

BUNKER HILL CAPITAL

FOR IMMEDIATE RELEASE:

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BUNKER HILL CAPITAL SELLS CALIFORNIA FAMILY FITNESS

Boston, MA – (January 6, 2016) – Bunker Hill Capital, a leading Boston based private equity investor in lower middle market companies, announced today the sale of its portfolio company, California Family Fitness (“CFF”, or the “Company”), to Perpetual Capital Partners, a private investment firm based in Washington, D.C.

Rufus Clark, a Managing Partner of Bunker Hill Capital, stated, “We are very pleased with the sale of California Family Fitness and are confident that CFF will continue its impressive growth trajectory. We are grateful to the co-founders of CFF, Russ Kuhn and Larry Gury, for partnering with us on this transaction, and to Randy Karr, Cherrie Fosco and the entire CFF management team for their hard work and devotion to the business over the years. We also appreciate the support from our financing partners, Madison Capital Funding and The Hartford.” Brian Kinsman, a Managing Partner of Bunker Hill Capital, added, “The entire CFF team has an incredible passion for their members and the business, and it was very rewarding to see them apply that passion towards developing and executing a long term strategic plan.”

Randy Karr, President of California Family Fitness, added, “We are very appreciative of Bunker Hill Capital’s efforts to help us grow from an entrepreneurially run company to a more developed, professionally run organization. The team from Bunker Hill helped us think more strategically about our business and helped put in place the necessary tools and controls to execute our strategy. We look forward to continuing to grow the business with our new partner, Perpetual Capital, and we welcome them to the CFF family.”

Headquartered in Orangevale, CA, California Family Fitness is the market-leading owner and operator of fitness centers in the greater Sacramento, CA area. CFF currently has 19 mid-to-large format club locations, each of which offers a selection of modern exercise equipment, swimming pools and basketball/racquetball courts as well as member services such as fitness class instruction, child care, tanning, sauna and steam rooms, and organized sports leagues. The Company, which has been voted “Best Fitness Club in Sacramento” by *Sacramento Magazine* for the past 16 years in a row, offers members a family-oriented club environment and a complete selection of activities for one competitive monthly fee. Piper Jaffrey & Co. advised the company on its sale.

Bunker Hill Capital is a private equity firm that makes investments in lower middle market companies with enterprise values up to \$120 million. The principals of Bunker Hill Capital have invested over \$570 million in 36 transactions and target opportunities across four industry sectors including industrial products, business services, consumer products and specialty retail. Bunker Hill Capital's current portfolio company investments include Rizing, a leading SAP services firm; Dyno, the exclusive licensee of the Singer brand for sewing accessories and producer and marketer of holiday decorative home products; Hubbardton Forge, a Vermont based premier designer and manufacturer of branded hand-forged premium lighting fixtures; Specialty Brands Holdings, a holding company for three restaurant brands; Courtagen, a diagnostic testing services company; ASPEQ Heating Group, a manufacturer of highly engineered electric heating and thermal management technologies; Taos, a California based IT infrastructure consulting and managed services firm; and ImportLA (dba TATSoul), a California based designer, manufacturer, distributor, and marketer of furniture, equipment, and supplies serving the tattoo, pet grooming, and spa/salon markets. For more information on Bunker Hill Capital, please visit www.bunkerhillcapital.com.

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