

LEASE

AGREEMENT OF LEASE (the "Lease"), dated as of March 2, 2011 (the "Effective Date") between [REDACTED] **ERCIAL HOLDINGS LLC**, a New York limited liability company, having an address at c/o Starrett Corp., 70 East 55th Street, New York, New York 10022 ("Landlord"), and **PARTY CITY CORPORATION**, a Delaware corporation, having an address at 25 Green Pond Road, Suite #1, Rockaway, New Jersey 07866 ("Tenant").

1. THE DEMISED PREMISES AND LEASE TERM

A. In consideration of the Rent hereinafter reserved and the terms, covenants and conditions set forth in this Lease to be observed and performed by Tenant, Landlord hereby demises and leases to Tenant, and Tenant hereby rents and hires from Landlord a portion of each of the ground level and the lower level of that certain condominium unit (the "Commercial Unit") as more particularly designated in the Condominium Declaration as amended from time to time (as defined herein) and commonly known by the street address 670 Columbus Avenue, New York, New York, of that certain building known by the street address 100 West 93rd Street, New York, New York (the "Building") consisting, in the aggregate, of approximately 12,707 square feet and referred to herein as the "Demised Premises") and being depicted on the Building plans attached hereto and made a part hereof as **Exhibit "A"**.

B. TO HAVE AND TO HOLD the Demised Premises unto Tenant, and the permitted successors and assigns of Tenant, upon and subject to all of the terms, covenants and conditions herein contained.

C. The term (the "Term") of this Lease shall be fifteen (15) years commencing on the date upon which Landlord delivers to Tenant possession of the Demised Premises in the condition required under this Article 1 and Article 5 hereof (the "Commencement Date"). This Lease shall expire on the last day of the month in which the fifteenth (15th) anniversary of the Commencement Date occurs (the "Expiration Date"), unless the Term shall sooner end pursuant to the terms, covenants and conditions of this Lease. Rent shall commence and be payable by Tenant to Landlord on the Commencement Date.

D. Landlord shall use commercially reasonable efforts to deliver to Tenant written notice (the "Estimated Commencement Date Notice") of the date on which Landlord estimates that Landlord will deliver the Demised Premises to Tenant in accordance with the terms and conditions of the Lease, which date shall not be less than sixty (60) days from the date of the Estimated Commencement Date Notice; provided, however, that Landlord's delivery of the Estimated Commencement Date Notice shall not be, and shall not be deemed to be, a condition to the commencement or effectiveness of this Lease and if Landlord fails to so deliver the Estimated Commencement Date Notice, Tenant shall not be relieved of its obligations hereunder and the Lease shall remain in full force and effect without any right of abatement, set-off, credit or termination on the part of Tenant. Notwithstanding the foregoing, Landlord shall deliver to Tenant written notice (the "Commencement Date Notice") of the date on which Landlord intends