

**Offer to Purchase for Cash
Any and All Outstanding Eligible Securities
from Eligible Investors**

at

Par Value or Liquidation Preference

by

**RBC Capital Markets Corp.
Ferris, Baker Watts, Inc.
JBHanauer & Co.**

**THE OFFERS AND WITHDRAWAL RIGHTS EXPIRE AT
5:00 P.M., EASTERN TIME, ON JUNE 30, 2009.**

RBC Capital Markets Corp. (formerly RBC Dain Rauscher Inc.¹) and its affiliates, Ferris, Baker Watts, Inc. and JBHanauer & Co. (collectively, “RBC”) are offering to purchase illiquid auction rate securities whose last scheduled auction did not clear as of December 15, 2008, which we refer to as the “**Eligible Securities**,” from individual investors who purchased the Eligible Securities prior to February 11, 2008 by placing an order directly with a representative of RBC for an account maintained at RBC. To be eligible for this offer, the Eligible Securities must have been sold to an RBC account held by:

- a natural person;
- a non-corporate trust;
- nonprofit, charitable or religious organization that owned an account at RBC with an aggregate value of \$25 million or less; or
- a small business or organization that owned an account at RBC with an aggregate value of \$10 million or less.

The above-referenced groups of investors are collectively referred to as “**Eligible Investors**.” For more information on which securities are considered Eligible Securities, please contact your financial consultant or call the RBC Auction Rate Securities Call Center at 1-866-876-5469. Our records indicate that you may be an Eligible Investor of Eligible Securities.

We are offering to purchase from Eligible Investors any and all Eligible Securities at their respective par value or liquidation preference, plus any accrued interest or dividends, if any, to the payment date.

Each offer to purchase each individual series of Eligible Securities by RBC is a separate offer. Each offer is independent and is not conditioned upon any other offer and each offer may be amended individually.

None of RBC, any of its affiliates or their Boards of Directors makes any recommendation as to whether the Eligible Investors should tender their Eligible Securities pursuant to this offer. Eligible Investors must make their own decisions with regard to tendering their Eligible Securities. See “Risk Factors,” below. This offer is being made pursuant to the settlement described in “Background to Offer” on page 1 below.

You should read this entire document carefully before deciding whether to tender your securities.

December 1, 2008

¹ RBC Capital Markets Corporation is a wholly-owned indirect subsidiary of Royal Bank of Canada. Prior to February 29, 2008, RBC Capital Markets Corp. was a separate broker-dealer and operated independently of its affiliate, RBC Dain Rauscher Inc. On that date, RBC Capital Markets Corp. merged into RBC Dain Rauscher Inc. The combined entity was renamed RBC Capital Markets Corp. simultaneous with the closing of the merger and began operations on Monday, March 3, 2008.

IMPORTANT

You should read this offer for important information before you make a decision with respect to this offer.

This offer is not being made to, nor will tenders be accepted from, holders of Eligible Securities in any jurisdiction in which the making of this offer or acceptance thereof would violate the laws of such jurisdiction. If we become aware of any statute or any administrative or judicial ruling that prohibits the making of this offer or the acceptance of the Eligible Securities, we will make a good faith effort to comply with that statute or ruling. If, after a good faith effort, we cannot comply with the statute or ruling, we will not make this offer to, nor will we accept tenders from, the holders of Eligible Securities in that jurisdiction.

No person other than an authorized representative of RBC has been authorized to give any information or make any representation on behalf of RBC not contained in this offer and, if given or made, such information or representation must not be relied upon as having been authorized.

This offer and the related documents have not been filed with, or reviewed by, any U.S. federal, state or foreign securities commission or regulatory authority, nor has any such commission or authority passed upon the accuracy or adequacy of this offer. Any representation to the contrary is unlawful and may be a criminal offense.

This offer is being made without the assistance or prior notice to the issuers of Eligible Securities and is not contingent on the approval or recommendation of such issuers.

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BACKGROUND TO OFFER

Auction rate securities are debt or preferred equity securities whose interest or dividend rates are reset periodically, typically as a result of an auction. The frequency of the periodic auctions varies, with common reset periods being daily, 7 days, 14 days, 28 days or 35 days, although some reset less frequently. As a result of the periodic auctions, these securities were designed to perform like, and be as liquid as, short-term investments, even though they generally have long-term maturities (or, in the case of preferred equity securities, no maturity).

Since mid-February 2008, however, many auction rate security auctions have failed. As a result, many auction rate security holders have been unable to sell their securities. Following the widespread failure of auctions of auction rate securities, the Enforcement Division of the U.S. Securities and Exchange Commission, the Office of the New York State Attorney General, and various state securities administrators associated with the North American Securities Administrators Association (collectively, the “**Authorities**”) commenced investigations of participants in the auction rate securities market, including RBC. We have entered into agreements-in-principle with the Authorities to settle their investigations. As part of those agreements-in-principle, we have agreed to make this offer to purchase all Eligible Securities held by Eligible Investors. While no formal allegations have been made, we expect the Authorities to allege violations of Article 23-A of the New York State General Business Law, commonly known as the Martin Act Section 15(c) of the Securities Exchange Act of 1934, as amended and similar provisions of other state laws in connection with our sale of auction rate securities. The settlements have yet to be finalized and, accordingly, the terms of the settlements are subject to change. The entrance by RBC into the settlements does not constitute an admission by RBC of wrongdoing or culpability or otherwise evidence any liability for conduct in relation to auction rate securities.

Neither the tender of your Eligible Securities nor our purchase of your Eligible Securities pursuant to this offer will constitute a waiver of any claims you may have against RBC or any other party.

Availability of Special Arbitration Provisions to Retail Investors

To the extent that any Eligible Investor has incurred consequential damages beyond the loss of liquidity in their eligible auction rate securities, they can elect to participate in a special arbitration process administrated by the Financial Industry Regulatory Authority (“FINRA”). Under the special FINRA process, claims for consequential damages will be heard by either a three-person panel or by a single independent, non-industry arbitrator at the Eligible Investor’s decision. RBC will pay all forum and filing fees in connection with such claim. Eligible Investors who choose to pursue such a claim will bear the burden of proving by a preponderance of the evidence the existence and amount of consequential damages suffered as a result of the illiquidity of the auction rate securities purchased from RBC. RBC may defend itself against such claims. However, RBC will not contest liability related to the sale of auction rate securities and shall not use an Eligible Investor’s decision not to borrow money from RBC as a defense. Eligible Investors will not be able to assert claims of punitive damages or any other type of claims other than consequential damages as permitted by law in the arbitration. For more information regarding the FINRA procedure, please visit the FINRA website at <http://www.finra.org/arbitrationmediation/p116972>. Questions on the availability of this special arbitration process may be directed to your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469.

QUESTIONS AND ANSWERS

Who is offering to purchase my securities?

RBC Capital Markets Corp. and its affiliates, Ferris, Baker Watts, Inc. and JBHanauer & Co. (collectively referred to as “**RBC**”), are each making this offer to purchase the Eligible Securities for cash. Each of the offers to purchase each individual series of the Eligible Securities shall be deemed a separate offer and RBC Capital Markets Corp., Ferris, Baker Watts, Inc. and JBHanauer & Co. are each making separate offers pursuant to this Offer to Purchase.

Why is RBC offering to purchase my securities?

Many holders of auction rate securities have been unable to sell their securities because the auctions for those securities have failed. We have entered into agreements-in-principle with the Authorities with respect to these matters and have agreed to make this offer to purchase at par value all Eligible Securities held by Eligible Investors in order to alleviate these liquidity issues.

To whom is this offer being made?

To be eligible for this offer, you must have purchased the Eligible Securities prior to February 11, 2008 by placing an order directly with a representative of RBC for an account maintained at RBC, and you must be:

- a natural person;
- a non-corporate trust;
- nonprofit, charitable or religious organization that owned an account at RBC with an aggregate value of \$25 million or less; or
- a small business or organization that owned an account at RBC with an aggregate value of \$10 million or less.

We refer to this group as the Eligible Investors. If you are not sure if you are an Eligible Investor, you may contact your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 for more information.

We calculate the aggregate value of an account as of February 11, 2008, or, in the case of an investor who closed their accounts with RBC, on the date the accounts are closed.

If you purchased your auction rate securities from a financial institution other than RBC, you are not eligible for this offer. You should contact the financial institution that sold those auction rate securities to you to ascertain your eligibility under their offer, if any. Please contact your RBC Financial Consultant for contact information relevant to auction rate securities for other financial institutions.

What securities are you offering to purchase?

We are offering to purchase, upon the terms and subject to the conditions set forth in this offer, illiquid auction rate securities whose last scheduled auction did not clear as of December 15, 2008. We refer to these securities as the Eligible Securities. For more information on which securities are Eligible Securities, please contact your financial consultant or call the RBC Auction Rate Securities Call Center at 1-866-876-5469.

By contacting your financial consultant or calling the RBC Auction Rate Securities Call Center at 1-866-876-5469 you may be able to obtain:

- identifying information and the CUSIP of each Eligible Security;
- interest or dividend reset date frequency for each Eligible Security;
- the next scheduled interest or dividend reset date for each Eligible Security;

- the date(s) we will purchase each Eligible Security; and
- the most recent interest or dividend rate information for such Eligible Security to extent reliable information is available to us.

The cover letter you received with this offer lists the Eligible Securities you own. However, if you believe the information in the cover letter to be inaccurate please contact your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 to discuss.

What if I transferred my Eligible Securities to another firm? Can I still participate in the offer?

If you are an Eligible Investor that originally purchased Eligible Securities directly from RBC prior to February 11, 2008, you may participate in the offer even if you have moved the Eligible Securities to an account at another financial institution or broker dealer (“Eligible Securities Held Away”). In order to participate in the offer, you should contact your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 to make arrangements for the tendering of those auction rate securities. If you are not a current client of RBC, you may need to provide us with certain required documentation. For those Eligible Securities Held Away, RBC will not accept them for tender unless (i) it is able to verify your eligibility for the offer as to your meeting the Eligible Investor requirements and that you purchased the Eligible Securities while a client of RBC and (ii) RBC receives information reasonably satisfactory, in its sole discretion, from the firm at which you hold your Eligible Securities that the bidding rights associated with those Eligible Securities will be transferred to RBC along with the tendered Eligible Securities. See discussion under “Procedures For Acceptance,” below.

It is possible that the financial institution at which you are currently holding the Eligible Securities has made an offer to purchase such securities. You should determine whether you are eligible for any such offer in order to avoid having to move your securities to RBC in order to participate in the offer. Offers to purchase auction rate securities by other firms may be different from this offer.

If I purchased auction rate securities at another institution and they are now held in an account at RBC, are those securities eligible for this offer?

No. See discussion under “Procedures For Acceptance,” below.

May I accept this offer for some of my Eligible Securities and not all of them?

Yes. You may accept this offer for some but not all of your Eligible Securities. The minimum amount of each Eligible Security that you may tender is equal to the applicable minimum denomination for that security, which is the minimum principal amount or liquidation preference per Eligible Security. If you hold less than the minimum denomination, you must tender everything you hold.

Are there any conditions to this offer?

No. There are no conditions to this offer. If the Eligible Securities are validly tendered and not properly withdrawn by Eligible Investors, RBC Capital Markets Corp., Ferris, Baker Watts, Inc. or JBHanauer & Co., whichever firm sold you the Eligible Security, will purchase your tendered Eligible Securities. In addition, each offer is independent and is not conditioned upon any other offer.

What will I receive if I accept this offer?

If you accept this offer with respect to Eligible Securities that you currently hold, you will receive cash in the amount of:

- if the Eligible Securities you own are debt instruments, par value plus accrued interest, if any; or
- if the Eligible Securities you own are preferred stock, the preferred stock liquidation preference, plus accumulated dividends, if any.

What is the fee to accept this offer?

We will not charge you any brokerage fees or commissions in connection with this offer.

When will this offer begin and expire?

This offer will begin on December 15, 2008 and expire at 5:00 P.M., Eastern time, on Tuesday, June 30, 2009.

Am I required to accept this offer?

No, you are not required to accept this offer. However, your decision not to accept this offer may affect your ability to sell your Eligible Securities in the future. (See discussion under “What will I receive if I fail to accept this offer?” and “Risk Factors,” below). Neither the tender of your Eligible Securities nor our purchase of your Eligible Securities pursuant to this offer will constitute a waiver of any claims you may have against RBC.

How do I accept this offer and validly tender my Eligible Securities?

If you are an Eligible Investor and wish to accept this offer you must call your financial consultant by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009. If you do not have a financial consultant you must call the RBC Auction Rate Securities Call Center at 1-866-876-5469 by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009. The RBC Auction Rate Securities Call Center cannot process the acceptance of this offer by Eligible Investors, but the RBC Auction Rate Securities Call Center will direct Eligible Investors to the appropriate branch or complex in order to validly tender their Eligible Securities.

If your acceptance of this offer is not received by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009, you will be deemed to have rejected this offer, even if you are a Discretionary Client. See “What happens if I hold my Eligible Securities in an advisory account over which RBC exercises discretionary investment?,” below.

We reserve the right to reject any or all acceptances of this offer that do not comply with the terms set forth herein, including for lack of satisfactory proof that the holder meets the definition of an Eligible Investor, or the acceptance of which, in our opinion, would be unlawful. We also reserve the right to waive any defects, irregularities or conditions applicable to particular acceptances of this offer for any or all of your Eligible Securities. Our interpretation of the terms and conditions of this offer will be final and binding.

If I accept this offer and tender my Eligible Securities, when will RBC accept the tender?

Eligible Investors may tender their Eligible Securities immediately. However, we will not begin to accept the tender of Eligible Securities until two business days before the next scheduled interest or dividend payment date occurring after December 15, 2008 for that Eligible Security tendered in the offer. In general, if you validly tender your Eligible Securities, and do not properly withdraw them, we will accept the tender for each particular Eligible Security at 5:00 P.M., Eastern time, two business days immediately prior to the next scheduled interest or dividend payment date after you tender your securities. Therefore, acceptance by RBC of each tendered Eligible Security depends on the next occurring interest or dividend payment date for that Eligible Security. For Eligible Investors that hold Eligible Securities at another firm the procedure and timing of acceptance may be different. See discussion under “Procedures For Acceptance,” below.

For example, if a particular Eligible Security has an interest or dividend payment date every 7 days on every Wednesday, we will accept that Eligible Security at 5:00 P.M., Eastern time, on the first Monday after December 15, 2008 following the date on which you validly tender that Eligible Security.

If the redemption date for any Eligible Security you tender is prior to December 15, 2008, we will not accept your Eligible Security. Instead, your Eligible Security will be redeemed by its issuer, and you will be paid pursuant to the terms of that security.

When and how will I be paid for my validly tendered Eligible Securities?

In general, if you validly tender your Eligible Securities and do not properly withdraw them, whichever one of RBC Capital Markets Corp., Ferris, Baker Watts, Inc. or JBHanauer & Co. that sold you the Eligible Security will purchase your tendered Eligible Security two business days after it accepts your tender of that Eligible Security and deposit the appropriate funds into your account. The purchase date will generally be the next scheduled interest or dividend payment date for that Eligible Security.

For example, if a particular Eligible Security has an interest or dividend payment date every 7 days on every Wednesday, we will accept that Eligible Security at 5:00 P.M., Eastern time, on the first Monday after December 15, 2008 following the date on which you validly tender that Eligible Security. We will purchase that Eligible Security two business days after we have accepted your tender of that Eligible Security and deposit the appropriate funds into your account.

For clients with accounts at RBC, the payment for your validly tendered Eligible Securities will be deposited into the account where the Eligible Securities are currently held.

For more information on when a particular Eligible Security will be purchased, please contact your financial consultant or call the RBC Auction Rate Securities Call Center at 1-866-876-5469.

Can I change my mind after I have accepted this offer?

You may withdraw any particular Eligible Security you validly tender prior to the time we accept the tender of your Eligible Securities. Therefore, the last date on which you may withdraw any particular Eligible Security generally depends on when you tender your Eligible Security and the frequency of the interest or dividend payment dates for that particular Eligible Security. See also "If I accept this offer and tender my Eligible Securities, when will RBC accept the tender?," above, which describes other dates that we may accept your tender.

For more information on when a particular Eligible Security will be purchased, please contact your financial consultant or call the RBC Auction Rate Securities Call Center at 1-866-876-5469.

How do I withdraw tendered Eligible Securities?

If you are an Eligible Investor and would like to withdraw your tendered Eligible Securities, you must call your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 prior to the time we accept the tender of your Eligible Securities.

You must (i) specify the name of the account holder(s) and applicable account(s) that tendered the Eligible Security to be withdrawn and (ii) provide the description of the Eligible Securities to be withdrawn and the aggregate principal amount or liquidation preference represented by each such Eligible Security. Any Eligible Security properly withdrawn will be deemed to be not validly tendered for purposes of this offer. **We reserve the absolute right to reject any or all withdrawals that are not in proper form. We reserve the right to waive any defects, irregularities or conditions applicable to particular withdrawals of this offer for any or all of your Eligible Securities. Our interpretation of the terms and conditions of this offer will be final and binding.**

Withdrawal of an Eligible Security can be accomplished only in accordance with the foregoing procedure.

If I accept this offer, will I have any U.S. Federal income tax consequences?

See the discussion under "U.S. Federal Income Tax Considerations," below.

What will RBC do with any securities that it purchases in this offer?

If we purchase any securities pursuant to this offer, we intend to hold or sell them as principal. Resales of securities by us could have an adverse effect on the market value of any securities you elect to retain. We also reserve the right to dispose of the securities we purchase in any method we deem proper, including to hold or seek to restructure, redeem or otherwise dispose of the securities. Some or all of these dispositions could have an adverse effect on the market value of the securities you elect to retain. While we do not

anticipate the ability to sell these instruments for more than par, it is possible that at some future point the prices or values received by us when we dispose of the securities may be more than that received by Eligible Investors for the same or similar securities in this offer. In addition, the interest rates or dividends we receive on the securities may be different than those received by Eligible Investors for the same or similar securities tendered in this offer. We may also earn customary fees in the future in connection with arranging the resale, restructuring, redemption or other disposition of the securities held by us or by our clients.

What happens if I fail to accept this offer?

If you fail to accept this offer before it expires, you will be deemed to have rejected this offer, even if you are a Discretionary Client. See “What happens if I hold my Eligible Securities in an advisory account over which RBC exercises discretionary investment authority?,” below.

If you reject the offer, you will continue to own Eligible Securities and bear all the risks and rewards of continued ownership. Because the auctions for such securities have not been clearing, you may experience continued illiquidity of your investment for an indefinite period that could extend until final maturity or voluntary redemption of the securities by the issuer. You could also experience the loss of principal and interest or dividend rates that vary from the current rates as determined by factors explained in the official statement for such securities. There can be no assurance that auctions for any Eligible Securities will clear or that a secondary market will develop for such securities. RBC reserves the right, in our sole discretion, to purchase any Eligible Securities at any time and through any means. Those means may include open market or privately negotiated transactions, one or more additional tender or exchange offers, or otherwise. If RBC were to purchase such securities, it may do so on terms that are not the same as we are presently offering and could be less favorable than the present terms.

Where can I find out more about RBC’s Material Auction Practices and Procedures?

A description of our Material Auction Practices and Procedures is available without charge by contacting your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 or by visiting www.rbccm.com/0,,cid-28617_,00.html

See also “Risk Factors,” below, for a description of other factors you should consider as you evaluate this offer.

What do I need to do to reject this offer?

You do not need to do anything to reject this offer. If you do not tender your securities you will be deemed to have rejected this offer, even if you are a Discretionary Client. See “What happens if I hold my Eligible Securities in an advisory account over which RBC exercises discretionary investment authority?,” below.

Is this offer the exclusive means by which RBC will purchase any auction rate securities?

Not necessarily. As described above, in our sole discretion we may purchase auction rate securities from non-Eligible Investors or Eligible Investors at any time, on any terms, and by any means.

What happens if I hold my Eligible Securities in an advisory account over which RBC exercises discretionary investment authority?

Certain Eligible Investors may have advisory accounts over which RBC exercises discretionary investment authority. We refer to such Eligible Investors as **Discretionary Clients**. If you are a Discretionary Client, you may accept this offer pursuant to the procedures described in this document.

If you are a Discretionary Client and wish to tender your Eligible Securities in this offer you must inform us orally by contacting your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009 that you have elected to tender your Eligible Securities in this offer. If RBC has not received your consent by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009 RBC will not accept this offer and tender your Eligible Securities on your behalf. It is important that a Discretionary Client contact its financial consultant or the RBC Auction Rate

Securities Call Center at 1-866-876-5469 to provide instructions such Discretionary Client wishes to participate in this offer.

For more information regarding advisory accounts, see the discussion under “Special Disclosure for Advisory Accounts,” below.

How will you contact me if there are any changes to or an extension of this offer?

If there is a material change to or an extension of this offer we will promptly disclose the information by mailing you an amendment to this offer.

In addition, any information on such change or extension will be available by contacting your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469.

Who can I talk to if I have questions about this offer?

If you have any questions about this offer, please contact your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469.

RISK FACTORS

You may not withdraw your acceptance of this offer after we have accepted the tender of your Eligible Securities.

If you validly tender your Eligible Securities and, after we have accepted the tender of a particular Eligible Security, you decide that you would prefer to reject this offer, you will not be allowed to withdraw your acceptance for that particular Eligible Security. Your acceptance will be irrevocable once we have accepted the tender of your Eligible Securities.

The resale of any securities acquired by us pursuant to this offer could adversely affect trading in, and prices for, those securities.

If we purchase any securities pursuant to this offer, we intend to hold them or offer them for resale. Resales of securities by us could have an adverse effect on the market value of any securities you elect to retain. In addition, if we place orders to sell such securities at auctions, those orders would increase the number of sell orders at the relevant auctions without increasing the number of buy orders. Such sell orders, therefore, could decrease the chance of an auction clearing. If an auction clears notwithstanding such sell orders, our sell orders could also affect the clearing rate determined by the auction. We also reserve the right to dispose of the securities we purchase in any method we deem proper, including to hold or seek to restructure, redeem or otherwise dispose of the securities. Some or all of these dispositions could have an adverse effect on the market value of the securities you elect to retain. While we do not anticipate the ability to sell these instruments for more than par, it is possible that at some future point the prices or values received by us when we dispose of the securities may be more than that received by Eligible Investors for the same or similar securities in this offer. In addition, the interest or dividend rates we receive on the securities may be less than, equal to, or more than those received by Eligible Investors for the same or similar securities in this offer. We may also earn customary fees in the future in connection with arranging the sale, restructuring, redemption or other disposition of the securities held by us or by our clients.

You should carefully consider the risks involved in not accepting this offer.

If you do not accept this offer, you should be prepared to hold your Eligible Securities for an indeterminate period of time. There can be no assurance of when or if a successful auction will take place, a secondary market will exist or develop, or the issuer will take action to refinance or otherwise redeem the security. If a secondary market does develop, the price received upon a sale of your Eligible Securities may be less than par. In addition, the interest rate or dividend may be lower following the next reset date of your Eligible Securities.

Because certain auction rate securities — including Eligible Securities — are experiencing no or limited liquidity, the prices for any auction rate securities shown on your monthly account statement may not reflect the prices you would receive upon a sale at auction or in a secondary market transaction. The prices shown on your monthly account statement are derived from various sources, and may differ from prices provided to us by outside pricing services and/or from our own internal bookkeeping valuations. We can make no assurance with respect to the underlying credit of the issuer of your auction rate securities.

In addition, if you hold auction rate securities that are clearing (and therefore are not Eligible Securities), you should consider whether to sell such securities in the next auction given the risk that such auctions may fail in the future.

You should carefully consider all factors that may affect the desirability of accepting this offer.

The desirability of accepting this offer with respect to the Eligible Securities you continue to hold may depend on a variety of factors, including the factors described in this offer and the following:

- whether the payment under this offer to which you would be entitled would be greater than the current market value and your expectation of the potential future market value of the Eligible Securities you own;
- distributions (including interest and dividends) that you have already received and can expect to receive on the Eligible Securities;
- the potential tax impact of accepting this offer;

- the impact of accepting this offer on your overall investment portfolio and strategy or, for those of you who participate in discretionary or advisory investment programs, the impact on the investment strategy and actions of your investment manager or advisor;
- the potential that the auctions for your auction rate securities may begin to clear prior to the conclusion of this offer, which auction clearing may be temporary, and that the rate paid on your auction rate securities may be higher or lower than the rate paid today or on comparable securities;
- the specific terms, credit ratings, and credit quality of the Eligible Securities you own;
- transaction costs associated with reinvesting the payment you are entitled to receive in this offer;
- the availability of alternative means of investing the proceeds of sales of Eligible Securities and the risks and potential returns of such alternative investments; and
- the liquidity of other markets available for the Eligible Securities you own, if any.

You should also consider that if you refuse this offer and retain your Eligible Securities, we may choose to participate or not to participate in any future auctions of those securities. We are under no obligation to participate or not to participate in any auction and any decision to participate or not to participate will be made in our sole discretion. Participating in an auction does not constitute a waiver of our right not to participate in the auction in the future. If we choose not to participate as a buyer, or choose to participate as a seller, in an auction, that could increase the probability that the auction would fail to clear. Conversely, if we choose not to participate as a seller, or choose to participate as a buyer, in an auction, that could increase the probability that the auction would clear. In addition, our participation or non-participation could impact the clearing rate set in the auction. A description of RBC's Material Auction Practices and Procedures is available at www.rbccm.com/0,,cid-28617_,00.html, or you can request a copy of this document by contacting your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469.

PROCEDURES FOR ACCEPTANCE

Whichever one of RBC Capital Markets Corp., Ferris, Baker Watts, Inc. or JBHanauer & Co. that sold you the Eligible Security will accept for payment and pay for all Eligible Securities that you validly tender and have not properly withdrawn in accordance with the procedures set forth below. We reserve the right to reject any or all acceptances of this offer that are not in proper form, including for lack of satisfactory proof that the holder meets the definition of an Eligible Investor, or the acceptance of which, in our opinion, would be unlawful. We also reserve the right, in our sole discretion, from time to time, to purchase any Eligible Securities that remain outstanding following termination or expiration of this offer through open market or privately negotiated transactions, one or more additional tender or exchange offers or otherwise, on terms that may be equal to or less favorable than the terms we are offering pursuant to this offer. Any purchase of auction rate securities pursuant to this offer may be made by RBC or any of its affiliates.

Procedure for Tendering Eligible Securities

You are not required to accept this offer. Your right to accept this offer will terminate at 5:00 P.M., Eastern time, on Tuesday, June 30, 2009. If you elect to reject this offer, you do not need to take any action, even if you are a Discretionary Client. See "Special Disclosure for Advisory Accounts," below.

We reserve the right to waive any defects, irregularities or conditions applicable to particular acceptances of this offer for any or all of your Eligible Securities. Our interpretation of the terms and conditions of this offer will be final and binding.

If you have not indicated your acceptance to this offer by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009, you will be deemed to have rejected this offer.

If you are an Eligible Investor and would like to accept this offer you must call your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009.

Note: the following process will not apply to you if you hold your Eligible Securities in an RBC account.

Procedure for Tendering Eligible Securities held at another firm

RBC will purchase Eligible Securities originally purchased directly from RBC prior to February 11, 2008 but that are currently held at another financial institution or broker dealer ("Eligible Securities Held Away"). In order to take advantage of this offer, you may have to transfer those Eligible Securities back into an RBC account and provide appropriate documentation. RBC representatives will instruct you as to how to arrange for the transfer of those securities to RBC and as to their tender. You may reach an RBC representative for this purpose by calling your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469.

RBC will accept Eligible Securities Held Away for tender only if: (i) it is able to verify your eligibility for the offer in that you are an Eligible Investor and hold Eligible Securities and that you purchased such auction rate securities while a client of RBC and (ii) you open or re-open an old account with us which may require additional paperwork. You should call your former RBC financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 for assistance in this process. RBC will also require information reasonably satisfactory to it, in its sole discretion, that the Eligible Securities Held Away and the associated bidding rights will be transferred to RBC in the ordinary course. This generally involves your providing us with the account name and account number where the auction rate securities are currently held, the name of the firm where they are being held and, if applicable, the account name and number at any other firm where the auction rate securities may have been held after being transferred away from RBC.

You may also have to provide information necessary to confirm that you purchased the tendered securities originally from RBC while a client at the firm and that you meet the requirements to be an Eligible Investor. In order to verify that status, we may need for you to furnish the name and account number of your prior RBC account, the approximate date on which you purchased the Eligible Securities from RBC, and/or your social security or tax identification number so we can search our books and records for your purchase. Other documentation and information may be required in order to process the transaction.

Funding of this offer

We have the present ability to pay all amounts due and will fund this offer from available cash.

Special Notice for Benefit Plan and Retirement Accounts

If the holder of the Eligible Securities is an employee benefit plan, an IRA or similar type account, then this notice is intended to alert the plan's fiduciary, the account's owner, or such other person entitled to exercise control over the assets of such plan or account of the offer. Furthermore, RBC is merely making an offer to purchase the Eligible Securities. None of RBC or your financial advisor is providing you with advice or a recommendation as to whether any such plan or account should participate in this offer or tender any Eligible Securities held by such plan or account.

REPRESENTATION AND WARRANTY OF TENDERING ELIGIBLE INVESTORS

THE OFFER IS BEING MADE ONLY TO ELIGIBLE INVESTORS IN RESPECT OF ELIGIBLE SECURITIES PURCHASED FROM EITHER RBC CAPITAL MARKETS CORP., FERRIS, BAKER WATTS, INC. OR JBHANAUER & CO. PRIOR TO FEBRUARY 11, 2008. EVERY ELIGIBLE INVESTOR TENDERING SECURITIES IN THE OFFER WILL BE DEEMED TO REPRESENT (1) THAT THE TENDERED AUCTION RATE SECURITIES ARE ELIGIBLE SECURITIES AS DEFINED IN THIS OFFER AND (2) THAT SUCH INVESTOR IS AN ELIGIBLE INVESTOR AS DEFINED IN THIS OFFER.

SPECIAL DISCLOSURE FOR ADVISORY ACCOUNTS

Principal Transaction Disclosure

If you are an Eligible Investor with a discretionary or non-discretionary advisory account with us, if we purchase your Eligible Securities pursuant to this offer, we will do so in a transaction in which we will be acting as a principal. We will not charge a commission on the transaction. We do not expect to make a profit upon a later resale (if any) of the Eligible Securities purchased in this offer because the Eligible Securities are generally bought and sold at prices not greater than their par value (plus accrued interest) or their liquidation preference (plus accumulated dividends), although we do expect to receive interest or dividends on the Eligible Securities (which may in the future be paid in an amount greater than today and greater than that paid on comparable securities) and we may earn customary fees in the future in connection with arranging the refinancing, resecuritization, restructuring, redemption or other disposition of the Eligible Securities and/or other auction rate securities held by us or by our clients. If you accept this offer, your acceptance will constitute your consent to our purchase of Eligible Securities from you pursuant to this offer in a transaction in which we will be acting as principal.

Discretionary Clients

If you are a Discretionary Client, you may accept this offer pursuant to the procedures described in this document.

If you are a Discretionary Client and wish to tender your Eligible Securities in this offer you must inform us orally by contacting your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009 that you have elected to tender your Eligible Securities in this offer. If RBC has not received your consent by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009 RBC will not accept this offer and tender your Eligible Securities on your behalf. It is important for Discretionary Clients to contact their financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 to provide instructions such Discretionary Client wishes to participate in this offer.

If you are a Discretionary Client and would like to inform RBC that you have elected to tender your Eligible Securities you must call your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469 by 5:00 P.M., Eastern time, on Tuesday, June 30, 2009. You must (1) specify the name of and account and contact information for the Discretionary Client and (2) specify which Eligible Securities you wish tendered on your behalf.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

If you are a holder subject to tax and you validly tender Eligible Securities and we purchase those Eligible Securities pursuant to this offer, you will generally be treated, for U.S. federal income tax purposes, as disposing of those Eligible Securities in a taxable transaction. The specific U.S. federal income tax consequences of such a taxable disposition will depend on your particular circumstances and the terms of the particular Eligible Securities you sell to us. If you validly tender and we purchase Eligible Securities held through a tax-deferred account such as an IRA, the normal tax rules regarding deferral of taxation with respect to such an account will generally apply to such a tender and purchase by us. In considering whether to accept the offers contained herein, you should consult your own tax advisor with regard to the application of U.S. federal income tax laws to your particular situation as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Any cash proceeds received by you pursuant to this offer will generally be subject to information reporting and may also be subject to backup withholding if you fail to provide certain identifying information or meet certain other conditions. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

CONTACT INFORMATION

If you have questions or require additional information about this offer, you may contact your financial consultant or the RBC Auction Rate Securities Call Center at 1-866-876-5469. The RBC Auction Rate Securities Call Center will be available Monday through Friday from 8:30 A.M. to 5:00 P.M., Eastern time until this offer expires at 5:00 p.m., Eastern time, on Tuesday, June 30, 2009.