offer. See Section 16 of this Circular, "Material Canadian Federal Income Tax Considerations".

Securities Law Requirements for Business Combinations

Multilateral Instrument 61-101 (“MI 61-101”) and the regulations to securities legislation in certain of the provinces and territories of Canada (collectively, the “Regulations”) may deem certain types of Subsequent Acquisition Transactions, including the transaction described above, to be “business combinations” in the case of MI 61-101 or “going private transactions” in the case of the Regulations, if those Subsequent Acquisition Transactions would result in the interest of a holder of Common Shares (“affected securities”) being terminated without the consent of the holder, subject to certain exceptions under MI 61-101, and in the case of the Regulations, if the transaction does not provide for the substitution therefor of an interest of equivalent value in a participating security of CAB, a successor to the business of CAB, a person who controls CAB or a person who controls a successor to the business of CAB. Those methods of acquiring the remaining outstanding Common Shares may also be “related party transactions” within the meaning of MI 61-101, although MI 61-101 also provides an exemption from related party transaction requirements where the transaction is also a business combination.

MI 61-101 and the Regulations provide that, unless exempted, an issuer proposing to carry out a business combination or going private transaction is required to prepare a valuation of the affected securities (and any non-cash consideration being offered therefor) and provide to the holders of the affected securities a summary of that valuation.

In connection with any Subsequent Acquisition Transaction, the Offeror intends to rely upon the exemption from the requirement to prepare any valuation contained in Section 4.4(d) of MI 61-101 (Second Step Business Combination) in that: (a) the business combination in respect of CAB will be effected by the Offeror or an affiliate of the Offeror following the formal bid constituted by the Offer and will be in respect of the Common Shares that will be the subject of the bid contemplated hereby; (b) the business combination will be completed no later than 120 days after the Expiry Date; (c) the consideration per Common Share paid by the Offeror or an affiliate of the Offeror in the business combination: (i) will be at least equal in value to the consideration per Common Share that is being paid under the Offer, and (ii) will be in cash, which is the same form as the consideration per Common Share being paid by the Offeror under the Offer; (d) the intent of the Offeror to effect a business combination is disclosed in the Offer and this Circular; and (e) the Offer and Circular discloses that: (i) if the Offeror acquires Common Shares under the Offer, the Offeror intends to acquire the remainder of the Common Shares under a Compulsory Acquisition or Subsequent Acquisition Transaction, and (ii) the tax consequences of the Offer and the Subsequent Acquisition Transaction may be different, since, on the date hereof, the Offeror does not know and cannot reasonably foresee the tax consequences arising from a Subsequent Acquisition Transaction, other than as described herein. In the event that the exemption under Section 4.4(d) is not available, the Offeror intends to rely on other available exemptions or to seek waivers under the Regulations exempting CAB or the Offeror or its affiliates, as appropriate, from the requirement to prepare any valuation in connection with a Subsequent Acquisition Transaction.

To complete a business combination, MI 61-101 requires that, in addition to any other required securityholder approval, the approval of a majority of the votes cast by “minority” holders of the affected securities be obtained. The necessary level of approval by the holders of each class of the affected securities required to complete a business combination is a simple majority. In relation to the Offer and any Subsequent Acquisition Transaction which constitutes a business combination, the “minority” holders will be, unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities, all holders of Common Shares other than the Offeror or any related party of the Offeror, including affiliates of the Offeror, directors and senior officers of the Offeror and of affiliates of the Offeror, or any person or company acting jointly or in concert with any of the foregoing persons and any person who is a “related party” of the Offeror as defined by MI 61-101. MI 61-101 also provides that the Offeror generally may treat Common Shares acquired pursuant to the Offer as securities held by minority Shareholders and to vote them, or to consider them voted, in favour of that business combination

if, among other things, the consideration per Common Share in the Subsequent Acquisition Transaction is at least equal in value to the consideration pursuant to the Offer and is in the same form as the consideration pursuant to the Offer. The Offeror currently intends that the consideration under any Subsequent Acquisition Transaction proposed by it would be identical to the consideration under the Offer and believes that the required disclosure has been provided in this Circular. The Offeror intends to cause Common Shares acquired under the Offer to be voted in favour of any such transaction and to be counted as part of the minority approval required in connection with any such transaction.

If a Subsequent Acquisition Transaction were to be consummated, holders of the Common Shares may, under the ABCA, have the right to dissent and demand payment of the fair value of their Common Shares. This right, if the statutory procedures are complied with, could lead to a judicial determination of the fair value required to be paid to those dissenting holders for their Common Shares. The fair value of the Common Shares so determined could be more or less than the amount paid per security pursuant to the Subsequent Acquisition Transaction or the Offer. Any such judicial determination of the fair value of the Common Shares could be based upon considerations other than, or in addition to, the market price of the Common Shares.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any Subsequent Acquisition Transaction.

Other Alternatives

General

If the Offeror is unable to effect a Compulsory Acquisition or a Subsequent Acquisition Transaction involving CAB, or if the Offeror proposes a Subsequent Acquisition Transaction but cannot promptly obtain any required approvals, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable Law, purchasing additional Common Shares in transactions exempt from the take-over bid rules, in another take-over bid or taking no further action to acquire additional Common Shares. Any additional purchases of Common Shares could be at a price greater than, equal to or less than the price paid for Common Shares under the Offer and could be for cash or other consideration. Alternatively, the Offeror may sell or otherwise dispose of any or all Common Shares acquired pursuant to the Offer or otherwise, although the Offeror has no present intention to do so. Such transactions may be effected on terms and at prices then determined by the Offeror which may vary from the price paid for Common Shares under the Offer. The tax consequences to a Shareholder of such alternatives may differ from the tax consequences to such Shareholder of having its Common Shares acquired pursuant to the Offer.

Judicial Developments

Prior to the pronouncement of MI 61-101 (or its predecessors, Rule 61-501 and OSC Policy 9.1), Canadian courts had, in a few instances, granted preliminary injunctions to prohibit transactions which constituted business combinations within the meaning of such Rule. The Offeror has been advised that subsequent notices and judicial decisions indicate a willingness to permit these transactions to proceed subject to compliance with requirements intended to ensure procedural and substantive fairness to the “minority” shareholders.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any transaction which may constitute a business combination or going private transaction.

16. Material Canadian Federal Income Tax Considerations

In the opinion of Torkin Manes LLP, counsel to the Offeror, the following is a general summary, as of the date hereof, of the principal material Canadian federal income tax considerations generally applicable to a Shareholder who sells Common Shares pursuant to the Offer or otherwise disposes of Common Shares pursuant to certain transactions described under Section 14 of the Circular, "Acquisition of Common Shares Not Deposited Under the Offer".

The summary is based on the current provisions of the Tax Act, the regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments") and counsel's understanding of the current administrative practices and assessing practices of the Canada Revenue Agency (the "CRA") prior to the date hereof. No assurance can be given that the Proposed Amendments will be enacted in their current form, or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or changes in administrative practices or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may materially differ from the Canadian federal income tax legislation or considerations described below.

This summary is not applicable to a Shareholder that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market property" rules or a "specified financial institution" as defined in the Tax Act, nor does it apply to a Shareholder an interest in which is, or whose Common Shares are, a "tax shelter investment" as defined in the Tax Act or to a Shareholder to whom the "functional currency" reporting rules in Section 261 of the Tax Act apply. In addition, this summary does not address all issues relevant to Shareholders who acquired Common Shares on the exercise of an employee stock option. Such Shareholders shall consult their own tax advisors.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular holder of Common Shares to whom the Offer is made. This summary is not exhaustive of all material Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

Shareholders Resident in Canada

This part of the summary is generally applicable only to Shareholders who, for purposes of the Tax Act and at all relevant times, are resident or are deemed to be resident in Canada, hold their Common Shares as capital property, deal at arm's length with CAB and the Offeror and are not affiliated with CAB or the Offeror (a "Resident Shareholder"). Common Shares will generally be considered to be capital property to a Resident Shareholder unless the Resident Shareholder holds such Common Shares in the course of carrying on a business or as part of an adventure in the nature of trade. Certain Resident Shareholders whose Common Shares might not otherwise be considered to be capital property may be entitled to have their Common Shares and all other "Canadian securities" as defined in the Tax Act deemed to be capital property by making an irrevocable election provided for by subsection 39(4) of the Tax Act.

Disposition of Common Shares Pursuant to the Offer

A Resident Shareholder whose Common Shares are taken up and paid for under the Offer will be considered to have disposed of such Common Shares for purposes of the Tax Act. Generally, the

Shareholder will realize a capital gain (or a capital loss) in respect of the Common Shares so disposed of to the extent that the proceeds of disposition received by the Shareholder for such Common Shares exceed (or are exceeded by) the total of the adjusted cost base to the Resident Shareholder of such Common Shares and any reasonable costs of disposition.

Capital Gains and Capital Losses

Generally, a Resident Shareholder will be required to include one-half of the amount of any capital gain (a “taxable capital gain”) in income, and will generally be required to deduct one-half of the amount of any capital loss (an “allowable capital loss”) against taxable capital gains realized in the year of disposition. Allowable capital losses not deducted in the taxation year in which they are realized may ordinarily be deducted against net taxable capital gains realized in any of the three preceding taxation years or in any following taxation year to the extent and under the circumstances specified in the Tax Act.

In general, a capital loss otherwise arising on the disposition of Common Shares by a Resident Shareholder which is a corporation may in certain circumstances be reduced by the amount of dividends received or deemed to have been received on such Common Shares (or on certain other common shares where the common shares have been acquired in exchange for such common shares). Similar rules may also apply in other circumstances, including where a corporation, trust or partnership is a member of a partnership or a beneficiary of a trust that owns Common Shares. Shareholders to whom these rules may be relevant should consult their own tax advisors.

A Resident Shareholder that is throughout the relevant taxation year a “Canadian controlled private corporation” as defined in the Tax Act may be liable to pay, in addition to the tax otherwise payable under the Tax Act, a refundable tax of 66 $\frac{2}{3}$ % determined by reference to its “aggregate investment income” for the year, which is defined to include an amount in respect of taxable capital gains.

Capital gains realized by an individual or a trust, other than certain specified trusts, may give rise to a liability for alternative minimum tax under the Tax Act.

Compulsory Acquisition of Common Shares

As described under Section 15 of this Circular, “Acquisition of Common Shares Not Deposited Under the Offer — Compulsory Acquisition”, Common Shares may be acquired, in certain circumstances, pursuant to the provisions of the ABCA. The tax consequences to Resident Shareholders of a disposition of Common Shares in such circumstances generally will be as described above, but Resident Shareholders whose Common Shares may be so acquired should consult their own tax advisors in this regard. Interest awarded by a court to such Resident Shareholder will be included in the shareholders income for purposes of the Tax Act.

Resident Shareholders whose Common Shares may be acquired by way of a Compulsory Acquisition should consult their own tax advisors.

Subsequent Acquisition Transaction

If the Compulsory Acquisition provisions of the ABCA are not utilized, other means of acquiring the remaining issued and outstanding Common Shares may be proposed. The tax treatment of a Subsequent Acquisition Transaction described in Section 15 of this Circular, “Acquisition of Common Shares Not Deposited Under the Offer — Subsequent Acquisition Transaction” to a Resident Shareholder may be substantially the same or materially different than would apply if Common Shares are sold to the Offeror under the Offer and will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out. The Offeror may propose to carry out a Subsequent Acquisition Transaction

by means of an arrangement, reclassification, consolidation, capital reorganization, amalgamation, merger or other combination of CAB with the Offeror or one or more of the Offeror's affiliates. Depending upon the exact manner in which a Subsequent Acquisition Transaction may be carried out the Tax consequences for Shareholders could include a capital gain or capital loss, a deemed dividend or both a deemed dividend and a capital gain or a capital loss. In the event that any dividends are deemed to be paid pursuant to a Subsequent Acquisition Transaction, such dividends may not be designated as eligible dividends for purposes of the Tax Act.

Resident Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

Potential Delisting

If the Common Shares cease to be listed on a stock exchange designated under the Tax Act (which currently includes the TSX) and CAB ceases to be a "public corporation" for purposes of the Tax Act, the Common Shares may in certain circumstances no longer be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered education savings plan, registered disability savings plan or tax-free savings account. Shareholders that are trusts governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered education savings plan, registered disability savings plan, or tax-free savings account should consult with their tax advisors with respect to the tax consequences to them (and to the annuitants, beneficiaries or subscribers thereunder) of holding Common Shares if such Common Shares are not qualified investments and of disposing of their Common Shares pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Shareholders Not Resident in Canada

This part of the summary is generally applicable only to Shareholders who, for purposes of the Tax Act and at all relevant times, are not resident or deemed to be resident in Canada, do not carry on business in Canada, deal at arm's length with the Offeror and CAB and are not affiliated with CAB or the Offeror, hold their Common Shares as capital property and do not use or hold, and are not deemed to use or hold, their Common Shares in, or in the course of, carrying on a business, or as part of an adventure in the nature of trade, in Canada (a "Non-Resident Shareholder"). Special rules, which are not discussed in this summary, may apply to a non-resident of Canada that is an insurer carrying on business in Canada and elsewhere. Such non-resident Shareholders should consult their own tax advisors.

Disposition of Common Shares Pursuant to the Offer

A Non-Resident Shareholder will not be subject to Canadian tax under the Tax Act on any capital gain realized on the disposition of the Common Shares pursuant to the Offer unless the Common Shares constitute "taxable Canadian property" of the Non-Resident Shareholder for purposes of the Tax Act at the time of the disposition and the Non-Resident Shareholder is not entitled to relief from Canadian tax by virtue of an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Shareholder is resident.

Generally, Common Shares will not constitute "taxable Canadian property" to a Non-Resident Shareholder at a particular time provided that the Common Shares are listed on a designated stock exchange (which currently includes the TSX) at that time unless, at any time during the sixty month period ending at that time, not less than 25% of the issued Common Shares of any class or series of a class of the capital stock of CAB were owned by the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm's length or any combination thereof. In addition to the

foregoing, a Non-Resident Shareholder's Common Shares may be deemed to be “taxable Canadian property” in certain other circumstances set out in the Tax Act. Furthermore, if the Proposed Amendments set out in the Federal Budget of March 4, 2010 become law, the definition of “taxable Canadian property” will be amended to exclude shares of certain corporations that have not, at any time during the sixty month period ending at the time of their disposition, derived their value principally from real or immovable property situated in Canada, Canadian resource properties, timber resource properties, interests or options in respect of the foregoing or any combination thereof.

In the event that the Common Shares constitute “taxable Canadian property” to a particular Non-Resident Shareholder and a capital gain realized on the disposition of such Common Shares pursuant to the Offer is not exempt from tax under the Tax Act by virtue of the terms of an income tax treaty or a convention between Canada and the country in which the Non-Resident Shareholder is resident, such Non-Resident Shareholder will realize a capital gain (or capital loss) generally in the circumstances and computed in the manner described above under “*Shareholders Resident in Canada — Disposition of Common Shares pursuant to the Offer*” and the tax consequences described above under “*Shareholders Resident in Canada — Capital Gains and Capital Losses*” will generally apply.

Non-Resident Shareholders whose Common Shares are “taxable Canadian property” should consult their own tax advisors for advice having regard to their particular circumstances.

Compulsory Acquisition of Common Shares

As discussed in Section 15 of this Circular, “Acquisition of Common Shares Not Deposited Under the Offer — Compulsory Acquisition”, the Offeror may, in certain circumstances, acquire Common Shares not deposited under the Offer pursuant to the Compulsory Acquisition provisions of the ABCA. The tax consequences to a Non-Resident Shareholder of a disposition of Common Shares in such circumstances generally will be as described above under “Shareholders Not Resident in Canada — Disposition of Common Shares Pursuant to the Offer”. Where interest is paid or credited to a Non-Resident Shareholder in connection with a Compulsory Acquisition, the Non-Resident Shareholder will not be subject to Canadian withholding tax on such interest under the Tax Act provided that the Non-Resident Shareholder deals at arm’s length with the payor at the time of such payment or credit and the interest is not “participating debt interest”, as defined in the Tax Act.

Non-Resident Shareholders whose Common Shares may be acquired by way of a Compulsory Acquisition should consult their own tax advisors.

Subsequent Acquisition Transaction

If the Compulsory Acquisition provisions of the ABCA are not utilized, other means of acquiring the remaining issued and outstanding Common Shares may be proposed. The tax treatment of a Subsequent Acquisition Transaction described above under Section 15 of this Circular, “Acquisition of Common Shares Not Deposited Under the Offer — Subsequent Acquisition Transaction”, to a Non-Resident Shareholder may be substantially the same or materially different than would apply if Common Shares are sold to the Offeror under the Offer and will depend upon the exact manner in which a Subsequent Acquisition Transaction is carried out and whether the Common Shares are listed on a stock exchange designated under the Tax Act at the relevant time. Such tax consequences may include a deemed dividend, capital gain or loss, or both a deemed dividend and a capital gain or capital loss. The tax consequences of a capital gain to a Non-Resident Shareholder generally will be as described above. For dividends paid or credited or deemed to be paid or credited to a Non-Resident Shareholder, such dividends will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Shareholder is resident. Where interest is paid or credited to a Non-Resident Shareholder in connection with a Subsequent Acquisition Transaction, the Non-Resident Shareholder will

not be subject to Canadian withholding tax on such interest under the Tax Act provided that the Non-Resident Shareholder deals at arm's length with the payor at the time of such payment or credit and the interest is not "participating debt interest", as defined in the Tax Act.

Non-Resident Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

Potential Delisting

If the Common Shares cease to be listed on a stock exchange designated under the Tax Act, at the time of disposition by a Non-Resident Shareholder, the Common Shares may be taxable Canadian property to the Non-Resident Shareholder (depending on whether the March 4, 2010 Federal Budget proposals are enacted) and the Non-Resident Shareholder may be subject to tax under the Tax Act in respect of any capital gain realized on such disposition, subject to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Shareholder is resident. If such Common Shares are taxable Canadian property, and not "excluded property" for the purposes of Section 116 of the Tax Act, the notification and withholding provisions of Section 116 of the Tax Act will apply to the Non-Resident Shareholder in which case the Offeror will be required to remit and entitled to withhold certain amounts from any payment to the Non-Resident Shareholder pursuant to the Tax Act. Non-Resident Shareholders who may be so affected should consult with their own tax advisors in this regard.

Non-Resident Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of the transactions described herein including the consequences of having their Common Shares acquired under the Offer, a Compulsory Acquisition, or a Subsequent Acquisition Transaction or exercising any rights of dissent in respect of such transactions.

17. Statutory Rights

Securities legislation in certain of the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or a notice that is required to be delivered to such Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

18. Depositary

Computershare Investor Services Inc. is acting as Depositary under the Offer. The Depositary will receive deposits of certificates representing Common Shares and accompanying Letters of Transmittal at its Toronto office specified in the Letter of Transmittal. The Depositary will receive Notices of Guaranteed Delivery at its Toronto office specified in the Notice of Guaranteed Delivery. The Depositary will also be responsible for giving certain notices, if required, and disbursing payment for Common Shares purchased by the Offeror under the Offer. The Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws.

Shareholders will not be obligated to pay any fee or commission if they accept the Offer by transmitting their Common Shares and other required documents directly to the Depository.

19. Soliciting Agent

Laurel Hill Advisory Group Company is acting as soliciting agent under the Offer. The Soliciting Agent will communicate with shareholders of CAB to provide information about the Offer and to solicit Shareholders to tender their Common Shares pursuant to the Offer. Pursuant to its agreement with the Offeror the Soliciting Agent will receive reasonable compensation, in accordance with industry custom, for its services and will be reimbursed for its expenses.

The Soliciting Agent will also be available to respond to enquiries relating to the Offer via their toll-free number at 1-888-239-4509 (banks and brokers should call (416) 304-0211).

20. Expenses of the Offer

The Offeror will be responsible for paying its fees and expenses in connection with the transactions described in the Offer and Circular including without limitation all legal, financial advisory, filing and printing costs incurred in connection with the Offer which are currently estimated to be approximately \$250,000.

21. Legal Matters

Legal matters on behalf of the Offeror will be passed upon by, and the opinion contained under “Material Canadian Federal Income Tax Considerations” has been provided by, Torkin Manes LLP, counsel to the Offeror.

GLOSSARY

In the Offer and the Circular, unless the subject matter or context is inconsistent therewith, the following terms have the following meanings:

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended from time to time;

“**Acquisition Proposal**” means, any proposal or offer (written or oral) relating to any merger, consolidation, amalgamation, take-over bid, tender offer, exchange offer, arrangement, recapitalization, liquidation, dissolution, share exchange, sale of assets representing 20% or more of the net income, revenues or assets of CAB and its subsidiaries, taken as a whole (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale of assets representing 20% or more of the net income, revenues or assets of CAB and its subsidiaries, taken as a whole), purchase or sale of shares or other securities of CAB or any of its subsidiaries or rights or interests therein or thereto representing 20% or more of the voting power of the capital of CAB (in terms of number of shares or voting power) or any of its subsidiaries representing 20% or more of the net income, revenues or assets of CAB and its subsidiaries, taken as a whole, or similar transactions, in each case, involving CAB and/or such subsidiaries and excluding the Offer. Furthermore, “Acquisition Proposal” shall be deemed to include any transaction which competes with or is inconsistent with the successful completion of the Offer.

“**affected securities**” has the meaning ascribed to that term in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”;

“**Affiliate**” has the meaning ascribed to that term in National Instrument 45-106 of the Canadian Securities Administrators;

“**agent**” of a Person means any (i) trustee, director, officer, partner, member or employee of that Person; (ii) financial advisor, law firm, accounting firm, engineering firm or other professional or consulting Person of or acting on behalf of that Person, or any lenders to that Person; or (iii) any trustee, director, officer, partner, member or employee of any agent referred to in clause (ii) of this definition;

“**allowable capital loss**” has the meaning ascribed to that term in Section 16 of the Circular, “Material Canadian Federal Income Tax Considerations”;

“**Alternative Transaction**” means any merger, amalgamation, take-over bid, tender offer, statutory arrangement, sale of all or substantially all of the assets (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale of all or substantially all of the assets), or similar transaction or transactions involving CAB and any other Person or Persons, excluding the Offer or any transaction to which the Offeror or an Affiliate of the Offeror is a party;

“**associate**” has the meaning ascribed to that term in the ABCA;

“**Board of Directors**” means the board of directors of CAB;

“**Business Day**” means any day except a Saturday, Sunday or statutory holiday in Toronto, Ontario

“**CAB**” means C.A. Bancorp Inc., a company existing under the laws of the ABCA;

“**CAB Public Document**” means all forms, reports, schedules, statements and other documents required to be filed by CAB with all applicable securities regulatory authorities;

“**CDS**” means CDS Clearing and Depository Services Inc., or its nominee (which is at the date hereof CDS & Co.);

“**CDS Participant**” means a participant of CDS, which includes investment dealers, stockbrokers, banks, trust companies and other financial institutions that maintain custodial relationships with a participant, either directly or indirectly;

“**Circular**” means the take-over bid circular accompanying and forming part of the Offer;

“**Common Shares**” means the outstanding common shares of CAB;

“**Compulsory Acquisition**” means an acquisition by the Offeror of Common Shares not tendered to the Offer utilizing the provisions of Part XVI of the *Business Corporations Act* (Alberta);

“**Confidentiality Agreement**” means the confidentiality agreement dated January 19 2010 between Century and CAB;

“**Constituting Documents**” means the articles of CAB described in Section 2 of the Circular – CAB, together with the by-laws of CAB, as the same may be amended from time to time;

“**Contract**” means any contract, agreement, commitment, undertaking, lease, licence, note, bond, mortgage, indenture, loan or deed of trust, whether or not any of the foregoing is in writing;

“**CRA**” has the meaning ascribed to that term in Section 16 of the Circular, “Material Canadian Federal Income Tax Considerations”;

“**Depository**” means Computershare Investor Services Inc.;

“**Deposited Securities**” has the meaning ascribed thereto in Section 3 of the Offer “Manner of Acceptance — Dividends and Distributions”;

“**Directors' Circular**” means the accompanying directors' circular dated June 3, 2010, as prepared by and on behalf of the Board of Directors;

“**Disclosure Letter**” means the letter delivered by CAB to the Offeror contemporaneously with the Pre-Acquisition Agreement, a copy of which may be accessed at www.sedar.com;

“**Dissenting Offeree**” has the meaning ascribed to that term in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”;

“**Distributions**” has the meaning ascribed thereto in Section 3 of the Offer, “Manner of Acceptance — Dividends and Distributions”;

“**Effective Time**” means the time that the Offeror shall have first acquired ownership of and paid for Common Shares pursuant to the Offer;

“**Eligible Institution**” means a Canadian Schedule I chartered bank, a commercial bank or trust company in the United States, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada and/or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority, or banks and trust companies in the United States;

“**Employees**” means all Persons employed by CAB and/or its Subsidiaries on a full-time, part-time or temporary basis including all Directors, directors, officers and Persons on disability leave, parental leave or other absence from work;

“**Encumbrances**” means any mortgage, trust, charge, claim, pledge, lien, priority, security interest, lease, title retention agreement, restriction, easement, right-of-way, encroachment, right to use or acquire, ownership interest, title defect, option, adverse claim or encumbrance of any kind or character whatsoever;

“**Expense Reimbursement Amount**” has the meaning ascribed to that term in Section 15 of the Circular, “Agreements Relating to the Offer – Pre-Acquisition Agreement – Termination of the Pre-Acquisition Agreement and Termination Expense”;

“**Expiry Date**” means July 9, 2010 or such later date or dates to which the Offer may be extended from time to time by the Offeror in accordance with Section 5 of the Offer, “Extension, Variation or Change of the Offer”;

“**Expiry Time**” means, in respect of each Offer, 5:00 p.m. (Toronto time) on the Expiry Date;

“**Extended Expiry Time**” has the meaning set forth in Section 5 of the Offer – Extension, Variation or Change of the Offer;

“**Extended Mailing Time**” means no later than 11:59 p.m. on the third Business Day following the date on which an injunction or order made by a court or Government Authority of competent jurisdiction ceases to be in effect which had delayed the mailing of the Offer and Circular beyond the Initial Mailing Time;

“**Financial Statements**” means the audited consolidated financial statements of CAB and its Subsidiaries for the fiscal year ended December 31, 2009, including the notes thereto and the auditors report thereon;

“**fully diluted basis**” means, with respect to the number of outstanding Common Shares at any time, such number of outstanding Common Shares calculated assuming the exercise of all conversion, exchange or acquisition rights in respect of the Common Shares, if any;

“**Governmental Authority**” means any domestic, federal, state, provincial, territorial, local, foreign or supranational regulatory authority or government department or agency, commission, ministry, office, court, tribunal, Crown corporation, stock exchange or any other entity with the power to establish laws having jurisdiction or claiming to have jurisdiction on behalf of Canada, the United States of America or any province, state, municipality or any other subdivision thereof;

“**Initial Expiry Time**” has the meaning set forth in Section 5 of the Offer – *Extension, Variation or Change of the Offer*;

“**Initial Mailing Time**” means the time of mailing of the Offer and Circular to the Shareholders, being no later than 11:59 p.m. on June 3, 2010;

“**Intermediary**” means a registered broker or dealer, financial institution or other intermediary (within the meaning ascribed to that term in National Instrument 54-101 of the Canadian Securities Administrators, as amended) that holds securities on behalf of a person who is not the registered holder thereof;

“**Laws**” means any federal, provincial, state, regional, municipal or local laws, statutes, by-laws, rules, regulations, orders, codes, policies, guidelines, decrees, authorizations, approvals, notices and directions

and judicial, arbitral, administrative, ministerial or departmental judgments, awards, or other requirements, in each case of any Governmental Authority, court or other authority having jurisdiction.

“**Letter of Transmittal**” means the Letter of transmittal in the form accompanying the Offer and Circular to be delivered by holders of Common Shares to the Depository to effect the tender of Common Shares pursuant to the Offer;

“**Lock-Up Agreement**” means the lock-up agreement dated May 12, 2010 between the Offeror and the Locked-Up Shareholder, a copy of which may be accessed at www.sedar.com;

“**Locked-Up Shareholder**” means John F. Driscoll, who has executed the Lock-Up Agreement pursuant to which he agreed to irrevocably tender all Common Shares held by him, directly or indirectly, to the Offer;

“**Mailing Date**” means the date on which the Initial Mailing Time occurs, or, if the Offer and Circular is not mailed by the Initial Mailing Time due to an injunction or order made by a court or Government Authority of competent jurisdiction, the date on which the Extended Mailing Time occurs.

“**Material Adverse Effect**” means an effect that, individually or in the aggregate with other such effects, (i) prevents CAB from performing its obligations under the Pre-Acquisition Agreement in any material respect, or (ii) is reasonably likely to be material and adverse to the condition (financial or otherwise), business or the results of operations of CAB and its Subsidiaries, taken as a whole, except any such effect resulting from or arising in connection with: (a) any change in GAAP; (b) any adoption, proposal, implementation or change in Laws or any interpretation thereof by any Governmental Authority; (c) any change in global, national or regional political conditions (including the commencement, occurrence or continuation of any strike, riot, lockout, outbreak of illness, war, armed hostilities, act of terrorism or facility takeover for emergency purposes); (d) any change in general economic, business, regulatory or market conditions or in national or global financial, capital, securities or currency markets; (e) any natural disaster; (f) the execution, announcement or performance of the Pre-Acquisition Agreement or consummation of the transactions contemplated thereby, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of CAB or any of its Subsidiaries with any of their employees, financing sources, bondholders, shareholders or other stakeholders; (g) any change in the market price or trading volume of any securities of CAB (it being understood that the causes underlying such change in market price may be taken into account in determining whether a Material Adverse Effect has occurred), or any suspension of trading in securities generally on any securities exchange on which any securities of CAB trade; (h) the failure of CAB in and of itself to meet any internal or public projections, forecasts or estimates of revenue or earnings (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred); (i) the outcome of any litigation involving CAB or any of its Subsidiaries that has been disclosed in the Disclosure Letter; (j) any action, omission, effect, change, event or occurrence taken, made, caused, requested or directed by or on behalf of the Offeror; (k) any change affecting any of the industries in which CAB or any of its Subsidiaries operate; or (l) any action taken by CAB or any of its Subsidiaries that is specifically and expressly required or permitted pursuant to the Pre-Acquisition Agreement; provided, however, that with respect to clauses (c), (d), (e) and (k) such matters do not have a materially disproportionate effect on CAB and its Subsidiaries taken as a whole relative to comparable companies operating in the industries in which CAB or its Subsidiaries operate;

“**MI 61-101**” means Multilateral Instrument 61-101 (Take-Over Bids and Special Transactions) of the Canadian Securities Administrators, adopted in Ontario and Quebec;

“**Minimum Tender Condition**” has the meaning ascribed to that term in Subsection 4(g) of the Offer, “Conditions of the Offer”;

“**Non-Resident Shareholder**” has the meaning ascribed to that term in Section 16 of the Circular, “Material Canadian Federal Income Tax Considerations”;

“**Notice of Guaranteed Delivery**” means the Notice of Guaranteed Delivery in the form accompanying the Offer and Circular;

“**Offer**” means the offer to purchase all of the outstanding Common Shares made hereby by the Offeror to holders of Common Shares, the terms of which are set forth in the accompanying Offer and Circular, Letter of Transmittal and Notice of Guaranteed Delivery;

“**Offeror**” means 1535633 Alberta Ltd., a corporation incorporated under the laws of the Province of Alberta;

“**Offeror's Notice**” has the meaning ascribed to that term in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”;

“**Officer Obligations**” means any obligations or liabilities of CAB or any of its Subsidiaries in existence on May 12, 2010 to pay any amount to its officers and/or directors (other than for salary, benefits, and directors’ fees in the ordinary course) and, without limiting the generality of the foregoing, Officer Obligations shall include the Obligations of CAB or any of its Subsidiaries to officers and/or directors for severance or termination payments on a change of control of CAB pursuant to any employment agreements or otherwise in existence on such date;

“**Options**” means options to purchase Common Shares under CAB’s share option plan;

“**OSC**” means the Ontario Securities Commission;

“**Other Securities**” has the meaning ascribed to that term in Section 3 of the Offer, “Manner of Acceptance — Power of Attorney”;

“**Outside Date**” means 60 days following the Mailing Date, subject to the right of either Party to unilaterally postpone the Outside Date for up to an additional 30 days (in increments if desired) if any of the conditions set out in Section 4 of the Offer have not been obtained and none of these conditions has become unobtainable based upon a final and non-appealable decision or order of a Governmental Authority, by giving written notice to the other Party to such effect no later than 5:00 p.m. (Eastern time) on the date that is 10 days (or such shorter period as is practical in the circumstances) prior to the original Outside Date (and any subsequent Outside Date), or such later date as may be mutually agreed to in writing by the Parties, provided that under no circumstances may the Outside Date be later than August 31, 2010 and if pursuant to the foregoing the Outside Date would otherwise be later than August 31, 2010 then notwithstanding the foregoing the Outside Date shall be August 31, 2010;

“**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation, limited liability company, unlimited liability company, governmental, regulatory or court authority, and a natural person in such person’s capacity as trustee, executor, administrator or other legal representative;

“**Pre-Acquisition Agreement**” means the Pre-Acquisition Agreement between the Offeror and CAB dated May 12, 2010, a copy of which may be accessed at www.sedar.com;

“**Purchased Common Shares**” has the meaning ascribed to that term in Section 3 of the Offer, “Manner of Acceptance — Power of Attorney”;

“Regulatory Approvals and Notifications” means the approvals, applications and notifications as follows and, for greater certainty, does not include any other regulatory approvals, applications or notifications to or from any Person:

- (i) the filing of all notices and information required under Part IX of the *Competition Act* (Canada) (the “Competition Act”), except if such requirement shall have been waived by the Commissioner of Competition pursuant to paragraph 113(c) of the Competition Act, and of any information elected to be filed with the Competition Bureau, including a competitive impact statement, and the expiry of applicable waiting periods under section 123 of the Competition Act or the termination thereof in accordance with the Competition Act and: (i) the receipt of an Advance Ruling Certificate in accordance with section 102 of the Competition Act from the Commissioner of Competition in connection with the Transactions contemplated by the Support Agreement or (ii) the receipt of confirmation in writing from the Commissioner of Competition or a person authorized by the Commissioner of Competition that such person is of the view that sufficient grounds do not exist to initiate proceedings before the Competition Tribunal under the merger provisions of the Competition Act with respect to the Transactions contemplated by the Support Agreement and that the Commissioner of Competition, at that time, does not intend to make an application under section 92 of the Competition Act, in respect of the Transactions contemplated by the Support Agreement; and
- (ii) the filing of all required notification and report forms under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”) necessary for the consummation of the Transactions, and the expiration or termination of all waiting periods under the HSR Act applicable to the consummation of the Transactions and notice under section 11.10 of National Instrument 31-103 of the Canadian Securities Administrators re change of ownership of C.A. Bancorp Ltd. (100% owned by CAB) and Barlow Capital Management Inc. (85% owned by CAB);

“Regulations” has the meaning ascribed to that term in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”;

“Resident Shareholder” has the meaning ascribed to that term in Section 16 of the Circular, “Material Canadian Federal Income Tax Considerations”;

“SEDAR” means the System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of public companies and investment funds across Canada. SEDAR may be accessed on the Internet at www.sedar.com;

“Shareholders” means the registered or beneficial holders of Common Shares;

“Soliciting Agent” means Laurel Hill Advisory Group Company;

“Special Committee” means the committee of independent directors of CAB;

“Subsequent Acquisition Transaction” means a transaction involving CAB and the Offeror, pursuant to which the Offeror may acquire all of the Common Shares not tendered pursuant to the Offer, including an arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or transaction involving amendments to the Constating Documents.

“Subsidiary” or **“Subsidiaries”** has the meaning ascribed to that term in National Instrument 45-106 of the Canadian Securities Administrators;

“**Superior Proposal**” means a bona fide unsolicited written proposal for an Alternative Transaction that (a) in the judgment of the Board of Directors, is reasonably capable of being completed, taking into account, to the extent deemed appropriate by the Board of Directors, all financial, legal, regulatory and other aspects of such proposal and the Person making the proposal, (b) is not subject to any financing contingency and in respect of which adequate arrangements have been made to ensure that the required funds will be available to effect payment in full for all of the Common Shares or assets, as the case may be, (c) the Board of Directors determines, acting honestly and in good faith, after receiving the advice of its outside legal and financial advisors, that such proposal would, if consummated, be more favourable to Shareholders from a financial point of view as compared to the Offer, and (d) did not result from a breach of any agreement between the person making the proposal and CAB or any of its subsidiaries, or from a breach of Section 6.1 of the Pre-Acquisition Agreement;

“**Tax Act**” means the *Income Tax Act* (Canada) and all regulations made thereunder, all as amended, supplemented or replaced from time to time;

“**taxable capital gain**” has the meaning ascribed to that term in Section 16 of the Circular, “Material Canadian Federal Income Tax Considerations”;

“**Treaty**” has the meaning ascribed to that term in Section 16 of the Circular, “Material Canadian Federal Income Tax Considerations”;

“**TSX**” means the Toronto Stock Exchange; and

“**U.S.**” or “**United States**” means the United States of America.

CONSENT OF TORKIN MANES LLP

To: The board of directors of 1535633 Alberta Ltd.

And To: The board of directors of Century Services Inc. (as general partner of Century Services LP)

We hereby consent to the reference to our opinion contained under Section 16, "Material Canadian Federal Income Tax Considerations", in the Circular accompanying the Offer dated June 3, 2010 by 1535633 Alberta Ltd. to the holders of common shares of C.A. Bancorp Inc.

Toronto, Ontario June 3, 2010

(Signed) **TORKIN MANES LLP**

APPROVAL AND CERTIFICATE OF 1535633 ALBERTA LTD.

DATED: June 3, 2010

The contents of the Offer and the Circular have been approved, and the sending, communication or delivery thereof to the holders of common shares of C.A. Bancorp Inc. has been authorized by the board of directors of 1535633 Alberta Ltd. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(Signed) BRUCE MACLENNAN
President

(Signed) ROD HUDSON
Chief Financial Officer

On behalf of the Board of Directors

(Signed) BRUCE MACLENNAN
Director

**APPROVAL AND CERTIFICATE OF CENTURY SERVICES INC.
IN ITS CAPACITY AS GENERAL PARTNER OF CENTURY SERVICES LP**

DATED: June 3, 2010

The contents of the Offer and the Circular have been approved, and the sending, communication or delivery thereof to the holders of common shares of C.A. Bancorp Inc. has been authorized by the board of directors of Century Services Inc. for and on behalf of Century Services LP. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(Signed) BRUCE MACLENNAN
President

(Signed) ROD HUDSON
Chief Financial Officer

On behalf of the Board of Directors

(Signed) BRUCE MACLENNAN
Director

The Depositary for the Offer is:
COMPUTERSHARE INVESTOR SERVICES INC.

By Mail:

P.O. Box 7021
31 Adelaide St. E.
Toronto, Ontario M5C 3H2
Attention: Corporate Actions

By Registered Mail, Courier, or by Hand:

100 University Avenue
9th Floor
Toronto, Ontario M5J 2Y1
Attention: Corporate Actions

Toll Free (North America): 1-800-564-6253
Overseas: 1-514-982-7555

E-mail: corporateactions@computershare.com

The Soliciting Agent for the Offer is:
LAUREL HILL ADVISORY GROUP COMPANY

The Soliciting Agent will be available to respond to enquiries relating to the Offer via their toll-free number at:

1-888-239-4509

(banks and brokers should call (416) 304-0211)