

**Notice of Pendency of Derivative Action, Proposed Settlement
of Derivative Action, and Settlement Hearing**

TO: ALL CURRENT RECORD HOLDERS AND BENEFICIAL OWNERS OF COMMON STOCK OF BOULDER GROWTH & INCOME FUND, INC. (“BOULDER”) AS OF MARCH 26, 2012 (THE “RECORD DATE”) (“CURRENT BOULDER SHAREHOLDERS”)

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL OF RYSKAMP V. LOONEY, ET AL., UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO, CASE NO. 10-cv-842-WJM-KLM (THE “ACTION”), A SHAREHOLDER DERIVATIVE ACTION, AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. IF THE COURT APPROVES THE SETTLEMENT, YOU MAY BE FOREVER BARRED FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND FROM PURSUING THE “RELEASED CLAIMS,” AS DEFINED HEREIN.

THE COURT HAS MADE NO FINDINGS OR DETERMINATIONS CONCERNING THE MERITS OF THE ACTION. THE RECITATION OF THE BACKGROUND AND CIRCUMSTANCES OF THE SETTLEMENT CONTAINED HEREIN DO NOT CONSTITUTE THE FINDINGS OF THE COURT. IT IS BASED ON THE REPRESENTATIONS MADE TO THE COURT BY COUNSEL FOR THE PARTIES.

Notice is hereby provided to you of the proposed settlement of this shareholder derivative lawsuit. This Notice is provided by Order of the United States District Court for the District of Colorado (the “Court”). It is not an expression of any opinion by the Court. It is to notify you of the terms of the proposed settlement, and your rights thereto.

I. WHY THE COMPANY HAS ISSUED THIS NOTICE

Your rights may be affected by the settlement of the Action. Denis Ryskamp (“Plaintiff”) and defendants Joel W. Looney, Dean L. Jacobson, Richard I. Barr, Susan L. Ciciora (“Ciciora”), John S. Horejsi (“J. Horejsi”), Stewart R. Horejsi (“S. Horejsi”), Stephen C. Miller, Joel L. Terwilliger, Carl D. Johns, The Ernest Horejsi Trust No. 1B (the “Trust”), Boulder Investment Advisors, LLC (“BIA”), Stewart Investment Advisors (“SIA”) and Fund Administrative Services, LLC (“FAS”) (collectively, “Defendants”) have agreed to settle the Action on the terms set forth in the Stipulation and Agreement of Settlement dated March 26, 2012 (the “Agreement”) which can be accessed at <http://www.boulderfunds.net/home.php>. On July 31, 2012, at 9:00 a.m., the Court will hold a hearing (the “Settlement Hearing”) in the Action. The purpose for the Settlement Hearing is to determine whether the terms of the settlement are fair, reasonable, and adequate and should be finally approved, whether to award attorneys’ fees to Plaintiff’s counsel and an award to Plaintiff, and whether the Action should be dismissed with prejudice pursuant to the Agreement.

II. SUMMARY OF THE ACTION

The operative complaint (the “Complaint”) is Plaintiff’s Third Amended Complaint. Plaintiff’s Complaint asserted derivative claims on behalf of Boulder against Defendants for, inter alia, breach of fiduciary duty arising out of: (a) the Board of Directors’ approval of a one-for-three transferable rights offering in 2008 priced at net asset value (the “2008 Rights Offering”); (b) the investment of proceeds obtained from the 2008 Rights Offering in cash equivalents; (c) the Board’s approval of the suspension of Boulder’s level-rate distribution policy; and (d) the Trust’s alleged purchase and sale of Boulder stock prior to the 2008 Rights Offering and through and after the suspension of Boulder’s level-rate distribution policy. Plaintiff alleged that Defendants were motivated to benefit, whether directly or indirectly: (1) the Trust; (2) Boulder’s investment co-advisers and co-administrators, BIA, SIA, and FAS; and (3) members of the Horejsi family, including S. Horejsi, Ciciora and J. Horejsi.

III. SETTLEMENT

The proposed settlement set forth in the Agreement provides for Boulder to receive cash totaling \$4,000,000.00, less certain payments. \$3,000,000 of the \$4,000,000 shall be paid to Boulder by ICI Mutual Insurance Co., and \$1,000,000 of the \$4,000,000 shall be paid to Boulder by BIA. As a further benefit to Boulder, Defendants have enacted or have agreed to enact the corporate governance reforms described in the Agreement.

IV. PLAINTIFF AND PLAINTIFF'S ATTORNEYS' FEES AND EXPENSES

In light of the benefits produced for Boulder, Plaintiff's counsel is entitled to seek an award of attorneys' fees and expenses. Plaintiff's counsel is seeking attorneys' fees and expenses not to exceed \$1,500,000 and Plaintiff may seek an award of \$50,000, subject to Court approval (collectively the "Fee Award"). The Fee Award will be paid solely out of the \$4,000,000 payment to Boulder. To date, Plaintiff and Plaintiff's counsel have not received any payments for their efforts. The Fee Award will compensate them for their efforts in prosecuting the Action and the substantial benefits received by Boulder and Current Boulder Shareholders. The proposed settlement is not contingent on the Court's approval of the Fee Award.

V. REASONS FOR SETTLEMENT

The Court did not decide in favor of the Plaintiff or the Defendants. The proposed settlement was negotiated at arm's length through attorneys for the Parties. The attorneys for all of the Parties have extensive relevant experience, and they all believe the settlement is in the best interests of their clients. Plaintiff and Boulder believe that the settlement provides substantial benefits upon Boulder and Current Boulder Shareholders.

A. Why did Plaintiff agree to settle?

Plaintiff's counsel investigated claims and the underlying events and transactions alleged in the Action. Plaintiff's counsel has analyzed the evidence adduced during their investigation, and has researched the applicable law with respect to the claims of Plaintiff, Boulder, and Current Boulder Shareholders against the Defendants and the potential defenses thereto.

Based upon their investigation, Plaintiff and his counsel have concluded that the terms and conditions of the proposed settlement are fair, reasonable and adequate to Plaintiff, Current Boulder Shareholders, and Boulder, and in their best interests, and have agreed to settle the claims raised in the Action pursuant to the terms and provisions of the Agreement after considering, among other things: (a) the substantial benefits that Boulder and its shareholders have received or will receive from the settlement, (b) the attendant risks of continued litigation of the Action, and (c) the desirability of permitting the settlement to be consummated.

In particular, Plaintiff and his counsel considered the significant litigation risk inherent in this Action, as well as the recommendation from a nationally recognized mediator that the proposed settlement is fair and reasonable based on the facts and the law. The law imposes significant burdens on Plaintiff for pleading and proving a shareholder derivative claim. While Plaintiff believes his claims are meritorious, Plaintiff acknowledges that there is substantial risk that the Action may not succeed in producing a recovery in light of the applicable legal standards and possible defenses. Plaintiff and his counsel believe that, under the circumstances, he has obtained the best possible relief for Boulder and Current Boulder Shareholders.

B. Why did the Defendants agree to settle?

Each Defendant has denied and continues to deny each and all of the claims and contentions alleged in the Action. Each Defendant expressly has denied and continues to deny all charges of wrongdoing or liability arising out of or relating in any way to the events, conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action, and Defendants contend that many of the factual allegations in the Action are materially inaccurate. Nonetheless, Defendants have concluded that further defense of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Agreement. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Action. Defendants also entered into the Agreement because the proposed settlement would eliminate the burden and expense of further litigation, and because the settlement provides substantial benefits and is in the best interests of Boulder and its stockholders.

VI. SETTLEMENT HEARING

On July 31, 2012, at 9:00 a.m., the Court will hold the Settlement Hearing before the Honorable William J. Martinez in Courtroom A801 at the Alfred A. Arraj United States Courthouse, 901 19th Street, Denver, Colorado 80294-3589. At the Settlement Hearing, the Court will consider whether the terms of the settlement are fair, reasonable, and adequate and thus should be finally approved and whether the Action should be dismissed with prejudice pursuant to the Agreement.

VII. RIGHT TO ATTEND SETTLEMENT HEARING

Any Current Boulder Shareholder may, but is not required to, appear in person at the Settlement Hearing. If you want to be heard at the Settlement Hearing, then you must first comply with the procedures for objecting, which are set forth below. The Court has the right to change the hearing dates or times without further notice. Thus, if you are planning to attend the Settlement Hearing, you should confirm the date and time before going to the Court. **CURRENT BOULDER SHAREHOLDERS WHO HAVE NO OBJECTION TO THE SETTLEMENT DO NOT NEED TO APPEAR AT THE SETTLEMENT HEARING OR TAKE ANY OTHER ACTION.**

VIII. RIGHT TO OBJECT TO THE SETTLEMENT AND PROCEDURES FOR DOING SO

Current Boulder Shareholders have the right to object to any aspect of the settlement. You must object in writing, and you may request to be heard at the Settlement Hearing. If you choose to object, then you must follow these procedures.

A. You Must Make Detailed Objections in Writing.

Any objection must be presented in writing and must contain the following information:

1. Your name, legal address, and telephone number;
2. Proof of being a Current Boulder Shareholder as of the Record Date;
3. The date(s) you purchased your Boulder shares;
4. A statement of your position with respect to the matters to be heard at the Settlement Hearing, including a statement of each objection being made;
5. The grounds for each objection or the reasons for your desiring to appear and to be heard;
6. Notice of whether you intend to appear at the Settlement Hearing (attendance is not required if you have lodged your objection with the Court); and
7. Copies of any papers you intend to submit to the Court, along with the names of any witness(es) you intend to call to testify at the Settlement Hearing and the subject(s) of their testimony.

The Court may not consider any objection that does not comply with these requirements.

B. You Must Timely Deliver Written Objections to the Court, Plaintiff's Counsel, and Defendants' Counsel.

YOUR WRITTEN OBJECTIONS MUST BE ON FILE WITH THE CLERK OF THE COURT NO LATER THAN 21 CALENDAR DAYS BEFORE THE SETTLEMENT HEARING. The Court Clerk's address is:

Clerk of Court
United States District Court
District of Colorado
Alfred A. Arraj United States Courthouse
901 19th Street
Denver, Colorado 80294-3589

YOU MUST ALSO DELIVER COPIES OF THE MATERIALS TO PLAINTIFF'S COUNSEL AND COUNSEL FOR DEFENDANTS SO THEY ARE RECEIVED NO LATER THAN 21 CALENDAR DAYS BEFORE THE SETTLEMENT HEARING. Counsel's addresses are:

Jeffrey P. Harris
Alan J. Statman
Brian Giles
Statman, Harris & Eyrich, LLC
3700 Carew Tower
441 Vine Street
Cincinnati, Ohio 45202

Attorneys for Plaintiff Denis Ryskamp

Bruce A. Montoya
MESSNER & REEVES, LLC
1430 Wynkoop Street, Suite 300
Denver, CO 80202

Attorneys for Defendants: Susan L. Ciciora, John S. Horejsi, The Ernest Horejsi Trust No. 1B

Michael R. MacPhail
Faegre Baker Daniels, LLP
3200 Wells Fargo Center
1700 Lincoln Street
Suite 3200
Denver, CO 80203

Attorney for Defendant Carl D. Johns

William F. Sullivan
Joshua G. Hamilton
D. Scott Carlton
PAUL HASTINGS LLP
515 South Flower Street, 25th Floor
Los Angeles, CA 90071

Attorneys for Defendants: Boulder Growth and Income Fund, Inc., Joel W. Looney, Dean L. Jacobson, Richard I. Barr

Jordan Eth
Judson Lobdell
MORRISON & FOERSTER LLP
425 Market Street #3200
San Francisco, CA 94105-2482

Attorneys for Defendants: Stewart R. Horejsi, Stephen C. Miller, Joel L. Terwilliger, Boulder Investment Advisers, LLC, Stewart Investment Advisers, Fund Administrative Services, LLC

Any Current Boulder Shareholder who fails to object or otherwise request to be heard in the manner prescribed above will be deemed to have waived the right to object to any aspect of the settlement or otherwise request to be heard (including the right to appeal) and will be forever barred from raising such objection or request to be heard in this or any other action or proceeding, and shall be bound by the settlement, the Judgment, and the releases given.

IX. HOW TO OBTAIN ADDITIONAL INFORMATION

This Notice summarizes the Agreement. It is not a complete statement of the events of the Action or the Agreement.

PLEASE DO NOT CALL, WRITE, OR OTHERWISE DIRECT QUESTIONS TO EITHER THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. Any questions you have about matters in this Notice should be directed to counsel for Plaintiff: Jeffrey P. Harris, Statman, Harris & Eyrich, LLC, 3700 Carew Tower, 441 Vine Street, Cincinnati, Ohio 45202.

DATED: April 20, 2012

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO