

CITADEL INCOME FUND

PROXY

This Proxy is solicited by and on behalf of management of Citadel Income Fund (the "Fund") in connection with the annual and special meeting of unitholders (the "Meeting") to be held at Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3 on June 10, 2010 at 8:30 am and at any postponement or adjournment thereof.

The undersigned unitholder of the Fund, revoking any proxy previously given, hereby appoints Wayne Pushka or failing him Gary Van Nest, each being an officer or director of Crown Hill Capital Corporation, the manager and trustee of the Fund (the "Manager"), or instead of either of the foregoing \_\_\_\_\_, as nominee of the undersigned with power of substitution to attend and to vote all units of the Fund registered in the name of the undersigned in accordance with the following direction and to act in such proxyholder's discretion with respect to amendments or variations to matters referred to in the notice of Meeting and with respect to other matters which may properly come before the Meeting or any postponement or adjournment thereof:

**VOTE FOR**  **or VOTE AGAINST**  the Extraordinary Resolution, as more fully described in the accompanying management information circular.

**If no specification is made regarding voting on the matter then the units represented by the proxy will be voted FOR the Extraordinary Resolution.**

DATED this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Specify Number of Units Held

\_\_\_\_\_  
Signature of Unitholder

\_\_\_\_\_  
Name of Unitholder (please print clearly)

TO BE VALID, THIS PROXY MUST BE RECEIVED BY COMPUTERSHARE INVESTOR SERVICES INC., BY MAIL AT 100 UNIVERSITY AVENUE, 9<sup>TH</sup> FLOOR, TORONTO, ONTARIO M5J 2Y1 OR BY FACSIMILE AT 1-866-249-7775 / (416) 263-9524 NOT LATER THAN 8:30 A.M. (TORONTO TIME) ON TUESDAY, JUNE 8, 2010.

NOTES:

- (1) WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THIS PROXY FORM PROMPTLY. TO BE EFFECTIVE, PROXIES MUST BE RECEIVED NOT LATER THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS, OR CIVIC OR STATUTORY HOLIDAYS IN THE CITY OF TORONTO, ONTARIO) PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF. THE CHAIRMAN OF THE MEETING MAY, IN HIS SOLE DISCRETION, WAIVE THE REQUIREMENT THAT PROXIES BE RECEIVED AT LEAST 48 HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING. IN THE EVENT THAT THE CHAIRMAN WAIVES SUCH REQUIREMENT, PROXIES MAY BE DEPOSITED WITH THE CHAIRMAN OF THE MEETING ON THE DAY OF THE MEETING PRIOR TO THE COMMENCEMENT THEREOF.
- (2) This form of proxy must be signed by the unitholder or by his or her attorney duly authorized in writing or, if the unitholder is a corporation, by an officer or attorney thereof duly authorized and its corporate seal should be affixed. If the applicable units are registered in the name of an executor, administrator or trustee, please sign exactly as the units are registered.
- (3) **Each unitholder has the right to appoint a person, who need not be a unitholder of the Fund, other than the persons listed above to attend and act on his or her behalf at the Meeting. If the unitholder wishes to exercise such right, he or she should insert the name of his or her appointee in the space provided.**
- (4) If this proxy is not dated in the space designated above, it shall be deemed to bear the date on which it was mailed to the unitholder.
- (5) **As all beneficial holders of units hold these units through an intermediary, unitholders must complete and return a form of proxy naming themselves as their representative in order to be able to vote personally at the Meeting.**
- (6) The record date for the Meeting has been established as May 6, 2010 (the "Record Date"). Each unitholder is entitled to one vote at the Meeting for each unit of the Fund registered in the unitholder's name at the close of business on the Record Date.