



Freeman Spogli & Co.  
INCORPORATED

June 6, 2014

To: the Limited Partners of FS Equity Partners VII, L.P. (the "Fund")

*Re: Amendments to the Amended and Restated Agreement of Limited Partnership*

Ladies and Gentlemen:

FS Capital Partners VII, LLC, the general partner of the Fund (the "General Partner") held the Fund's second closing on June 4, 2014. As of this closing, the total capital commitments to the Fund exceed \$800 million. We are grateful for all the support we have received from our investors and are looking forward to working with you to implement our investment plans for the Fund.

In connection with the second closing, the General Partner agreed with certain investors to incorporate several amendments to the Fund's Amended and Restated Agreement of Limited Partnership dated as of April 30, 2014 (the "Initial Partnership Agreement"), as set forth in the Second Amended and Restated Agreement of Limited Partnership of the Fund (the "Amended Partnership Agreement") enclosed with this letter. A redlined version of the Amended Partnership Agreement showing changes to the Initial Partnership Agreement is also enclosed.

As summarized below, the changes incorporated by the Amended Partnership Agreement are entirely favorable to our investors. As a result, after discussing the amendments with Fund counsel and local counsel in Delaware, we determined to implement the Amended Partnership Agreement, effective June 4, 2014, pursuant to Sections 11.2.1(i) and (j) of the Initial Partnership Agreement without incurring the time and expense of obtaining investor consent. The material changes effected by the Amended Partnership Agreement include:

- Requiring Advisory Committee consent for the first one-year extension of the Fund's term.
- Requiring that any management fees payable after the 11<sup>th</sup> anniversary of the Fund's final closing date be determined by the General Partner with the consent of a majority in interest of our partners; although, such management fees may not exceed 0.75% per annum of the total invested capital of investors unaffiliated with Freeman Spogli.
- Permitting the General Partner to call capital for follow-on investments only during the first two years after the investment period, and permitting capital calls for follow-on investments for the subsequent three years only with Advisory Committee consent.

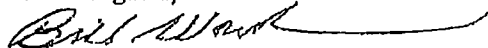
- Expanding the restriction on forming competing funds to include distribution of a private placement memorandum or similar document to third party investors.
- Limiting Freeman Spogli's rights to exculpation and indemnification by the Fund.

In addition to the Amended Partnership Agreement, we also agreed to seek investor consent to an amendment to the Amended Partnership Agreement that would permit the Advisory Committee to engage professional advisors (at the Fund's expense) to review the Fund's books and records and advise the Advisory Committee with respect to uncured key man events and other Fund matters concerning material governance issues and material conflicts of interest. This proposed amendment is set forth in the form of Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of FS Equity Partners VII, L.P. attached to this letter as Exhibit A (the "Proposed Amendment").

By this letter, we are requesting your consent to the Proposed Amendment. If you approve of the Proposed Amendment, please sign the copy of this letter in the space provided below and return it to Logan Tiari of O'Melveny & Myers via fax at (213) 430-6407 or via email to ltiari@omm.com. Please return the original of your signed consent by mail to Logan Tiari, O'Melveny & Myers LLP, 400 South Hope Street, Los Angeles, CA 90071. Upon receiving approval for the Proposed Amendment from a majority in interest of our investors, the Proposed Amendment will become effective.

If you have any questions concerning any of the matters described in this letter, please feel free to call Bill Wardlaw at (310) 444-1825.

Warm regards,



William M. Wardlaw, on behalf of  
FS Capital Partners VII, LLC

The Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of FS Equity Partners VII, L.P. attached to this letter as Exhibit A is hereby agreed to and accepted this \_\_\_\_ day of \_\_\_\_\_, 2014.

**INVESTOR:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A**

**FORM OF PROPOSED AMENDMENT**

[Please see attached.]

**AMENDMENT NO. 1 TO THE  
SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP  
OF FS EQUITY PARTNERS VII, L.P.**

This Amendment No. 1 (this "**Amendment**") is dated as of \_\_\_\_\_, 2014 and entered into by FS Capital Partners VII, LLC, a Delaware limited liability company, as general partner (the "**General Partner**") of FS Equity Partners VII, L.P. (the "**Partnership**"), and is made with reference to that certain Second Amended and Restated Agreement of Limited Partnership of the Partnership dated as of June 4, 2014 (as further amended from time to time, the "**Partnership Agreement**"), by and among the General Partner and the limited partners of the Partnership (the "**Limited Partners**"). Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Partnership Agreement. References to Sections, Subsections and Appendices herein shall refer to Sections, Subsections and Appendices of the Partnership Agreement, unless otherwise indicated.

**RECITALS:**

**WHEREAS**, the General Partner and the Limited Partners desire to amend the Partnership Agreement as more particularly set forth herein;

**WHEREAS**, pursuant to Section 11.1 of the Partnership Agreement, the General Partner may amend the Partnership Agreement in the manner contemplated by this Amendment with the Consent of the Limited Partners.

**NOW, THEREFORE**, in consideration of the premises and the agreements and provisions herein contained, the Partnership Agreement is hereby amended as follows:

**Section 1. Amendments to the Partnership Agreement**

**Section 7.4** of the Partnership Agreement is hereby amended and restated in its entirety as follows (with deletions from the current Section 7.4 shown as ~~strikeouts~~ and additions to the current Section 7.4 shown as double underlined text):

"Retention of Experts. Upon the occurrence of a Trigger Event, the Advisory Committee shall be entitled to retain legal, and accounting experts and other professional advisors (at the reasonable expense of the Partnership) to review the books of the Partnership, and to advise the Advisory Committee on such matters related to the Trigger Event as they may reasonably request a Trigger Event that remains uncured, and other Partnership matters concerning material governance issues or material conflicts of interest."

**Section 2. Reference to and Effect on the Partnership Agreement.**

(a) On and after the date hereof, each reference in the Partnership Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import referring to the Partnership Agreement shall mean and be a reference to the Partnership Agreement, as amended by this Amendment.

(b) Except as specifically amended by this Amendment, the Partnership Agreement shall remain in full force and effect and is hereby ratified and confirmed.

**Section 3. Miscellaneous.**

(a) **Governing Law.** This Amendment shall be governed by the internal laws (and not the laws relating to choice or conflict of laws) of the State of Delaware.

(b) **Amendment and Restatement.** Upon the adoption of this Amendment, the General Partner is authorized to prepare an amended and restated agreement that incorporates this Amendment.

*(remainder of page intentionally left blank)*

**IN WITNESS WHEREOF**, this Amendment has been executed as of the date first above set forth.

**GENERAL PARTNER**

**FS CAPITAL PARTNERS VII, LLC**

By: \_\_\_\_\_  
Name: William M. Wardlaw (in his capacity as trustee of  
the Wardlaw Living Trust (u/d/t August 31, 1989)),  
Member

**LIMITED PARTNERS:**

**FS CAPITAL PARTNERS VII, LLC** as attorney-in-fact

By: \_\_\_\_\_  
Name: William M. Wardlaw (in his capacity as trustee of  
the Wardlaw Living Trust (u/d/t August 31, 1989)),  
Member

**REPLY REQUESTED**

March 24, 2014

To the Limited Partners of FS Equity Partners V, L.P.:

Reference is hereby made to the Amended and Restated Agreement of Limited Partnership of FS Equity Partners V, L.P. (the "Partnership") dated as of December 18, 2002 (as amended, the "Partnership Agreement"). Capitalized terms used but not defined in this letter will have the meanings specified in the Partnership Agreement.

As you know, the initial term of the Partnership is set to expire on March 30, 2014. Pursuant to Section 1.5 of the Partnership Agreement, the term of the Partnership may be extended for up to two successive one-year terms if, in each instance, FS Capital Partners V, LLC, the general partner of the Partnership (the "General Partner"), decides that the extension is in the best interests of the Partnership and obtains the Consent of the Limited Partners. The General Partner believes that an extension of the Partnership's term by one (1) one-year term is in the best interests of the Partnership in order to provide additional time to harvest the Partnership's investments and liquidate them at an appropriate time.

By this letter, we are requesting your consent to extend the term of the Partnership by one (1) one-year term to expire on March 30, 2015 (the "Proposed Extension"). Upon receipt of the Consent of the Limited Partners, the Proposed Extension will immediately become effective. **To evidence your consent, please sign a copy of this letter in the space provided below and PDF or fax it to Don Melamed at O'Melveny & Myers LLP (email: [dmelamed@omm.com](mailto:dmelamed@omm.com) or fax: (213) 430-6407). We would appreciate it if you send your consent no later than March 31, 2014.**

Thank you for your continued support, and we look forward to working with all of you as we continue to implement our investment plans. If you have any questions, please



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feel free to contact Bill Wardlaw at (310) 444-1825.

Sincerely yours,

FS CAPITAL PARTNERS V, LLC  
the General Partner of  
FS Equity Partners V, L.P.



Bradford M. Freeman

The proposed extension of the Partnership's term by one (1) one-year term expiring on March 30, 2015 is hereby agreed to and accepted this 26<sup>th</sup> day of MARCH, 2014.

INVESTOR:

School Employees Retirement Board of Ohio  
(Print Name)

By: Farouki Majeed  
Name: Farouki Majeed  
Its: Chief Investment Officer