

Variable Rate Demand Obligations Disclosure

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Important Information About the Risk Considerations Relating to the Remarketing Agent's Role and Duties with Respect to Variable Rate Demand Bonds/Notes/Obligations

RBC Capital Markets, LLC ("RBC CM") is registered as a broker-dealer and investment adviser with the U.S. Securities and Exchange Commission (SEC). You may receive services from RBC CM as a client of its RBC Wealth Management division or as a client of another broker-dealer or registered investment adviser for which RBC CM provides custody and clearing services through its RBC Clearing & Custody division.

This disclosure pertains to clients (a "Holder") of RBC Capital Markets, LLC ("us" or "we" or "RBC CM") for whom we maintain an account holding one or more debt securities that are referred to as variable rate demand bonds, variable rate demand notes or variable rate demand obligations (these names are used interchangeably and are all referred to in this disclosure as "Bonds"). The interest rate payable on the Bonds is reset periodically — typically weekly, although reset intervals vary from Bond to Bond. Although the interest rate is reset periodically, the Bonds usually mature 20-30 years from their original issue date. In addition to maintaining accounts for you and other Holders, RBC CM serves as the Remarketing Agent for some or all of the Bonds you hold. Our responsibilities as Remarketing Agent generally require that we perform two functions: First, we are responsible for setting the periodic rate of interest payable at a level that we believe will allow such Bonds to be held or placed with investors such as you at a price equal to 100% of the principal amount ("par"). Second, we utilize our best efforts to remarket Bonds that have been tendered by Holders as described below.

This disclosure describes the process for tendering and remarketing Bonds generally and to provide you with a summary of your right and ability to sell your Bonds through the tender process. This is not intended to replace or supplant the offering document or supplemental offering documents with respect to the Bonds (the "Offering Documents"). Holders should read and understand the risk

factors and other information contained in the Offering Documents, including information about the Tender Agent, the Remarketing Agent, the Letter of Credit Bank or Standby Bond Purchaser and the tender process.

Letter of Credit or Standby Bond Purchase Agreement

The Bonds you hold are supported by either an irrevocable direct-pay Letter of Credit (a "Letter of Credit") issued by a financial institution (a "Letter of Credit Bank") or a conditional Standby Bond Purchase Agreement (an "SBPA") from a financial institution (a "Standby Bond Purchaser"). The mechanics of the Letter of Credit and SBPA differ, but each is intended to provide a mechanism for Holders to be able to sell their Bonds after a requisite notice period. These tender notice periods may differ but, for example, Bonds that reset weekly typically require a seven (7) day tender notice period.

The Letter of Credit typically permits the tender agent or the trustee for the Bonds to make a draw under the Letter of Credit unconditionally when a proper tender notice has been timely submitted. The Letter of Credit therefore is in place to allow you, as a Holder, to sell your position by requiring the Letter of Credit Bank to buy your Bonds after you have provided a proper tender notice and the appropriate period of time has passed. An SBPA is a conditional obligation that requires the Standby Bond Purchaser to buy your Bonds after a proper tender notice has been outstanding for the requisite period of time. However, an SBPA contains certain "Termination Events." Should any of these Termination Events occur, the Standby Bond Purchaser would be relieved of the obligation to buy your Bonds. You should carefully evaluate those Termination Events and the risk that you may not be able to tender your Bonds if any of the Termination Events occurs. The Termination Events are described in the Offering Documents.

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

The Letter of Credit Bank or Standby Bond Purchaser, as the case may be, is identified in the Offering Documents. There are no assurances that the Letter of Credit Bank or Standby Bond Purchaser will have sufficient funds to enable it to honor its commitments under its Letter of Credit or SBPA. For some (but not all) Bonds for which RBC CM acts as Remarketing Agent, our parent company, Royal Bank of Canada, is the Letter of Credit Bank or Standby Bond Purchaser and is therefore responsible to purchase tendered Bonds subject to the terms and conditions of the Letter of Credit or SBPA.

The Remarketing Agent

The Remarketing Agent is an independent contractor appointed by the issuer (the “Issuer”) for an issue of Bonds. It is paid by the Issuer to perform those services provided in the remarketing agreement between the Issuer and the Remarketing Agent (the “Remarketing Agreement”), as more fully described in the Offering Documents. The Remarketing Agent is appointed by the Issuer and is subject to the provisions of the Remarketing Agreement, but it acts independently of the Issuer, the Tender Agent and the Letter of Credit Bank or Standby Bond Purchaser. The interests of the Remarketing Agent may differ from and, in some cases, are in conflict with the interests of existing Holders and potential purchasers of Bonds.

As described in more detail in the Remarketing Agreement, the Remarketing Agent has no duty or responsibility to purchase Bonds from Holders, but it may, in its individual capacity, purchase Bonds for its own account in its sole discretion. The Remarketing Agent may also cease purchasing Bonds for its own account from Holders at any time for any reason and without notice, even if it has previously purchased Bonds of the same issue or any other Bonds. For example, the Remarketing Agent may, in its sole discretion, acquire tendered Bonds for its own account in order to achieve a successful remarketing of the tendered Bonds. However, the Remarketing Agent is not obligated to purchase Bonds, either for its own account or in its capacity as Remarketing Agent, and the decision to purchase Bonds or not to purchase Bonds for its own account is solely within the discretion of the Remarketing Agent. The Remarketing Agent, in its individual capacity, may also make a market in the Bonds by routinely purchasing and selling Bonds for its own account other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Bonds, either in its individual capacity or as Remarketing Agent. The Remarketing Agent may also sell any Bonds it has purchased for its own account, or enter into derivative transactions or other arrangements with affiliates or others in order to reduce its exposure to such Bonds. In cases where the Remarketing Agent’s parent company or an affiliate is the Letter of Credit Bank or Standby Bond Purchaser, that fact may affect the Remarketing Agent’s individual decisions with regard to purchasing, holding, tendering and/or selling

Bonds. The purchase of Bonds by the Remarketing Agent for its own account may create the appearance that there is greater demand and liquidity in the market for the Bonds than would be the case if the Remarketing Agent were not so purchasing Bonds. The practices described above also may result in fewer Bonds being tendered in a remarketing. In addition, the decision by the Remarketing Agent to buy Bonds for its own account may give other Holders and potential purchasers of the Bonds the impression that other Holders are able to sell their Bonds on less than the normal tender notice period. Holders must not rely on the Remarketing Agent to purchase their Bonds.

Regardless of whether the Remarketing Agent buys, holds, tenders or sells Bonds for its own account, as described in the previous paragraph, the Remarketing Agent will continue to be responsible for setting the periodic interest rate on those Bonds as well as the Bonds owned by other Holders and for utilizing its best efforts to remarket any Bonds tendered by itself or any other Holder. When determining whether to purchase Bonds for its own account, the Remarketing Agent will be aware of orders by other Holders to purchase or sell Bonds and whether other Holders have tendered Bonds. The availability of this information to the Remarketing Agent may affect its decision to purchase Bonds for its own account. The Remarketing Agent may also tender Bonds it may own for its own account by following the tender procedures in the same manner as any other Holder. As a Holder, the Remarketing Agent acts independently of any other person in determining whether to tender Bonds held by it.

The Tender Process

In the event a Holder of Bonds (including the Remarketing Agent, in its individual capacity, if it is a Holder) desires to sell Bonds, the Holder may, while the Bonds are in the periodic interest reset mode, tender the Bonds for purchase at a price of par plus accrued interest by completing and providing a tender notice to the Tender Agent, as more fully described in the Offering Documents. The tender notice must be submitted the number of days prior to the proposed purchase date as prescribed in the Offering Documents. During this tender period, the Remarketing Agent is obligated to utilize its best efforts to find a purchaser for the tendered Bonds at a price of par plus accrued interest. If the Remarketing Agent is unable to find such a purchaser for any tendered Bonds during the tender period, the tender agent or the trustee for the Bonds will, at the end of the tender period, make a draw on the Letter of Credit Bank or Standby Bond Purchaser in an amount equal to the principal amount of the tendered Bonds plus accrued interest.

If the Letter of Credit Bank or Standby Bond Purchaser is unable or fails to honor its obligations to purchase tendered Bonds, or if a Termination Event has previously occurred under an SBPA, Holders will not have their tendered Bonds purchased through the tender process and therefore may be at risk of owning such Bonds until maturity. Holders should

read and understand the Termination Events described in the Offering Documents.

**Under Certain Circumstances,
the Remarketing Agent May Be Removed,
May Resign or May Cease Remarketing
Bonds, Without a Successor Remarketing
Agent Being Named**

Under certain circumstances, the Remarketing Agent may be removed by the issuer of the Bonds or at the direction of the Letter of Credit Issuer or Standby Bond Purchaser. The Remarketing Agent may have the right to resign or may cease its remarketing efforts, without a successor Remarketing Agent having been named, all subject to the terms of the Remarketing Agreement. In the event that no successor Remarketing Agent for the Bonds is named, the interest rate on the Bonds may be different from the interest rate a remarketing agent would have determined pursuant to the requirements of the Remarketing Agreement.

We have attempted to describe in this disclosure the Remarketing Agent's role and duties as well as some risk considerations that should be borne in mind by potential Holders. This disclosure is not intended to be a substitute for the risk disclosures or other information provided in the Offering Documents for any Bonds. Holders should read and understand the risk factors and other information in the Offering Documents.

Please contact your Financial Professional if you have any questions about this disclosure.