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\*\*\* TX REPORT \*\*\*  
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TRANSMISSION OK

TX/RX NO	1477	
CONNECTION TEL		4578015
SUBADDRESS		
CONNECTION ID	SAB CAPITAL	
ST. TIME	10/10 15:22	
USAGE T	00'21	
PGS. SENT	2	
RESULT	OK	

Facsimile Cover Sheet

**NEW YORK STRATEGY GROUP LLC  
THE VILLARD HOUSE  
457 MADISON AVENUE  
NEW YORK, NEW YORK 10022  
PHONE: 212-750-1176      FAX: 212-750-0381**

**To:** Toby Young  
**Company:** SAB Capital Partners, L.P.  
**Phone:** 212-457-8010  
**Fax:** 212-457-8015

**From:** Darren K. Indyke

**Date:** October 10, 2002

**Pages including  
this cover page:** 2

**Comments:**

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**SAB CAPITAL PARTNERS, L.P.**

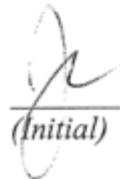
SAB Capital Partners, L.P.  
c/o SAB Capital Advisors, L.L.C.  
712 Fifth Avenue  
42nd Floor  
New York, New York 10019  
Tel: (212) 457-8010  
Fax: (212) 457-8015

The undersigned limited partner of SAB Capital Partners, L.P. (the "Partnership") has received, reviewed and understands the letter to it from the Partnership dated August 30, 2002 and:

*(Initial as appropriate)*

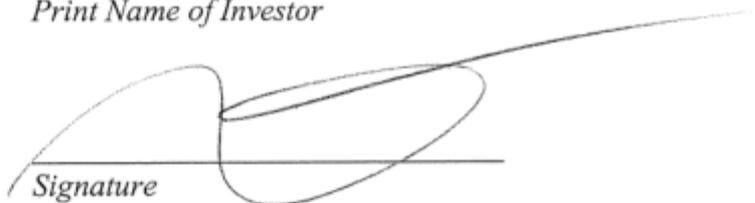
                      
*(Initial)* hereby consents to be treated as a Consenting Limited Partner (as such term is defined in the Seventh Amended and Restated Limited Partnership Agreement of the Partnership), and to be bound by the provisions of Secs. 4.03(b) and 5.02(b) of such Agreement applicable to Consenting Limited Partners.

*OR*

  
*(Initial)* does not consent to the foregoing and understands that it will be fully withdrawn from the Partnership, and will be distributed its capital account balance, with an effective date of withdrawal of Thursday, October 31, 2002.

Dated: October 10, 2002

Financial Trust Company, Inc.  
*Print Name of Investor*

  
*Signature*

Jeffrey Epstein, President  
*Print Name and Title of Signatory,  
if Investor is an Entity*

**SAB CAPITAL PARTNERS, L.P.**

712 Fifth Avenue  
42nd Floor  
New York, New York 10019

August 30, 2002

To Current Limited Partners  
of SAB Capital Partners, L.P.  
Admitted Before March 1, 2002

Re: Changes to Limited Partnership Agreement

Ladies and Gentlemen:

Please be advised that SAB Capital Partners, L.P. (the "Partnership") is effecting certain changes to its Limited Partnership Agreement. These changes are reflected in the Seventh Amended and Restated Limited Partnership Agreement of the Partnership, effective as of July 1, 2002 (the "Seventh Amended Agreement"), and are applicable to all investors admitted to the Partnership before March 1, 2002 that consent to be subject to these changes. We feel these changes are necessary to better enable the Partnership and its General Partner to manage the Partnership's liquidity more effectively. We believe that this is important to the Partnership in light of the volatility of the market as a result of the events of September 11<sup>th</sup> and the opportunities we see available to the Partnership in different asset classes (e.g. particularly our investments in distressed debt) which in certain circumstances may have reduced liquidity and may be a substantial portion of the Partnership's assets.

The following paragraphs summarize the changes to the terms of the limited partnership interests. Reference is hereby made to the enclosed copy of the Seventh Amended Agreement for a complete statement of such terms. When reviewing the Seventh Amended Agreement, please note that there have been certain other changes to the Limited Partnership Agreement that do not affect your investment and that do not require your consent (including the creation of a new class of limited partnership interests that are identical to the Class B limited partnership interests, but that are subject to a longer lock-up period).

The changes that affect you, and that require your consent, are as follows:

1. Each additional capital contribution by a Limited Partner will be credited to a separate sub-account within the Limited Partner's capital account (each, a "Sub-Account"). A Limited Partner may withdraw all or any portion of a Sub-Account initially only at the expiration of a full calendar

year following the establishment of such Sub-Account, and thereafter on each succeeding December 31, as described in the Memorandum.

2. If withdrawal requests with respect to any withdrawal date would require the Partnership to pay withdrawal proceeds in excess of 10% of the net asset value of the Partnership, then the General Partner may, in its discretion, limit withdrawals by reducing pro rata the amount of withdrawal requests by Limited Partners admitted to the Partnership on or after March 1, 2002, and by Limited Partners admitted to the Partnership before March 1, 2002 who consent to be bound by this limitation. Such reduction shall be in the proportion that (x) the amount that any such Limited Partner requests to be withdrawn on such Withdrawal Date bears to (y) the amount that all such Limited Partners request to be withdrawn on such Withdrawal Date until the total amount of withdrawal proceeds payable by the Partnership is less than or equal to 10% of the net asset value of the Partnership or, if such result is not possible, so that such percentage is as close to 10% as can be achieved by limiting the amount of such withdrawals to zero.

Any such withdrawal requests that are so limited will be satisfied on the following quarter-end, subject to the same limitation, provided that if any such Limited Partner's withdrawal request is so limited on three consecutive quarter-ends, then such Limited Partner's withdrawal request will be fully paid on the next succeeding quarter-end.

Any capital the withdrawal of which is limited pursuant to these provisions will remain invested in the Partnership, and will remain subject to adjustment for capital appreciation and capital depreciation, until withdrawal.

We realize that certain investors may not wish to consent to these changes. Accordingly, Limited Partners not wishing to consent to these changes will be fully withdrawn from the Partnership, and will be distributed their capital account balances, with an effective date of withdrawal of Thursday, October 31, 2002.

In connection with these changes and with this special withdrawal date, we ask that all Limited Partners please arrange to have the enclosed form completed and returned to the General Partner so that we may determine which investors wish to consent to the new terms and will remain in the Partnership, and which investors do not wish to consent to the new terms and will be withdrawn from the Partnership. The enclosed form should be returned to the attention of Toby Young (Tel: (212) 457-8032, Fax: (212) 457-8015), **by no later than Monday, September 30th, 2002.**

To Current Limited Partners  
of SAB Capital Partners, L.P.  
Admitted Before March 1, 2002  
August 30, 2002  
Page 3 of 3

We thank you for your attention in this matter and look forward to our continued relationship.

Very truly yours,

SAB Capital Advisors, L.L.C.  
General Partner  
Scott Bommer, Managing Member

Lauren

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**From:** Young, Toby [tyoung@SABCapital.com]  
**Sent:** Thursday, October 10, 2002 3:01 PM  
**To:** dkiesq@aol.com  
**Subject:** Consent



SAB-Consent  
form-Generic.doc

Please have the consent signed and sent back as soon as possible. If you would like to withdraw, you should initial the bottom option. Please let me know if you have any questions. Thank you.

<<SAB-Consent form-Generic.doc>>

Toby Young  
SAB Capital Management, L.P.  
712 Fifth Avenue, 42nd Floor  
New York, NY 10021

