

THE BAY CLUB COMPANY ENTERS LOS ANGELES, EXPANDING ITS SOUTHERN CALIFORNIA PRESENCE WITH ACQUISITION OF SPECTRUM ATHLETIC CLUBS

California-based active lifestyle corporation adds 11 locations, 33,000 members

SAN FRANCISCO, CALIF. (April 2, 2015) — The Bay Club Company, a California-based active lifestyle corporation, today announced the acquisition of Spectrum Athletic Clubs, marking the company's highly-anticipated entry into the Los Angeles area. The Bay Club Company will apply its unique model to the newly acquired four campuses across 11 locations, creating the first modernized country club network in Los Angeles—balancing fitness, sports, hospitality and family—the key pillars of The Bay Club Company's Four Quadrant Playbook.

The Bay Club Company will add over 33,000 members to its growing family with the addition of the new campus sites in Santa Barbara, Thousand Oaks/West Hills, plus two campus sites within Silicon Beach (covering Pacific Palisades, Santa Monica, Marina Del Rey, Playa Vista, El Segundo, Manhattan Beach, Hermosa Beach, Redondo Beach and the Palos Verdes Peninsula). The Bay Club Company's campus concept consists of a variety of locations within a sub-geographical area that include fitness centers, athletic clubs, swim and tennis complexes and country clubs.

With the acquisition of Spectrum, The Bay Club Company now operates 23 locations across 10 California campuses—five in Northern California (Marin, San Francisco, Redwood Shores, Silicon Valley and Los Gatos) and five in Southern California (Santa Barbara, San Diego and three in Los Angeles). The Bay Club Company has additional plans to expand, both within its core California markets as well as attractive markets outside of California over the next 12 months.

"We are thrilled to expand our Southern California footprint as a natural extension of our well-established presence in Northern California," said The Bay Club Company president and CEO, Matthew Stevens. "We're looking forward to introducing our unique model to the Los Angeles and Santa Barbara markets. We've built this model to truly engage with our community by focusing on what matters most to our members: a safe place to enjoy friends and family—a place where everyone can be happy."

Over the next 12 months, The Bay Club Company plans to invest over \$10 million in its newly-acquired Los Angeles area clubs to mirror its signature lifestyle amenities found at its current 12 locations in the San Francisco and San Diego markets. Members can expect to see hospitality upgrades including the introduction of The Bay Club Company's Seventy-Seven Social Club, Connect Business Suites, boutique retail shops, full-service Sanctuary Spa, plus the expansion of their partnership with Los Angeles-based Café Vida. The Bay Club Company will also expand the Southern California sports offering to include tennis, golf, squash, basketball and indoor/outdoor aquatic complexes.

In June 2014, The Bay Club Company was acquired by management along with an investment group led by York Capital Management. "As part of the Spectrum Athletic Clubs acquisition, we are pleased to announce that Continental Development Corporation of El Segundo has decided to join the The Bay Club Company equity ownership group," said Stevens. Richard Lundquist, owner and president of Continental Development Corporation said, "We are excited to be

participating in the next chapter of The Bay Club Company's expansion and continuing the current momentum. We look forward to assisting The Bay Club Company in building the active lifestyle membership experience to enhance customer engagement and loyalty." Continental co-developed and, for nearly thirty years, has co-owned the Spectrum Athletic Club's South Bay flagship fitness facility In El Segundo's Continental Park.

For more information on The Bay Club Company, please visit bayclubs.com.

About The Bay Club Company

The Bay Club Company is an active lifestyle and hospitality company with a network of modern country clubs that welcome more than 85,000 members. The Bay Club Company has 23 locations across 10 California campuses—five in Northern California (Marin, San Francisco, Redwood Shores, Silicon Valley and Los Gatos) and five in Southern California (Santa Barbara, San Diego and three in Los Angeles). The Company currently employs approximately 2,800 people and is headquartered in San Francisco, California.

About York Capital Management

York Capital Management is an investment firm that was established in 1991. The firm pursues a multi-strategy investment style and manages over \$25 billion. The primary offices are in New York, London, and Hong Kong. York Capital Management made a majority investment in The Bay Club Company in June 2014.

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