

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): November 7, 2019

Town Sports International Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation)	001-36803 (Commission File Number)	20-0640002 (IRS Employer Identification No.)
1001 US North Highway 1, Suite 201, Jupiter, Florida (Address of Principal Executive Offices)		33477 (Zip Code)
399 Executive Boulevard, Elmsford, New York (Mailing address)		10523 (Zip Code)

Registrant's Telephone Number, Including Area Code: (212) 246-6700

(Former Name or Former Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, \$0.001 par value per share	CLUB	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On November 7, 2019, Town Sports International Holdings, Inc. (the “Company”) announced that Carolyn Spatafora would be taking a leave of absence from her role as Chief Financial Officer of the Company effective as of November 7, 2019. Ms. Spatafora is taking leave in order to attend to a medical disability. Her leave of absence is not due to any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

On November 12, 2019, the Company also announced that the Board of Directors (the “Board”) of the Company has appointed Helen Van Ness as the interim Chief Financial Officer of the Company, effective as of November 12, 2019. Ms. Van Ness, age 56, has served as a Managing Director with Alvarez & Marsal Corporate Performance Improvement, LLC, a global professional services firm (“Alvarez & Marsal”), since November 17, 2014. Pursuant to a professional services agreement between the Company and Alvarez & Marsal dated November 12, 2019 and filed herewith as Exhibit 10.1 (the “Services Agreement”), Ms. Van Ness will continue to receive her salary and benefits from Alvarez & Marsal. In connection with the appointment of Ms. Van Ness as interim Chief Financial Officer and the assignment of additional Alvarez & Marsal personnel to the Company pursuant to the Services Agreement, the Company expects to pay Alvarez & Marsal a fee of \$165,000 per month for the term of the engagement under the Services Agreement.

Except as described above, there are no arrangements or understandings between Ms. Van Ness and any other persons pursuant to which Ms. Van Ness was named interim Chief Financial Officer of the Company. Ms. Van Ness does not have any familial relationship with any of the Company’s directors or executive officers or any persons nominated or chosen by the Company to be a director or executive officer. Ms. Van Ness does not have any direct or indirect material interest in any transaction or proposed transaction required to be reported under Item 404(a) of Regulation S-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10.1 Statement of Work, by and between Town Sports International Holdings, Inc. and Alvarez & Marsal Corporate Performance Improvement, LLC, dated as of November 12, 2019.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TOWN SPORTS INTERNATIONAL HOLDINGS, INC.

(Registrant)

Date: November 14, 2019

By: /s/ Patrick Walsh

Patrick Walsh

Chairman and Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
Exhibit 10.1	Statement of Work, by and between Town Sports International Holdings, Inc. and Alvarez & Marsal Corporate Performance Improvement, LLC, dated as of November 12, 2019.

**Statement of Work**

November 12, 2019

Patrick Walsh, Chairman and CEO
Town Sports International Holdings, Inc.
1001 U.S. North Highway 1, Suite 201
Jupiter, FL 33477

Dear Patrick:

This letter confirms and sets forth the terms and conditions of the engagement between Alvarez & Marsal Corporate Performance Improvement, LLC ("A&M") and Town Sports International Holdings, Inc. (the "Company"), including the scope of the services to be performed and the basis of compensation for those services. Upon execution of this letter by each of the parties below, this letter will constitute an agreement between the Company and A&M (the "Agreement").

This Agreement constitutes the entire understanding and agreement between Client and A&M with respect to the Services described herein and supersedes all prior oral and written communications and may be amended, modified or changed (including changes in scope, nature of the Services or fees as described under Change Order Process herein) only in writing when signed by both parties.

I. Description of Services**A&M Personnel**

In connection with this engagement, A&M shall make available to the Company, Helen Van Ness, to serve as the interim Chief Financial Officer (the "interim CFO"). The interim CFO shall be designated as an executive officer of the Company. Upon the mutual agreement of A&M and the Company, A&M will provide additional employees of A&M and/or its affiliates and wholly-owned subsidiaries ("Additional Personnel") as required (collectively, with the interim CFO, the "Engagement Personnel"), to assist the interim CFO in the execution of the duties set forth more fully herein.

The interim CFO will be supported by an A&M Director, full time (40-45 hours/week) and A&M Manager, full time (40-45 hours/week). Helen Van Ness, Managing Director, will be the overall engagement leader.

A&M Responsibilities

The Engagement Personnel in cooperation with the Chief Executive Officer (the "CEO") and/or other applicable officers of the Company, shall perform the following ("Duties"):

1. The interim CFO shall provide leadership to the Finance and Accounting staff employed by the Company and manage all aspects of the day-to-day corporate Finance operations and support activities of the Company as well as help identify issues and efficiency opportunities within the corporate Finance and Accounting departments;
2. The interim CFO will be responsible for the review and signing of required regulatory filings, quarterly and annually;
3. The interim CFO shall serve as an active, contributing member of the Company's leadership team;
4. The Engagement Personnel shall review all in-flight Finance and Accounting related projects and initiatives including without limitation, the renegotiation of the Company's 2013 Senior Credit Facility, and assist in the identification and implementation of cost reduction and operations improvement opportunities;
5. The Engagement Personnel shall assist the CEO and other Company engaged professionals in developing for the Board's review strategic alternatives and recommendations for maximizing the enterprise value of the Company's Finance and Accounting organizations; and
6. The Engagement Personnel shall perform such other services as requested or directed by the board of the directors of the Company (the "Board") or other Company personnel as authorized by the Board, and agreed to by A&M, that is not duplicative of work others are performing for the Company.

The Engagement Personnel shall report to the CEO or other applicable officers, as directed by the Board and, at the request of the Board, will make recommendations to and consult with the Board. The Engagement Personnel will continue to be employed, by A&M and, while rendering services to the Company, will continue to work with other personnel at A&M in connection with unrelated matters that will not unduly interfere with the services rendered by the Engagement Personnel pursuant to this Agreement. With respect to the Company, however, the Engagement Personnel shall operate under the direction of the Board and A&M shall have no liability to the Company for any acts or omissions of the Engagement Personnel related to the performance or non-performance of services at the direction of the Board and consistent with the requirements of the Engagement and this Agreement.

In connection with the services to be provided hereunder, from time to time A&M may utilize the services of employees of its affiliates, and subsidiaries and independent contractors as Engagement Personnel. Such affiliates and subsidiaries are wholly owned by A&M's parent company and employees.

II. Information Provided by Company and Forward Looking Statements

The Company shall use all reasonable efforts to: (i) provide the Engagement Personnel with access to management and other representatives of the Company; and (ii) to furnish all data, material, and other information concerning the business, assets, liabilities, operations, cash flows, properties, financial condition and prospects of the Company that Engagement Personnel reasonably request in connection with the services to be provided to the Company. The Engagement Personnel shall rely, without further independent verification, on the accuracy and completeness of all publicly available information and information that is furnished by or on behalf of the Company and otherwise reviewed by Engagement Personnel in connection with the services performed for the Company. The Company acknowledges and agrees that the Engagement Personnel are not responsible for the accuracy or completeness of such information and shall not be responsible for any inaccuracies or omissions therein. A&M and Engagement Personnel are under no obligation to update data submitted to them or to review any other areas unless specifically requested by the Board to do so.

You understand that the services to be rendered by the Engagement Personnel may include the preparation of projections and other forward-looking statements, and numerous factors can affect the actual results of the Company's operations, which may materially and adversely differ from those projections. In addition, Engagement Personnel will be relying on information provided by the Company in the preparation of those projections and other forward-looking statements.

III. Limitation of Duties

Neither A&M, nor the Engagement Personnel make any representations or guarantees that, inter alia, (i) an appropriate business strategy, performance improvement plan, and/or set of recommendations can be satisfactorily formulated for the Company, (ii) any business strategy, performance improvement plan, and/or recommendations presented to the Company's management or the Board will be more successful than all other possible business strategies, performance improvement plans, and/or recommendations that could have been conceived, or (iii) if formulated, that any proposed business strategy, performance improvement plan, and/or recommendations will achieve the desired results or outcomes anticipated by Company's management or the Board. Further, neither A&M, nor the Engagement Personnel, assume any responsibility for the Company's decision to pursue, or not pursue any appropriate business strategy, performance improvement plan, and/or set of recommendations, or to effect, or not to effect any potential transaction contemplated by the Company. The Engagement Personnel shall be responsible for implementation only of the elements of the appropriate business strategy, performance improvement plan, and/or set of recommendations, approved by the Board and only to the extent and in the manner authorized and directed by the Board.

IV. Compensation

A&M will receive fees for the services of the Engagement Personnel of \$165,000 per month. The Engagement will commence on a mutually agreed upon date no later than November 18, 2019 and will continue until the earlier of (i) the termination of this Agreement by either party in accordance with Section V or (ii) April 30, 2020.

In addition, A&M will be reimbursed for its reasonable out-of-pocket expenses incurred in connection with this assignment, such as air and ground transportation, lodging and meals. A&M also charges a flat rate of 3% of hourly professional fees to cover costs associated with market research, benchmarking, collaboration tools, technology and software license fees and other internal services that A&M makes available. All fees and expenses will be billed and payable on a monthly basis.

We will present invoices monthly from the project start date with amounts billed in advance to reflect the estimated fees and expenses for the upcoming period. Invoices are due within 30 days of receipt. Differences between estimated and actual amounts will be reconciled and adjusted on the subsequent period's bill. Should any invoice remain unpaid for more than 30 days after the date thereof, interest shall be paid at the lesser of 1.5% per month or the maximum amount permissible under law per month.

V. Termination

This Agreement will apply from the commencement of the services referred to in Section I and may be terminated by either party without cause by written notice to the other party. Any termination by the Company shall be effective immediately upon delivery of written notice to A&M, while any termination by A&M, other than for Good Reason (as defined below), shall not be effective until 30 days following the date on which A&M delivers written notice to the Company (in each case, such date shall be referred to as the "Termination Date"). "Good Reason" shall mean the Company's misrepresentation of or failure to disclose material facts, failure to pay fees or expenses when due (or circumstances indicating to A&M that fees or expenses will not be paid when due), circumstances such that it is unethical or unreasonably difficult for A&M to continue performance of the engagement, or other just cause. A&M normally does not withdraw from an engagement unless the Company misrepresents or fails to disclose material facts, fails to pay fees or expenses, or makes it unethical or unreasonably difficult for A&M to continue performance of the engagement, or other just cause exists. On termination of the Agreement, any fees and expenses due to A&M shall be remitted promptly (including fees and expenses that accrued prior to but are invoiced subsequent to the Termination Date). Upon termination of this Agreement pursuant to this Section V, A&M shall be entitled only to the prorated portion of any fees or expenses for the billing period in which the Agreement is terminated, calculated from the first day of the billing period through the Termination Date.

The provisions of this Agreement that give the parties rights or obligations beyond its termination shall survive and continue to bind the parties.

VI. Change Order Process

During the Project either party may request additions, deletions, or modifications to the scope, nature or timing of the Services described in this Statement of Work (“Changes”). A&M shall have no obligation to commence work in connection with any requested Change involving an increase or decrease in the scope of work until the fee and/or schedule impact of the Change is agreed upon in a written change order signed by both A&M and the Company. Upon a request for a Change, A&M shall submit a proposal to the Company describing the Changes, including, as applicable, the impact of such Changes on schedule, fees and expenses. The Company shall either indicate its acceptance of the proposed Changes by signing the change order or advise A&M not to perform the Changes, in which event A&M shall proceed with the original Services.

The occurrence of (1) any change in any law, rule or regulation that materially affects the scope, nature or quantity of the Services, (2) any event or transaction that significantly increases or decreases the size and/or nature of the operations of the Company in a manner that affects the scope, nature or quantity of the Services, or (3) any other event or condition that significantly increases or decreases costs associated with providing the Services shall be considered a Change, and A&M and the Company shall promptly meet to negotiate and document in writing a reasonable, customary, and equitable adjustment in the schedule and/or fees payable to A&M.

VII. Other Provisions

No Audit

Company acknowledges and agrees that A&M and Engagement Personnel are not being requested to perform an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to the rules of the AICPA, SEC or other state or national professional or regulatory body.

Third Party Beneficiary

The Company acknowledges that all advice (written or oral) provided by A&M and the Engagement Personnel to the Company in connection with this engagement is intended solely for the benefit and use of the Company (limited to its Board and management) in considering the matters to which this engagement relates. The Company agrees that no such advice shall be used for any other purpose or reproduced, disseminated, quoted or referred to at any time in any manner or for any purpose other than accomplishing the tasks referred to herein without A&M’s prior approval (which shall not be unreasonably withheld), except as required by law.

Conflicts

A&M is not currently aware of any relationship that would create a conflict of interest with the Company or those parties-in-interest of which you have made us aware. Because A&M and its affiliates and subsidiaries comprise a consulting firm (the "Firm") that serves clients on an international basis in numerous cases, both in and out of court, it is possible that the Firm may have rendered or will render services to, or have business associations with, other entities or people which had or have or may have relationships with the Company, including creditors of the Company. The Firm will not be prevented or restricted by virtue of providing the services under this Agreement from providing services to other entities or individuals, including entities or individuals whose interests may be in competition or conflict with the Company's, provided the Firm makes appropriate arrangements to ensure that the confidentiality of information is maintained.

Confidentiality

A&M and Engagement Personnel shall keep as confidential all non-public information received from the Company in conjunction with this engagement, except: (i) as requested by the Company or its legal counsel; (ii) as required by legal proceedings; or (iii) as reasonably required in the performance of this engagement. All obligations as to non-disclosure shall cease as to any part of such information to the extent that such information is, or becomes, public other than as a result of a breach of this provision.

Non-Solicitation

The Company, on behalf of itself and its subsidiaries and affiliates and any person which may acquire all or substantially all of its assets agrees that, until two (2) years subsequent to the termination of this engagement, it will not solicit, recruit, hire or otherwise engage any employee of A&M or any of its affiliates who worked on this engagement while employed by A&M or its affiliates ("Solicited Person"). Should the Company or any of its subsidiaries or affiliates or any person who acquires all or substantially all of its assets extend an offer of employment to or otherwise engage any Solicited Person and should such offer be accepted, A&M shall be entitled to a fee from the Company equal to the Solicited Person's hourly client billing rate at the time of the offer multiplied by 4,000 hours for a Managing Director, 3,000 hours for a Senior Director and 2,000 hours for any other A&M employee. The Company acknowledges and agrees that this fee fairly represents the loss that A&M will suffer if the Company breaches this provision. The fee shall be payable at the time of the Solicited Person's acceptance of employment or engagement

Indemnification / Limitations on Liability .

The Company shall indemnify the Engagement Personnel acting as officers (the "Indemnified Professionals") to the same extent as the most favorable indemnification it extends to its officers or directors, whether under the Company's bylaws, its certificate of incorporation, by contract or otherwise, and no reduction or termination in any of the benefits provided under any such indemnities shall affect the benefits provided to the Indemnified Professionals. The Indemnified Professionals shall be covered as officers under the Company's existing director and officer liability insurance policy. As a condition of A&M accepting this engagement, a Certificate of Insurance evidencing such coverage shall be furnished to A&M prior to the effective date of this Agreement. The Company shall give thirty (30) days' prior written notice to A&M of cancellation, non-renewal, or material change in coverage, scope, or amount of such director and officer liability policy. The Company shall also maintain such insurance coverage for the Indemnified Professionals for a period of not less than six years following the date of the termination of the Indemnified Professionals' services hereunder. The provisions of this section are in the nature of contractual obligations and no change in applicable law or the Company's charter, bylaws or other organizational documents or policies shall affect the Indemnified Professionals' rights hereunder. The attached indemnity and limitation on liability provisions are incorporated herein and the termination of this agreement or the engagement shall not affect those provisions, which shall remain in full force and effect.

Miscellaneous

This Agreement (together with the attached indemnity provisions), including, without limitation, the construction and interpretation of thereof and all claims, controversies and disputes arising under or relating thereto, shall be governed and construed in accordance with the laws of the State of New York, without regard to principles of conflict of law that would defer to the laws of another jurisdiction. The Company and A&M agree to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of the parties hereto with respect to any matter relating to or arising out of the engagement or the performance or non-performance of A&M hereunder. The Company and A&M agree, to the extent permitted by applicable law, that any Federal Court sitting within the Southern District of New York shall have exclusive jurisdiction over any litigation arising out of this Agreement; to submit to the personal jurisdiction of the Courts of the United States District Court for the Southern District of New York; and to waive any and all personal rights under the law of any jurisdiction to object on any basis (including, without limitation, inconvenience of forum) to jurisdiction or venue within the State of New York for any litigation arising in connection with this Agreement.

This Agreement shall be binding upon A&M and the Company, their respective heirs, successors, and assignees, and any heir, successor, or assignee of a substantial portion of A&M's or the Company's respective businesses and/or assets, including any Chapter 11 Trustee. This Agreement incorporates the entire understanding of the parties with respect to the subject matter hereof and may not be amended or modified except in writing executed by the Company and A&M. Notwithstanding anything herein to the contrary, A&M may reference or list the Company's name and/or logo and/or a general description of the services in A&M's marketing materials, including, without limitation, on A&M's website.

If the foregoing is acceptable to you, kindly sign and return the enclosed copy of this letter to acknowledge your agreement with its terms.

Very truly yours,

Alvarez & Marsal Corporate Performance Improvement, LLC

By: /s/ Helen Van Ness
Name: Helen Van Ness
Title: Managing Director

600 Madison Ave., 10th floor,
New York, NY 10022
+1 908-313-2370
hvanness@alvarezandmarsal.com

Accepted and agreed:

Town Sports International Holdings, Inc.

By: /s/ Stuart M. Steinberg _____

Name: Stuart M. Steinberg _____

Title: General Counsel _____

Date: November 14, 2019 _____

Attachment: Indemnification and Limitation on Liability Agreement

Indemnification and Limitation on Liability Agreement

This indemnification and limitation on liability agreement is made part of an agreement, dated November 7, 2019 (which together with any renewals, modifications or extensions thereof, is herein referred to as the "Agreement" by and between Alvarez & Marsal Corporate Performance Improvement, LLC ("A&M") and Town Sports International Holdings, Inc. (the "Company"), for services to be rendered to the Company by A&M.

A. The Company agrees to indemnify and hold harmless each of A&M, its affiliates and their respective shareholders, members, managers, employees, agents, representatives and subcontractors (each, an "Indemnified Party" and collectively, the "Indemnified Parties") against any and all losses, claims, damages, liabilities, penalties, obligations and reasonable documented expenses, including the costs for counsel or others (including employees of A&M, based on their then current hourly billing rates) in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which any Indemnified Party is a party, or enforcing the Agreement (including these indemnity provisions), as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Indemnified Parties' acceptance of or the performance or nonperformance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct. The Company also agrees that (a) no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of A&M, except to the extent that any such liability for losses, claims, damages, liabilities or expenses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct and (b) in no event will any Indemnified Party have any liability to the Company for special, consequential, incidental or exemplary damages or loss (nor any lost profits, savings or business opportunity). The Company further agrees that it will not, without the prior consent of an Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which such Indemnified Party seeks indemnification hereunder (whether or not such Indemnified Party is an actual party to such claim, action, suit or proceedings) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liabilities arising out of such claim, action, suit or proceeding. Notwithstanding anything to the contrary herein in no event shall the Company be required to indemnify an Indemnified Party with respect to any claim brought by such Indemnified Party against the Company (other than a claim seeking to enforce the terms of this Agreement including these indemnity provisions).

B. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to the Indemnified Parties. In the event that, at any time whether before or after termination of the engagement or the Agreement, as a result of or in connection with the Agreement or A&M's and its personnel's role under the Agreement, A&M or any Indemnified Party is required to produce any of its personnel (including former employees) for examination, deposition or other written, recorded or oral presentation, or A&M or any of its personnel (including former employees) or any other Indemnified Party is required to produce or otherwise review, compile, submit, duplicate, search for, organize or report on any material within such Indemnified Party's possession or control pursuant to a subpoena or other legal (including administrative) process, the Company will reimburse the Indemnified Party for its documented out of pocket expenses, including the reasonable fees and expenses of its counsel, and will compensate the Indemnified Party for the time expended by its personnel based on such personnel's then current hourly rate.

C. If any action, proceeding or investigation is commenced to which any Indemnified Party proposes to demand indemnification hereunder, such Indemnified Party will notify the Company with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify the Company will not relieve the Company from its obligations hereunder, except to the extent that such failure shall have actually prejudiced the defense of such action. The Company shall promptly pay documented expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding or investigation in which such Indemnified Party is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. Each Indemnified Party hereby undertakes, and the Company hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor. If any such action, proceeding or investigation in which an Indemnified Party is a party is also against the Company, the Company may, in lieu of advancing the expenses of separate counsel for such Indemnified Party, provide such Indemnified Party with legal representation by the same counsel who represents the Company, provided such counsel is reasonably satisfactory to such Indemnified Party, at no cost to such Indemnified Party; provided, however, that if such counsel or counsel to the Indemnified Party shall determine that due to the existence of actual or potential conflicts of interest between such Indemnified Party and the Company such counsel is unable to represent both the Indemnified Party and the Company, then the Indemnified Party shall be entitled to use separate counsel of its own choice, and the Company shall promptly advance its reasonable documented expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent an Indemnified Party from using separate counsel of its own choice at its own expense. The Company will be liable for any settlement of any claim against an Indemnified Party made with the Company's written consent, which consent shall not be unreasonably withheld.

D. In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of the Company, on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the indemnification claim and other relevant equitable considerations shall be considered; and further provided that in no event will the Indemnified Parties' aggregate contribution for all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder exceed the amount of fees actually received by the Indemnified Parties pursuant to the Agreement. No person found liable for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person who is not also found liable for such fraudulent misrepresentation.

E. In the event the Company and A&M seek judicial approval for the assumption of the Agreement or authorization to enter into a new engagement agreement pursuant to either of which A&M would continue to be engaged by Company, the Company shall promptly pay expenses reasonably incurred by the Indemnified Parties, including attorneys' fees and expenses, in connection with any motion, action or claim made either in support of or in opposition to any such retention or authorization, whether in advance of or following any judicial disposition of such motion, action or claim, promptly upon submission of invoices therefor and regardless of whether such retention or authorization is approved by any court. The Company will also promptly pay the Indemnified Parties for any expenses reasonably incurred by them, including attorneys' fees and expenses, in seeking payment of all amounts owed it under the Agreement (or any new engagement agreement) whether through submission of a fee application or in any other manner, without offset, recoupment or counterclaim, whether as a secured claim, an administrative expense claim, an unsecured claim, a prepetition claim or a post petition claim.

F. Neither termination of the Agreement nor termination of A&M's engagement nor the filing of a petition under Chapter 7 or 11 of the United States Bankruptcy Code (nor the conversion of an existing case to one under a different chapter) shall affect these indemnification provisions, which shall hereafter remain operative and in full force and effect.

G. The rights provided herein shall not be deemed exclusive of any other rights to which the Indemnified Parties may be entitled under the certificate of incorporation or bylaws of the Company, any other agreements, any vote of stockholders or disinterested directors of the Company, any applicable law or otherwise.

Accepted and agreed:

Town Sports International Holdings, Inc.

Alvarez & Marsal Corporate Performance Improvement, LLC

By: /s/ Stuart M. Steinberg

By: /s/ Helen Van Ness

Name: Stuart M. Steinberg

Name: Helen Van Ness

Title: General Counsel

Title: Managing Director