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BOULDER GROWTH & INCOME FUND

Form PRE 14A

February 22, 2005

[GRAPHIC OMITTED]

BOULDER GROWTH & INCOME FUND, INC.  
1680 38TH STREET, SUITE 800  
BOULDER, COLORADO 80301

March \_\_\_\_\_, 2005

Dear Fellow Stockholder,

You are cordially invited to attend the 2005 Annual Meeting of Stockholders of Boulder Growth & Income Fund, Inc., which will be held on April 26, 2005 at 9:00 a.m. Mountain Standard Time (local time), at the Millennium Resort McCormick Ranch, 7401 N. Scottsdale Road, Scottsdale, Arizona. Details of the business to be presented at the meeting can be found in the accompanying Notice of Annual Meeting and Proxy Statement.

There are four non-routine proposals contained in this Proxy: The first two are corporate governance matters which establish the number of directors at five and change the voting standard for stockholder approved bylaws to a majority of votes entitled to be cast. The third and fourth proposals eliminate the Fund's fundamental restriction on investing in options and foreign securities.

As Chairman of the Board, I encourage you to support each of the proposals. After careful review by the independent directors, the Board of Directors unanimously approved and has recommended to stockholders that they approve each of the proposals.

We hope you plan to attend the meeting. Your vote is important. Whether or not you are able to attend, it is important that your shares be represented at the Meeting. Accordingly, we ask that you please sign, date and return the enclosed Proxy Card or vote via telephone or the Internet at your earliest convenience.

On behalf of the Board of Directors and the management of Boulder Growth & Income Fund, I extend our appreciation for your continued support.

Sincerely,

/s/ Joel W. Looney

Joel W. Looney

Chairman of the Board

[GRAPHIC OMITTED]

BOULDER GROWTH & INCOME FUND, INC.  
1680 38TH STREET, SUITE 800  
BOULDER, COLORADO 80301

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held on April 26, 2005

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To the Stockholders:

Notice is hereby given that the Annual Meeting of Stockholders of Boulder Growth & Income Fund, Inc. (the "Fund"), a Maryland corporation, will be held at the Millennium Resort McCormick Ranch, 7401 N. Scottsdale Road,, Scottsdale, Arizona at 9:00 a.m. Mountain Standard Time (local time), on April 26, 2005, for the following purposes:

1. The election of Directors of the Fund (Proposal 1).
2. An amendment to the Charter to establish the number of Directors at five (5) (Proposal 2).
3. An amendment to the Charter changing the voting standard for stockholders to amend or adopt Bylaws to the affirmative vote of a majority of all the votes entitled to be cast on the matter (Proposal 3).
4. To approve or disapprove the elimination of the Fund's fundamental investment restriction on writing, purchasing or selling puts and calls (Proposal 4).
5. To approve or disapprove the elimination of the Fund's fundamental investment restriction regarding investment in foreign securities (Proposal 5).
6. To transact such other business as may properly come before the Meeting or any adjournments and postponements thereof.

The Board of Directors of the Fund has fixed the close of business on February 28, 2005 as the record date for the determination of stockholders of the Fund entitled to notice of and to vote at the Annual Meeting.

By Order of the Board of Directors,  
/s/ Stephanie Kelley  
STEPHANIE KELLEY  
Secretary

March \_\_\_\_, 2005

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STOCKHOLDERS WHO DO NOT EXPECT TO ATTEND THE ANNUAL MEETING ARE REQUESTED TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD. THE PROXY CARD SHOULD BE RETURNED IN THE ENCLOSED ENVELOPE, WHICH NEEDS NO POSTAGE IF MAILED IN THE UNITED STATES. INSTRUCTIONS FOR THE PROPER EXECUTION OF PROXIES ARE SET FORTH ON THE INSIDE COVER.

STOCKHOLDERS WHO HAVE QUESTIONS OR NEED ASSISTANCE IN VOTING MAY CONTACT MACKENZIE PARTNERS, INC. TOLL FREE AT 1-800-322-2885 OR BY EMAIL AT PROXY@MACKENZIEPARTNERS.COM  
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Instructions for Signing Proxy Cards

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The following general rules for signing proxy cards may be of assistance to you and may avoid the time and expense to the Fund involved in validating your vote if you fail to sign your proxy card properly.

1. Individual Accounts: Sign your name exactly as it appears in the registration on the proxy card.

2. Joint Accounts: Either party may sign, but the name of the party signing should conform exactly to a name shown in the registration.

3. All Other Accounts: The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

| Registration   | Valid Signature            |
|--|----------------------------|
| Corporate Accounts   |                            |
| (1) ABC Corp.  | ABC Corp.                  |
| (2) ABC Corp.  | John Doe, Treasurer        |
| (3) ABC Corp., c/o John Doe Treasurer                      | John Doe                   |
| (4) ABC Corp. Profit Sharing Plan                          | John Doe, Trustee          |
| Trust Accounts   |                            |
| (1) ABC Trust  | Jane B. Doe, Trustee       |
| (2) Jane B. Doe, Trustee, u/t/d 12/28/78                   | Jane B. Doe                |
| Custodian or Estate Accounts                               |                            |
| (1) John B. Smith, Cust.,<br>f/b/o John B. Smith, Jr. UGMA | John B. Smith              |
| (2) John B. Smith  | John B. Smith, Jr., Execut |

[GRAPHIC OMITTED]

BOULDER GROWTH & INCOME FUND, INC.  
1680 38TH STREET, SUITE 800  
BOULDER, COLORADO 80301

### QUESTIONS & ANSWERS REGARDING THE MEETING AND PROPOSALS

Question 1: What is the purpose of the Annual Meeting?

Answer: At the Meeting, stockholders will be asked to vote on the election of directors, two corporate governance proposals (i.e., Proposals 2 and 3), which involve amending the Fund's charter (the "Corporate Governance Proposals"), and two proposals which eliminate two of the Fund's fundamental investment restrictions.

Question 2: Who is being nominated for election at the Meeting?

Answer: The Board has nominated the following five Directors, each to serve a one-year term until the annual meeting in 2006 and until their successors are duly elected and qualify: Richard I. Barr, Joel W. Looney, Alfred G. Aldridge, Jr., John S. Horejsi, and Dennis R. Causier.

Question 3: Why is the Board recommending the Corporate Governance Proposals?

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Answer: The Board is recommending the Corporate Governance Proposals to enhance and clarify certain proposals that were approved by stockholders at the 2004 Annual Meeting. Last May, after stockholders approved a comprehensive range of corporate governance proposals, the Board determined that several additional changes should be made in order to give the effect intended by the Board, that is, to balance the efficiency of operating the Fund with stockholders having an effective voice. The first of these is a charter amendment that established the "maximum" number of directors at five (5). The Board believes stockholders will be better served if the number of directors is instead "fixed" at five, no more, no less, in order to avoid altogether the common abuse of manipulating board size to affect the voting impact of directors. The second is a charter amendment that would permit stockholders to amend bylaws with a "majority of votes cast." The Board has determined that this standard was perhaps too relaxed and might encourage unwanted activism and nuisance proposals to change bylaws that would be costly and result in a diversion to the important business of the Funds.

Question 4: Why is the Board recommending changing the Fund's fundamental investment policy regarding investments in foreign securities?

Answer: The Fund currently is limited to investing no more than 20% of its assets in foreign securities. The Board believes that this provision may unnecessarily restrict its participating in and profiting from attractive foreign securities. With the introduction of the Euro and the recent decline in the relative strength of the U.S. Dollar, the Fund needs the flexibility to invest a larger percentage of its assets in the securities of foreign issuers. The Advisers believe that foreign stocks, especially those that trade on foreign exchanges in foreign currencies, may present the Fund better opportunities than those currently found in the U.S.

Question 5: Why is the Board recommending changing the Fund's fundamental investment policy regarding puts and calls?

Answer: The Advisers believe that this provision unnecessarily restricts the Fund from participating in and profiting from buying, selling or writing options on securities. This restriction was originally placed on the Fund at its inception, under its former name, USLife Income Fund, and its former advisor. At the time it was likely put in place to assure prospective stockholders that the advisor would not participate in the options market, due to leverage considerations and the general viewpoint from the public's eye that the options market is speculative. The Fund currently is prohibited from investing in puts and calls (i.e., options). The Advisers believe that this restriction unnecessarily restricts the Fund from the opportunity to profit from buying, selling and writing options. Options give the right to buy or sell a security at a set price on or before a date certain. The Advisers would be most likely to use options in arbitrage situations. The Advisers may also use options to hedge certain perceived risks.

Question 6: How do the Horejsi Affiliates (as defined below at Page 2) intend to vote on the Corporate Governance Proposals?

Answer: The Horejsi Affiliates intend to vote in favor of each of the Proposals, including each Corporate Governance Proposal.

Question 7: How does the Board recommend that stockholders vote on the various proposals?

Answer: If no instructions are indicated on your proxy, the representatives holding proxies will vote in accordance with the recommendations of the Board. The Board, including all of the Independent Directors, has unanimously recommended that stockholders vote FOR all of the Proposals.

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Question 8: Who is entitled to vote?

Answer: Stockholders of record at the close of business on February 28, 2005 (the "Record Date") are entitled to notice of and to vote at the Meeting. Each of the shares outstanding on the Record Date is entitled to one vote on each of the Proposals.

Question 9: What is the required quorum for the Meeting?

Answer: The holders of at least a majority of the outstanding common shares must be represented at the Meeting, either in person or by proxy, in order to constitute a quorum permitting business to be conducted at the Meeting. If you have completed, executed and returned valid proxy instructions (in writing, by phone or by Internet) or attend the Meeting and vote in person, your shares will be counted for purposes of determining whether there is a quorum, even if you abstain from voting on any or all matters introduced at the Meeting.

Question 10: How do I vote?

Answer: Your vote is very important. Stockholders can vote in person at the Meeting or authorize proxies to cast their votes ("proxy voting") by proxy. Most stockholders will have a choice of proxy voting over the Internet at <http://www.proxyvote.com>, by using a toll-free telephone number or by completing a Proxy Card and mailing it in the postage-paid envelope provided. Please refer to your Proxy Card or the information forwarded by your bank, broker or other nominee to see which options are available to you. If you proxy vote by Internet or telephone, you do NOT need to return your Proxy Card. If you vote by proxy, the individuals named on the Proxy Card as proxy holders will vote your shares in accordance with your instructions. You may specify whether your shares should be voted for all, some or none of the nominees for director and whether your shares should be voted for or against the other proposals. If you execute an otherwise valid proxy but do not provide voting instructions, the persons named as proxies will cast your votes FOR all of the Proposals.

Question 11: Can I revoke or change my proxy?

Answer: Yes. You may change or revoke your proxy at any time before the Meeting by timely delivery of a properly executed, later-dated proxy (including an Internet or phone vote), by sending a written revocation to the Secretary of the Fund at the Fund's address listed on the accompanying Notice of Meeting, or by attending and voting in person at the Meeting. The powers of the proxy holders will be suspended with respect to your shares if you attend the meeting in person and so request, but attendance at the Meeting will not by itself revoke a previously granted proxy.

[GRAPHIC OMITTED]

BOULDER GROWTH & INCOME FUND, INC.  
1680 38TH STREET, SUITE 800  
BOULDER, COLORADO 80301

ANNUAL MEETING OF STOCKHOLDERS  
April 26, 2005

PROXY STATEMENT

This proxy statement ("Proxy Statement") for Boulder Growth & Income Fund, Inc., a Maryland corporation ("BIF" or the "Fund"), is furnished in connection with the solicitation of proxies by the Fund's Board of Directors (collectively,

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the "Board" and individually, the "Directors") for use at the Annual Meeting of Stockholders of the Fund to be held on Tuesday, April 26, 2005, at 9:00 a.m. Mountain Standard Time (local time), at the Millennium Resort McCormick Ranch, 7401 N. Scottsdale Drive, Scottsdale, Arizona, and at any adjournments and postponements thereof (the "Meeting"). A Notice of Annual Meeting of Stockholders and proxy card for the Fund accompany this Proxy Statement. Proxy solicitations will be made, beginning on or about March \_\_, 2005, primarily by mail, but proxy solicitations may also be made by telephone, by Internet on the Fund's web site, telegraph or personal interviews conducted by officers of the Fund and PFPC Inc., the transfer agent of the Fund, and by MacKenzie Partners, Inc. ("MacKenzie"), the Fund's proxy solicitor. MacKenzie's fee to assist in the solicitation of proxies is estimated to be \$\_\_\_\_\_ plus expenses. The costs of proxy solicitation and expenses incurred in connection with the preparation of this Proxy Statement and its enclosures will be paid by the Fund. The Fund also will reimburse brokerage firms and others for their expenses in forwarding solicitation material to the beneficial owners of its shares. The Board has fixed the close of business on February 28, 2005 as the record date (the "Record Date") for the determination of stockholders entitled to notice of and to vote at the Meeting.

The Annual Report of the Fund, including audited financial statements for the fiscal period ended November 30, 2004, has been mailed to stockholders. Additional copies are available upon request, without charge, by calling [1-800-331-1710]. The report is also viewable online at the Fund's website at [www.boulderfunds.net](http://www.boulderfunds.net). The report is not to be regarded as proxy solicitation material.

Boulder Investment Advisers, L.L.C. ("BIA"), 1680 38th Street, Suite 800, Boulder, Colorado 80301 and Stewart Investment Advisers ("SIA"), Bellerive, Queen Street, St. Peter, Barbados, currently serve as co-investment advisers to the Fund. BIA and SIA are collectively referred to herein as the "Advisers". Fund Administrative Services, L.L.C., serves as co-administrator to the Fund and is located at 1680 38th Street, Suite 800, Boulder, Colorado 80301. Investors Bank & Trust Company ("IBT") acts as the co-administrator to the Fund and is located at 200 Clarendon Street, Boston, Massachusetts 02116. PFPC Inc. ("PFPC") acts as the transfer agent to the Fund and is located at 4400 Computer Drive, Westborough, Massachusetts 01581.

If the enclosed proxy is properly executed and returned by April 26, 2005 in time to be voted at the Meeting, the Shares (as defined below) represented thereby will be voted in accordance with the instructions marked thereon. Unless instructions to the contrary are marked thereon, a proxy will be voted FOR the election of the nominees for Directors, FOR each of the other Proposals and, in the discretion of the proxy holders, on any other matters that may properly come before the Meeting. Any stockholder who has given a proxy has the right to revoke it at any time prior to its exercise either by attending the Meeting and casting his or her votes in person or by submitting a letter of revocation or a later-dated proxy to the Fund's Secretary at the above address prior to the date of the Meeting.

A quorum of the Fund's stockholders is required for the conduct of business at the Meeting. Under the Bylaws of the Fund, a quorum is constituted by the presence in person or by proxy of the holders of a majority of the outstanding shares of the Fund as of the Record Date. In the event that a quorum is not present at the Meeting, or in the event that a quorum is present but sufficient votes to approve one or more proposals are not received, the persons named as proxies may propose and vote for one or more adjournments of the Meeting to permit further solicitation of proxies with respect to any proposal that did not receive the votes necessary for its passage. With respect to those proposals for which there is represented a sufficient number of votes in favor, actions taken at the Meeting will be approved and implemented irrespective of any adjournments with respect to any other proposals. Any such adjournment will require the

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affirmative vote of a majority of votes cast on the matter at the Meeting. If a quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote FOR any proposal in favor of such an adjournment and will vote those proxies required to be voted AGAINST any proposal against any such adjournment.

The Fund has one class of capital stock: common stock, par value \$0.01 per share (the "Common Stock" or the "Shares"). On the Record Date, there were 11,327,784 Shares issued and outstanding. Each Share is entitled to one vote at the Meeting and fractional shares are entitled to proportionate shares of one vote.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS. The following table sets forth certain information regarding the beneficial ownership of the Shares as of the Record Date by each person who may be deemed by the Fund to beneficially own 5% or more of the Common Stock.

| Name of Owner*                 | Number of Shares<br>Directly Owned | Number of Shares<br>Beneficially Owned | Percentage<br>Beneficially O |
|--------------------------------|------------------------------------|--|------------------------------|
| Ernest Horejsi Trust No. 1B    | 2,354,600                          | 2,354,600                              | 20.79%                       |
| Badlands Trust Company         | ---                                | ----**                                 | 20.79%                       |
| Stewart R. Horejsi Trust No. 2 | ---                                | ----**                                 | 20.79%                       |
| Aggregate Shares Owned**       | 2,354,600                          | 2,354,600                              | 20.79%                       |

\* The address of each listed owner is c/o Badlands Trust Company, LLC, 3601 C. Street, Suite 600, Anchorage, AK 99503.

\*\* Excludes shares owned by the Ernest Horejsi Trust No. 1B (the "EH Trust"). Badlands Trust Company, LLC ("Badlands") is one of three trustees of the EH Trust. Badlands is a trust company organized under the laws of Alaska and is wholly owned by the Stewart R. Horejsi Trust No. 2, an irrevocable trust organized by Stewart R. Horejsi for the benefit of his issue. The Managers of Badlands are Larry Dunlap, Stephen C. Miller, Robert Ciciora, who is the brother of Mr. Horejsi's son-in-law (John Ciciora), Laura Rhodenbaugh and Kevin Van Nortwick. Badlands and its managers disclaim beneficial ownership of shares owned by the EH Trust. Together with Larry Dunlap and Badlands, Ms. Ciciora is a trustee of the EH Trust and also one of the beneficiaries of the EH Trust. Mr. Miller is an officer and President of Badlands. Because two of the Trust's trustees are required in order for the Trust to vote or exercise dispositive authority with respect to shares owned by the Trust, Ms. Ciciora and Mr. Miller each disclaim beneficial ownership of such shares.

The EH Trust, Badlands and the Stewart R. Horejsi Trust No. 2, as well as other Horejsi affiliated trusts and entities are collectively referred to herein as the "Horejsi Affiliates". Information as to beneficial ownership in the previous paragraph has been obtained from a representative of the beneficial owners; all other information as to beneficial ownership is based on reports filed with the Securities and Exchange Commission (the "SEC") by such beneficial owners.

As of the Record Date, Cede & Co., a nominee partnership of the Depository

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Trust Company, held of record, but not beneficially, [10,235,192 shares or 90.35%] of Common Stock outstanding of the Fund.

As of the Record Date, the executive officers and directors of the Fund, as a group, owned 2,389,729 shares of Common Stock (this amount includes the aggregate shares of Common Stock owned by the Horejsi Affiliates set forth above), representing 21.10% of Common Stock.

In order that your Shares may be represented at the Meeting, you are requested to vote on the following matters:

PROPOSAL 1

ELECTION OF DIRECTORS OF THE FUND

The Charter provides that all of the Directors stand for election each year. The Board has nominated the following five Director nominees to stand for election, each for a one-year term and until their successors are duly elected and qualify: Richard I. Barr, Joel W. Looney, Alfred G. Aldridge, Jr., John S. Horejsi and Dennis R. Causier. At a regularly scheduled meeting of the Board of Directors held on October 15, 2004, the Board accepted the resignation of Stephen C. Miller as a Director of the Fund. The remaining directors elected Dennis R. Causier as Mr. Miller's replacement. Mr. Miller, previously an interested director of the Fund, resigned in order to bring the Fund into compliance with recent SEC regulations that become effective in January 2006 and which require that 75% of the Board be non-interested directors. The above nominees have consented to serve as Directors if elected at the Meeting for the one-year term. If the designated nominees decline or otherwise become unavailable for election, however, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees.

INFORMATION ABOUT DIRECTORS AND OFFICERS. Set forth in the following table is information about the nominees for election to the Board of Directors, all of whom are currently Directors of the Fund:

| Name, Address*, Age                    | Position, Length of Term Served, and Term of Office  | Principal Occupation(s) and Other Directorships Held During the Past Five Y   |
|--|--|---|
| -----                                  |  |   |
| Independent Directors                  |  |   |
| Joel W. Looney,<br>Chairman<br>Age: 43 | Director of the Fund since January, 2002. Chairman of the Board of the Fund since October 2004. Current Nominee for a term to expire at the 2006 annual meeting. | Partner, Financial Management Group, (investment adviser) since July 1999; Bethany College from 1995-1999; Director, Boulder Total Return Fund, Inc., since January 2001; Director and Chairman of Board, First Financial Fund, Inc. since August 2003. |
| Alfred G. Aldridge, Jr.                | Director of the Fund   | Retired. From 1982-2002, Sales Manager  |



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|  |   |  |
|--|---|--|
| Brig. Gen. (Retired)<br>Cal. Air National Guard<br>Age: 67 | since January 2002.<br>Current Nominee for a<br>term to expire at the<br>2006 annual meeting. | Shamrock Foods Company; Director of<br>Fiesta Bowl, Tempe, AZ since 1<br>Director, Boulder Total Return Fund, I<br>since 1999; Director, Maricopa Y<br>Assistance Foundation, Phoenix, AZ s<br>2004; Executive Vice President, Busi<br>Development Specialists, Phoenix, AZ s<br>2004. |
|--|---|--|

|                            |   |   |
|----------------------------|---|---|
| Richard I. Barr<br>Age: 66 | Director of the Fund<br>since January 2002.<br>Current Nominee for a<br>term to expire at the<br>2006 annual meeting. | Retired. From 1963-2001, Manager<br>Advantage Sales and Marketing, Inc (                 brokerage); Director, Boulder Total Re<br>Fund, Inc., since 1999 and Chairman of<br>Board since 2003; Director, First Finan<br>Fund, Inc., since 2001. |
|----------------------------|---|---|

|                              |   |  |
|------------------------------|---|--|
| Dennis R. Causier<br>Age: 57 | Director of the Fund<br>since October 2004.<br>Current Nominee for a<br>term to expire at the<br>2006 annual meeting. | Retired. From 1966-2001, Managing Dire<br>and Chairman of P.S. Group PLC (enginee<br>and construction); owner, Professional Y<br>Management Services; Director, F<br>Financial Fund, Inc. since October, 2004. |
|------------------------------|---|--|

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 Interested Director\*\*  
 -----

|                            |   |   |
|----------------------------|---|---|
| John S. Horejsi<br>Age: 37 | Director of the Fund<br>since May 2004.<br>Current nominee for a<br>term to expire at the<br>2006 annual meeting. | President of HoJo Records, LLC (m<br>producer) since 2001; Director of Hor<br>Charitable Foundation since 1997. |
|----------------------------|---|---|

\* Unless otherwise specified, the Directors' respective addresses are c/o  
 Boulder Growth & Income Fund, Inc., 1680 38th Street, Suite 800, Boulder,  
 Colorado 80301.

\*\* Mr. Horejsi is an "interested person" as a result of the extent of his  
 beneficial ownership of Fund shares and by virtue of his indirect beneficial  
 ownership of BIA and FAS.

+ Includes the Fund, Boulder Total Return Fund, Inc. and First Financial Fund,  
 Inc.

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 From the late 1980's until January, 2001, Mr. Looney served, without  
 compensation, as one of three trustees of the Mildred Horejsi Trust, an  
 affiliate of the EH Trust.

The names of the executive officers of the Fund are listed in the table  
 below. Each officer was elected to office by the Board at a meeting held on  
 January 21, 2005. This table also shows certain additional information. Each  
 officer will hold such office until a successor has been elected by the Board.

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| Name, Address, Age  | Position, Length of Term Served, and Term of Office During the Past Five Years  | Principal Occupation(s) and Other Directorships  |
|---|---|--|
| Stephen C. Miller<br>1680 38th Street,<br>Suite 800<br>Boulder, CO 80301<br>Age: 52   | President of the Fund since January 2002 and Director from January 2002 through October 2004. Appointed annually.       | President of and General Counsel for Boulder Growth & Income Advisers, LLC; Manager, Fund Administration, LLC ("FAS"); Vice President of Boulder Growth & Income Advisers; Director and President of Boulder Growth & Income Fund, Inc., since 1999 (resigned as Director and President of First Financial Fund, Inc. in October 2003 (resigned as Director and Chairman and General Counsel, Horejsi, Inc. (liquidation) in August 2003); General Counsel, Brown Welding Supply, Inc.; Director and officer of various other Horejsi Affiliates; Director, Krassa & Miller, LLC since 1991. |
| Carl D. Johns<br>1680 38th Street,<br>Suite 800<br>Boulder, CO 80301<br>Age: 41       | Chief Financial Officer, Chief Accounting Officer, Vice President and Treasurer since January 2002. Appointed annually. | Vice President and Treasurer of BIA and Manager of FAS, since April, 1999; Vice President, Chief Financial Officer and Chief Accounting Officer of Boulder Total Return Fund, Inc., since 1999 and President of Boulder Growth & Income Fund, Inc., since August 2003.   |
| Stephanie J. Kelley<br>1680 38th Street,<br>Suite 800<br>Boulder, CO 80301<br>Age: 48 | Secretary since January 2002. Appointed annually.   | Secretary, Boulder Total Return Fund, Inc. since October 2000 and First Financial Fund, Inc. since August 2003; Assistant Secretary and Assistant Treasurer of various Horejsi Affiliates; employee of Horejsi since March 1999.   |
| Nicole L. Murphey<br>1680 38th Street,<br>Suite 800<br>Boulder, CO 80301<br>Age: 28   | Assistant Secretary since January 2002. Appointed annually.   | Assistant Secretary, Boulder Total Return Fund, Inc. since October 2000 and First Financial Fund, Inc. since August 2003; employee of FAS since July 2003.   |

Set forth in the following table are the nominees for election to the Board (all of whom are current Directors of the Fund) together with the dollar range of equity securities beneficially owned by each Director as of the Record Date, as well as the aggregate dollar range of the Fund's equity securities in all funds overseen in a family of investment companies (i.e., other funds managed by BIA and SIA (collectively, the "Advisers")).

OWNERSHIP OF THE FUND BY DIRECTORS

| Independent Directors and Nominees | Dollar Range of Equity Securities in the Fund | Aggregate Dollar Range of Equity Securities in All Funds in the Family of Investment Companies |
|------------------------------------|---|--|
| Alfred G. Aldridge, Jr.            | \$10,001 to \$50,000                          | \$50,000 to \$100,000  |
| Richard I. Barr                    | \$50,001 to \$100,000                         | Over \$100,000   |
| Joel W. Looney                     | \$10,001 to \$50,000                          | Over \$100,000   |

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Dennis R. Causier

\$0

\$0

### Interested Directors and Nominees

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John S. Horejsi

Over \$100,000+

Over \$100,000

+ 2,354,600 Shares of the Fund are held by the EH Trust. Accordingly, Mr. Horejsi may be deemed to have indirect beneficial ownership of such Shares. Mr. Horejsi disclaims all such beneficial ownership. Mr. Horejsi does not directly own any shares of the Fund.

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None of the independent Directors or their family members owned beneficially or of record any securities of the Advisers or any person directly or indirectly controlling, controlled by, or under common control with the Advisers.

DIRECTOR AND OFFICER COMPENSATION. The following table sets forth certain information regarding the compensation of the Fund's Directors for the fiscal year ended November 30, 2004. No persons (other than the independent Directors, as set forth below) currently receive compensation from the Fund for acting as a Director or officer. Directors and executive officers of the Fund do not receive pension or retirement benefits from the Fund. Directors receive reimbursement for travel and other out of pocket expenses incurred in connection with Board meetings.

| Name of Person and Position with the Fund          | Aggregate Compensation from the Fund Paid to Directors | Total Compensation from the Fund and Fund Complex |
|--|--|---|
| Alfred G. Aldridge, Jr., Director                  | \$23,000   | \$49,500<br>(2 funds)                             |
| Richard I. Barr, Director                          | \$23,000   | \$79,000<br>(3 funds)                             |
| Joel W. Looney, Director and Chairman of the Board | \$25,000   | \$86,000<br>(3 funds)                             |
| Dennis R. Causier, Director                        | \$4,533  | \$10,566<br>(2 funds)                             |
| John S. Horejsi, Director                          | \$0  | \$0   |

Each Director of the Fund who was not a Director, officer or employee of one of the Advisers, or any of their affiliates, receives a fee of \$8,000 per annum plus \$3,000 for each in person meeting, \$500 for each Audit Committee meeting

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and \$500 for each telephonic meeting of the Board. In addition, the Chairman of the Board and the Chairman of the Audit Committee receives \$1000 per meeting. Each Director of the Fund is reimbursed for travel and out-of-pocket expenses associated with attending Board and Committee meetings. The Board held eight meetings (four of which were held by telephone conference call) during the fiscal year ended November 30, 2004. Each Director currently serving in such capacity for the entire fiscal year attended at least 75% of the meetings of Directors and any Committee of which he is a member. Directors currently serving and who served less than the entire fiscal year attended at least 75% of such meetings held during their tenure as a Director. The aggregate remuneration paid to the Directors of the Fund for acting as such during the fiscal year ended November 30, 2004 amounted to \$75,532.97.

### COMMITTEES OF THE BOARD OF DIRECTORS

**AUDIT COMMITTEE; REPORT OF AUDIT COMMITTEE.** The purpose of the Audit Committee is to assist Board oversight of the integrity of the Fund's financial statements, the Fund's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence and the performance of the Fund's independent auditors. The Audit Committee reviews the scope and results of the Fund's annual audit with the Fund's independent accountants and recommends the engagement of such accountants. Management, however, is responsible for the preparation, presentation and integrity of the Fund's financial statements, and the independent accountants are responsible for planning and carrying out proper audits and reviews. The Board of Directors adopted a written charter for the Audit Committee on January 23, 2002 and most recently amended the Charter on January 23, 2004. A copy of the Audit Committee Charter was attached as an appendix to the Fund's proxy in 2004. The Audit Committee is composed entirely of the Fund's independent Directors, consisting of Messrs. Aldridge, Barr, Causier and Looney. Each member of the Audit Committee is independent, as that term is defined by the NYSE Listing Standards. The Audit Committee met two times during the fiscal year ended November 30, 2004.

In connection with the audited financial statements as of and for the period ended November 30, 2004 included in the Fund's Annual Report for the period ended November 30, 2004 (the "Annual Report"), at a meeting held on January 21, 2005, the Audit Committee considered and discussed the audited financial statements with management and the independent accountants, and discussed the audit of such financial statements with the independent accountants.

The Audit Committee has received the written disclosures and letter from the independent accountants required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with independent accountants their independence. The Audit Committee discussed with the independent accountants the accounting principles applied by the Fund and such other matters brought to the attention of the Audit Committee by the independent accountants required by Statement of Auditing Standards No. 61, Communications With Audit Committees, as currently modified or supplemented.

The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting and are not employed by the Fund in any accounting, financial management or internal control capacity. Moreover, the Audit Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the independent accountants. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles and policies, or internal controls

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and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of the Fund's financial statements has been carried out in accordance with generally accepted accounting standards or that the financial statements are presented in accordance with generally accepted accounting principles.

Based on its consideration of the audited financial statements and the discussions referred to above with management and the independent accountants and subject to the limitation on the responsibilities and role of the Audit Committee set forth in the charter and those discussed above, the Audit Committee of the Fund recommended to the Board that the audited financial statements be included in the Fund's Annual Report and be mailed to stockholders and filed with the SEC.

Submitted by the Audit Committee of the Fund's Board of Directors:

Alfred G. Aldridge, Jr.  
Richard I. Barr  
Dennis R. Causier  
Joel W. Looney

NOMINATING COMMITTEE. The Board of Directors has a nominating committee (the "Nominating Committee") consisting of Messrs. Looney, Aldridge, Causier and Barr, which is responsible for considering candidates for election to the Board in the event a position is vacated or created. Each member of the Nominating Committee is independent, as that term is defined by the NYSE Listing Standards. The Nominating Committee met two times during the fiscal year ended November 30, 2004. The Nominating Committee met on March 17, 2004, to consider the nomination of John S. Horejsi, the son of Stewart R. Horejsi, the Fund's portfolio manager. John Horejsi was being considered to fill a vacancy on the Board resulting from the resignation of Susan L. Ciciora. At this meeting, the Nominating Committee considered the qualifications and determined the suitability of John Horejsi to be Director and resolved to recommend John Horejsi to stockholders for election at the 2004 Annual Meeting. The Nominating Committee met again on October 15, 2004 to consider the nomination of Dennis R. Causier. Mr. Causier was being considered to fill a vacancy on the Board resulting from the resignation of Stephen C. Miller as a Director of the Fund. Mr. Miller, previously an interested director of the Fund, resigned in order to bring the Fund into compliance with recent SEC regulations which that become effective in January 2006 and which require that 75% of the Board be non-interested directors. The Board of Directors has adopted a charter for the Nominating Committee that is available on the Fund's website, [www.boulderfunds.net](http://www.boulderfunds.net).

The Nominating Committee does not have a formal process for identifying candidates. The Nominating Committee takes into consideration such factors as it deems appropriate when nominating candidates. These factors may include judgment, skill, diversity, experience with investment companies and other organizations of comparable purpose, complexity, size and subject to similar legal restrictions and oversight, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees thereof. The Nominating Committee will consider all qualified candidates in the same manner. The Nominating Committee may modify its policies and procedures for director nominees and recommendations in response to changes in the Fund's circumstances, and as applicable legal or listing standards change.

The Nominating Committee would consider director candidates recommended by stockholders (if a vacancy were to exist) and submitted in accordance with applicable law and procedures as described in this Proxy Statement (see "Submission of Stockholder Proposals" below). Such recommendations should be forwarded to the Secretary of the Fund.

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The Fund does not have a compensation committee.

### OTHER BOARD-RELATED MATTERS.

Stockholders who wish to send communications to the Board should send them to the address of the Fund and to the attention of the Board. All such communications will be directed to the Board's attention.

The Fund does not have a formal policy regarding Board member attendance at the Annual Meeting of Stockholders; however, all of the Directors of the Fund attended the May 18, 2004 Annual Meeting of Stockholders.

REQUIRED VOTE. The election of Messrs. Looney, Aldridge, Barr, Horejsi and Causier as Directors will require the affirmative vote of a plurality of the votes cast by holders of the Common Stock at the Meeting in person or by proxy on Proposal 1.

THE BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE ELECTION OF ALL THE NOMINEES.

### PROPOSAL 2

#### AMENDMENT TO THE CHARTER TO ESTABLISH THE NUMBER OF DIRECTORS AT FIVE

The Board proposes and unanimously recommends that stockholders approve an amendment to the Charter providing that the number of Directors shall be five. Any subsequent amendment to this new Charter provision would require the affirmative vote of the holders of a majority of all the votes entitled to be cast on the matter. If stockholders approve this Proposal, the Fund will take action to implement the Proposal by filing the appropriate charter documents with the State Department of Assessments of Maryland ("SDAT"). If approved by stockholders, Article 5, Section 1 will be repealed in its entirety and replaced by the following provision:

The number of directors shall be five.

Purpose of the Amendment. The Board is submitting this Proposal to the stockholders as part of its ongoing corporate governance initiatives and in keeping with its goal of ensuring that the Fund's corporate governance policies maximize Board and management accountability to stockholders. Last May, stockholders approved a charter amendment that established the "maximum" number of directors at five (5). In retrospect, the Board determined that the Fund would be better served if the number of directors was fixed at five, no more, no less. Company charters often contain provisions that permit the board to increase or decrease the number of board seats in the board's discretion. Currently the Fund's Charter sets a "maximum" on the Board seats at five (5), leaving it to the discretion of the Board to decrease that number to no less than that required by Maryland law (i.e., three). Boards often use such provisions in an effort to dilute the voting impact of directors - such as those elected in proxy contests - with views contrary to those of management. The Board views the ability to manipulate the number of members on the Board as unnecessary and ultimately ineffective in thwarting stockholder activism. In addition, it potentially increases Fund expenses and insulates the Board from stockholders.

The Board considered this Proposal as well as Proposal No. 3 at its meeting on

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January 21, 2005. The Board has determined that this Proposal furthers the goal of ensuring that the Fund's corporate governance policies maximize Board and management accountability to stockholders and allow stockholders better and consistent access to effect change in the Fund's governing documents.

Vote Required. Approval of Proposal 2 requires the affirmative vote of a majority of the votes entitled to be cast on the matter by the holders of the Common Stock.

THE BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" PROPOSAL 2.

### PROPOSAL 3

#### AMENDMENT TO THE CHARTER VESTING IN THE STOCKHOLDERS THE POWER TO AMEND OR ADOPT BYLAWS

Last May, stockholders approved a charter amendment that would permit stockholders to amend bylaws with a "majority of votes cast". After review, the Board determined that the "majority of votes cast" standard was perhaps too relaxed and might encourage unwanted activism and nuisance proposals to change bylaws that would be costly and result in a diversion to the more important business of the Fund. Accordingly, the Board proposes and unanimously recommends that stockholders approve an amendment to the Charter which would impose a "majority of outstanding shares" standard on stockholders' ability to adopt bylaws. If Proposal 3 is approved, any subsequent proposal to amend the Charter to alter stockholders' power to amend the Bylaws would require the affirmative vote of the holders of a majority of all outstanding shares.

If stockholders approve this Proposal, the Fund will take action to implement the Proposal by filing the appropriate Charter documents with the SDAT. If approved by stockholders, Article 4.3 of the Charter will be amended by deleting the phrase "cast at a stockholders meeting at which a quorum is present;" with "entitled to be cast on the matter". Such that the amended Article 4.3 would read as follows:

The Bylaws of the Corporation, whether adopted by the Board of Directors or the stockholders, shall be subject to amendment, alteration or repeal, and new Bylaws may be made, by either (a) the affirmative vote of a majority of all the votes entitled to be cast on the matter; or (b) the Board of Directors; provided, however, that the Board of Directors may not (i) amend or repeal a Bylaw that allocates solely to stockholders the power to amend or repeal such Bylaw, or (ii) amend or repeal Bylaws or make new Bylaws that conflict with or otherwise alter in any material respect the effect of Bylaws previously adopted by the stockholders.

Purpose of the Amendment. The Board is submitting this Proposal to the stockholders as part of its ongoing corporate governance initiatives and in keeping with its goal of ensuring that the Fund's corporate governance policies maximize Board and management accountability to stockholders. The Board believes that the authority to make, alter or repeal Bylaws should be a shared authority between the Board and stockholders. This permits the Board to be responsive to house-keeping as well as substantive matters regarding Fund operations, while at the same time giving stockholders the power to effect changes should they choose to do so. However, the Board thinks it is important to place a sufficiently high barrier on stockholders' ability to initiate bylaws so as to avoid unwanted activism and nuisance proposals that are costly to the Fund, divert its attention from its primary business and are generally not in the Fund's best

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interest. The Board believes that this Proposal will accommodate the practicalities of managing the Fund while at the same time protecting an important right of stockholders to effect bylaw changes if there is sufficient and broad stockholder support.

The Board considered this Proposal as well as Proposal No. 2 at its meeting on January 21, 2005. The Board has determined that this Proposal furthers the goal of ensuring that the Fund's corporate governance policies maximize Board and management accountability to stockholders and allow stockholders better and consistent access to effect change in the Fund's governing documents.

Vote Required. Approval of Proposal 3 requires the affirmative vote of a majority of the votes entitled to be cast on the matter by the holders of the Common Stock.

THE BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" PROPOSAL 3.

### PROPOSAL 4

#### ELIMINATION OF THE FUND'S FUNDAMENTAL INVESTMENT RESTRICTION ON PUTS AND CALLS

The Board proposes and unanimously recommends that stockholders approve the elimination of the Fund's fundamental investment policy which prohibits the Fund from writing, purchasing or selling puts and calls. Currently, one of the Fund's investment restrictions provides that the Fund may not:

Write, purchase or sell puts, calls, or combinations thereof provided that this shall not preclude the purchase and sale of warrants, rights and convertible securities in accordance with the Fund's policies.

Proposal No. 4 would eliminate this restriction in its entirety.

Reasons for Proposal. The Board believes that this provision unnecessarily restricts the Fund from participating in and profiting from buying, selling or writing options on securities. This restriction was originally placed on the Fund at its inception, under its former name, USLife Income Fund. At the time, it was likely put in place to assure prospective stockholders that the advisor would not participate in the options market, due to leverage considerations and the general viewpoint from the public's eye that the options market is speculative. However, because the Advisers now have a much broader mandate to invest in a much wider range of equities, the Board believes that this restriction unduly limits the abilities of the Advisers to maximize investor return.

Options give a holder the right to buy or sell a security at a set price on or before a date certain. A "call" option gives the holder the right to buy, and a "put" option gives the holder the right to sell. "Writing" an option is the practice of selling somebody else these rights. Whether or not the option is exercised doesn't change the fact that the writer of the option keeps the premium. The options market provides investors a way to leverage positions by putting up a small sum of money to buy or sell control, or potential control, of securities. Many option strategies are designed for hedging. The most common example is the holder of a stock who wants to protect against any downside movement in the stock, without actually selling the stock. He does this by purchasing a "put" option on the stock (i.e., the right to sell the stock in the future for a certain price). If the stock declines below the option's "strike price" before its expiration, his option gives him the right to "put" or sell the security to the holder of the put at the strike price, regardless of the then current market price. This limits the loss the investor might otherwise suffer.



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Investing in options can be speculative because of the leverage that can be used. For example, rather than buying 100 shares of an \$80 stock for a total cost of \$8,000, a speculator may buy 10 call options (one option gives the right to buy one round lot of 100 shares) at \$2.00 per option for a total cost of \$2,000. So, for a short period of time, this investor has an interest in this security for 1,000 shares at a cost of \$2,000 vs. 100 shares at a cost of \$8,000. The Fund's Advisers would be most likely to use option strategies in an arbitrage situation. An example would be in a merger situation where Company A has proposed to buy Company B, and the Advisers may wish to be long one security and short the other if there is a price arbitrage. One possible way to accomplish this would be to buy or sell call or put options. Currently, the Advisers know of no arbitrage situations in which they desire to use this strategy. The Advisers may also use options to hedge certain perceived risks.

The Board considered this Proposal at its meeting on January 21, 2005. Notwithstanding the risks mentioned above, the Board believes that approving the removal of this restriction on options will benefit the Fund and its stockholders by providing the Advisers with the ability to use options if the circumstances are warranted.

Vote Required. Proposal 4 requires the "vote of a majority of the outstanding voting securities" (as set forth Section 2(a)(42) of the 1940 Act), that is, the affirmative vote of the lesser of (a) 67% or more of the shares of common stock present or represented by proxy at the Meeting or (b) more than 50% of the outstanding shares of common stock. The foregoing standard is generally referred to as a "1940 Act Majority Vote".

THE BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" PROPOSAL 4.

### PROPOSAL 5

#### ELIMINATION OF THE FUND'S FUNDAMENTAL INVESTMENT RESTRICTION REGARDING INVESTMENT IN FOREIGN SECURITIES

The Board proposes and unanimously recommends that stockholders approve the elimination of the Fund's fundamental investment policy regarding investments in foreign securities. Currently, one of the Fund's fundamental investment restrictions provides that:

The Fund shall invest no more than 20% of its assets in foreign securities, except that the Fund may invest not more than 25% of the value of its total assets in securities of, or guaranteed by, the Government of Canada or of a Province of Canada or any instrumentality or political subdivision thereof.

Proposal No. 5 would eliminate this restriction in its entirety.

Reasons for Proposal. The Board believes that this provision unnecessarily restricts the Fund from participating in and profiting from attractive foreign securities. Presently, the Fund is close to its foreign-securities limit of 20% of its assets. Similar to the put-call restriction discussed in Proposal 4 above, this restriction was originally placed on the Fund at its inception, likely to assure prospective stockholders that the advisor would not participate in foreign securities which may have been viewed as speculative at the time. However, with the introduction of the Euro and the recent decline in the relative strength of the U.S. Dollar, the Board believes that the Fund needs the flexibility to invest a larger percentage of its assets in the securities of

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foreign issuers. The Board believes that foreign stocks, especially those that trade on foreign exchanges in foreign currencies, may present the Fund better opportunities than those currently found in the U.S. Because the Fund is so close to its limitation of owning no more than 20% in foreign securities, the Board recommends that stockholders vote in favor of removing this restriction.

Investments in foreign securities (including those denominated in U.S. dollars) involve certain risks not typically associated with investments in domestic issuers. These risks can include political and economic instability, foreign taxation issues, different or lower standards in accounting, auditing and financial reporting, less-developed securities regulation and trading systems, fluctuations in foreign currency exchange rates, and the risk that a country may impose controls on the exchange or repatriation of foreign currency. These risks are intensified when investing in countries with developing economies and securities of many foreign issuers may be less liquid and their prices more volatile than those of comparable domestic issuers. In general, less information is publicly available about foreign companies than about U.S. companies. Foreign companies are generally not subject to the same accounting, auditing and financial reporting standards as are U.S. companies. Transactions in foreign securities may be subject to less efficient settlement practices, including extended clearance and settlement periods. Foreign stock markets may be less liquid and less regulated than U.S. stock markets.

The risks of foreign investment are greater for investments in emerging markets. Although the Advisers do not anticipate investing in emerging markets, removal of the foreign securities restriction would permit them to invest in emerging market countries. Emerging market countries typically have economic and political systems that are less fully developed, and can be expected to be less stable, than those of more advanced countries. Low trading volumes may result in a lack of liquidity and in price volatility. Emerging market countries may have policies that restrict investment by foreigners, or that prevent foreign investors from withdrawing their money at will.

Since removal of this restriction will permit the Fund to invest significantly in securities denominated in foreign currencies, the Funds may incur currency conversion costs, and may be affected favorably or unfavorably by changes in the rates of exchange between those currencies and the U.S. and foreign governments or central banks, the imposition of currency controls, and speculation.

The Board considered this Proposal at its meeting on January 21, 2005. Notwithstanding the risks mentioned above, the Board believes that approving the removal of this restriction on investments in foreign securities will benefit the Fund and its stockholders by providing the Advisers with the ability to invest in foreign securities if the circumstances are warranted.

Vote Required. Approval of Proposal 5 requires a 1940 Act Majority Vote.

THE BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" PROPOSAL 5.

### SUBMISSION OF STOCKHOLDER PROPOSALS

All proposals by stockholders of the Fund that are intended to be presented at the Fund's next Annual Meeting of stockholders to be held in 2006 must be in writing and received by the Fund for consideration for inclusion in the Fund's proxy statement relating to the meeting no later than [December 6, 2005]. Any such proposal shall set forth as to each matter the stockholder proposes to

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bring before the meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on the Fund's books, of the stockholder proposing such business, (iii) the class and number of shares of the capital stock of the Fund which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business. Stockholder proposals, including any accompanying supporting statement, may not exceed 500 words. A stockholder desiring to submit a proposal must be a record or beneficial owner of Shares with a market value of \$2,000 and must have held such Shares for at least one year. Further, the stockholder must continue to hold such Shares through the date on which the meeting is held. Documentary support regarding the foregoing must be provided along with the proposal. There are additional requirements regarding proposals of stockholders, and a stockholder contemplating submission of a proposal is referred to Rule 14a-8 promulgated under the 1934 Act. The timely submission of a proposal does not guarantee its inclusion in the Fund's proxy materials.

Any submission of a director nomination should include at a minimum the following information: As to each individual proposed for election or re-election as director, the name, age, business address, residence address and principal occupation or employment of such individual, the class, series and number of shares of stock of the Fund that are beneficially owned by such individual, the date shares were acquired and the investment intent of such acquisition, whether such stockholder believes such individual is, or is not, an "interested person" of the Fund (as defined in the 1940 Act), and information regarding such individual that is sufficient, in the discretion of the Nominating Committee, to make such determination, and all other information relating to such individual that is required to be disclosed in solicitation of proxies for election of directors in an election contest (even if an election contest is not involved) or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended, and the rules thereunder (including such individual's written consent to being named in the proxy statement as a nominee and to serving as a director (if elected)). In the case of the Fund holding a meeting of stockholders, any such submission in order to be considered for inclusion in the Fund's proxy statement, should be submitted by a date not later than the 120th calendar day before the date the Fund's proxy statement was released to security holders in connection with the Fund's previous year's annual meeting or, if the Fund has changed the meeting date by more than 30 days or if no meeting was held the previous year, within a reasonable time before the Fund begins to print and mail its proxy statement.

A stockholder may nominate an individual to serve as a director or propose other business at an annual meeting, even if the stockholder does not submit the nomination or proposal for inclusion in the Fund's proxy statement. In this case, the stockholder must provide notice to the Fund, including certain of the information described above, at least 60 days before the date of the annual meeting. If less than 70 days' notice or prior public disclosure of the meeting is given or made to the stockholders, the stockholder's notice to the Fund must be received by the Fund not later than the close of business on the tenth day following the day on which the notice of the date of the annual meeting is given or the public disclosure was made.

### ADDITIONAL INFORMATION

INDEPENDENT ACCOUNTANTS. On January 21, 2005, the Audit Committee of the Board, consisting of those Directors who are not "interested persons" (as defined in the 1940 Act), selected KPMG LLP ("KPMG"), 99 High Street, Boston, Massachusetts 02110-2371, as independent accountants for the Fund for the Fund's fiscal year ending November 30, 2005. The selection of KPMG was ratified by the

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entire Board. KPMG also served as independent accountants for the Fund for the Fund's fiscal year ending November 30, 2004. A representative of KPMG will not be present at the Meeting but will be available by telephone and will have an opportunity to make a statement if the representative so desires and will be available to respond to appropriate questions.

Set forth below are audit fees and non-audit related fees billed to the Fund for professional services received from KPMG for the Fund's fiscal years ended November 30, 2003 and 2004, respectively.

| Fiscal Year Ended | Audit Fees | Audit-Related Fees | Tax Fees* |
|-------------------|------------|--------------------|-----------|
| 11/30/2003        | \$22,500   | \$0                | \$5,600   |
| 11/30/2004        | \$23,600   | \$0                | \$ 5,850  |

\* "Tax Fees" are those fees billed to each Fund by KPMG in connection with tax consulting services, including primarily the review of each Fund's income tax returns.

The Audit Committee Charter requires that the Audit Committee pre-approve all audit and non-audit services to be provided by the auditors to the Fund, and all non-audit services to be provided by the auditors to the Fund's investment adviser and any service providers controlling, controlled by or under common control with the Funds' investment adviser ("affiliates") that provide on-going services to each Fund, if the engagement relates directly to the operations and financial reporting of each Fund, or to establish detailed pre-approval policies and procedures for such services in accordance with applicable laws. All of the audit, audit-related and tax services described above for which KPMG billed the Fund fees for the fiscal years ended November 30, 2003 and November 30, 2004 were pre-approved by the Audit Committee.

KPMG has informed the Fund that it has no direct or indirect financial interest in the Fund. For the Fund's fiscal year ended November 30, 2004, KPMG did not provide any non-audit services or bill any fees for such services to the Funds' investment adviser or any affiliates thereof that provide services to the Fund. The Horejsi Affiliates have engaged KPMG from time to time in the past to provide various accounting, auditing and consulting services and currently engages KPMG as a consultant with respect to ongoing tax related issues. For the twelve months ended November 30, 2003, the Horejsi Affiliates paid \$875 to KPMG for their services. For the twelve months ended November 30, 2004, the Horejsi Affiliates paid \$3,800 to KPMG for their services. The Audit Committee has considered and concluded that the provision of non-audit services is compatible with maintaining the auditors' independence.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE. Section 16(a) of the 1934 Act and Section 30(h) of the 1940 Act requires the Fund's Directors and officers, persons affiliated with the Fund's investment advisers, and persons who own more than 10% of a registered class of the Fund's securities, to file reports of ownership and changes of ownership with the SEC and the New York Stock Exchange. Directors, officers and greater-than-10% stockholders are required by SEC regulations to furnish the Fund with copies of all Section 16(a) forms they file. Based solely upon the Fund's review of the copies of such forms it receives and written representations from such persons, the Fund believes

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that through the date hereof all such filing requirements applicable to such persons were complied with.

BROKER NON-VOTES AND ABSTENTIONS. An uninstructed proxy for shares held by brokers or nominees as to which (i) instructions have not been received from the beneficial owners or the persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter is a broker "non-vote". Proxies that reflect abstentions or broker non-votes (collectively "abstentions") will be counted as shares that are present and entitled to vote on the matter for purposes of determining the presence of a quorum. In circumstances where the vote to approve a matter is a percentage of votes cast (e.g., Proposal y1), abstentions have no effect because they are not a vote cast. Thus, they will be disregarded in determining the "votes cast" on the particular issue. However, with respect to Proposals y2 and 3, where the vote required to approve the matter is the affirmative vote of the holders of a percentage of the total number of votes entitled to be cast, an abstention will have the effect of a vote "against" the respective proposals. Similarly, with respect to Proposals 4 and 5, where the vote required to approve the matter is the affirmative vote of the holders of either (i) a percentage of the total number of votes entitled to be cast or (ii) a percentage of the voting securities present at the meeting, an abstention will have the effect of a vote "against" the proposal.

OTHER MATTERS TO COME BEFORE THE MEETING

The Fund does not intend to present any other business at the Meeting, nor is it aware that any stockholder intends to do so. If, however, any other matters are properly brought before the Meeting, the persons named in the accompanying form of proxy will vote thereon in accordance with their discretion.

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IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. STOCKHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETING ARE THEREFORE URGED TO COMPLETE, SIGN, DATE AND RETURN ALL PROXY CARDS AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.  
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PROXY

BOULDER GROWTH & INCOME FUND, INC.

PROXY SOLICITED BY THE BOARD OF DIRECTORS

The undersigned holder of shares of Common Stock of Boulder Growth & Income Fund, Inc., a Maryland corporation (the "Fund"), hereby appoints Stephen C. Miller, Carl D. Johns, and Candace C. Cavalier, or any of them, as proxies for the undersigned, with full powers of substitution in each of them, to attend the Annual Meeting of Stockholders (the "Annual Meeting") to be held at the Millennium Resort McCormick Ranch, 7401 N. Scottsdale Road, Scottsdale, Arizona at 9:00 a.m. Mountain Standard Time (local time), on April 26, 2005, and any adjournments or postponements thereof, to cast on behalf of the undersigned all votes that the undersigned is entitled to cast at the Annual Meeting and to

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otherwise represent the undersigned at the Annual Meeting with all the powers possessed by the undersigned if personally present at the Meeting. The votes entitled to be cast will be cast as instructed below. If this Proxy is executed but no instruction is given, the votes entitled to be cast by the undersigned will be cast "FOR" each of the nominees for Director and "FOR" each of the other proposals described in the Proxy Statement. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting and Proxy Statement. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting. A majority of the proxies present and acting at the Annual Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

Please indicate your vote by an "X" in the appropriate box below.

This proxy, if properly executed, will be voted in the manner directed by the undersigned stockholder. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR PROPOSALS 1 THROUGH 6.

Please refer to the Proxy Statement for a discussion of the Proposals.

1 Election of Directors: Nominees are Richard I. Barr, Joel W. Looney, Alfred G. Aldridge, Jr., John S. Horejsi, and Dennis R. Causier.  
FOR\_\_\_ WITHHOLD\_\_\_ FOR ALL EXCEPT \_\_\_

Instruction: If you do not wish your shares voted "for" a particular nominee, mark the "For All Except" box and strike a line through the name(s) of the nominee(s). Your shares will be voted "For" the remaining nominee(s).

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" ELECTION OF ALL THE NOMINEES

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STOCKHOLDERS MAY VOTE WITH RESEPCT TO ALL OF THE PROPOSALS 2 THROUGH 5 BY MAKING THE APPROPRIATE OMNIBUS SELECTION TO THE RIGHT  
FOR\_\_\_ AGAINST \_\_\_ ABSTAIN \_\_\_  
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2 An amendment to the Fund's charter (the "Charter") to establish the number of Directors at five (5).  
FOR\_\_\_ AGAINST \_\_\_ ABSTAIN \_\_\_

THE BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THIS PROPOSAL, AS MORE FULLY DESCRIBED IN THE PROXY STATEMENT

3 An amendment to the Charter changing the voting standard for stockholders to amend or adopt Bylaws to the affirmative vote of a majority of all the votes entitled to be cast on the matter.  
FOR\_\_\_ AGAINST \_\_\_ ABSTAIN \_\_\_

THE BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THIS PROPOSAL, AS MORE FULLY

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DESCRIBED IN THE PROXY STATEMENT

4 To eliminate the Fund's fundamental investment restriction on writing, purchasing or selling puts and calls. FOR\_\_\_ AGAINST \_\_\_ ABSTAIN \_\_\_

THE BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THIS PROPOSAL, AS MORE FULLY DESCRIBED IN THE PROXY STATEMENT

5 To eliminate the Fund's fundamental investment restriction regarding investment in foreign securities. FOR\_\_\_ AGAINST \_\_\_ ABSTAIN \_\_\_

THE BOARD OF DIRECTORS, INCLUDING ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THIS PROPOSAL, AS MORE FULLY DESCRIBED IN THE PROXY STATEMENT

6 TO VOTE AND OTHERWISE REPRESENT THE UNDERSIGNED ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF IN THE DISCRETION OF THE PROXY HOLDER

MARK HERE FOR ADDRESS CHANGE AND NOTE AT LEFT \_\_\_\_\_

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

NOTE: Please sign exactly as your name appears on this Proxy. If joint owners, EACH should sign this Proxy. When signing as attorney, executor, administrator, trustee, guardian or corporate officer, please give your full title.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_