

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

	)	
In re:	)	Chapter 11
	)	
PARTY CITY HOLDCO INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 23-90005 (DRJ)
	)	
Debtors.	)	(Jointly Administered)
	)	

**NOTICE OF PHASE II STORE CLOSING SALES**

**PLEASE TAKE NOTICE** that on February 14, 2023, the United States Bankruptcy Court for the Southern District of Texas (the “Court”) entered an order on the motion<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), authorizing and approving the conduct of store closing sales in accordance with certain store closing procedures and granting related relief [Docket No. 445] (the “Store Closing Procedures Order”). A copy of the Store Closing Procedures Order, along with the Master Consulting Agreement and Store Closing Procedures, are attached hereto as Exhibit 2.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Store Closing Procedures Order and by this written notice, the Debtors hereby notify you that they have determined, in the exercise of their business judgment, that each store location set forth on Exhibit 1 attached hereto

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Party City Holdco Inc. (9758); Amscan Custom Injection Molding, LLC (4238); Amscan Inc. (1359); Amscan Purple Sage, LLC (3514); Am-Source, LLC (8427); Anagram Eden Prairie Property Holdings LLC (8309); Party City Corporation (3692); Party City Holdings Inc. (3029); Party Horizon Inc. (5812); PC Intermediate Holdings, Inc. (1229); PC Nextco Finance, Inc. (2091); PC Nextco Holdings, LLC (7285); Print Appeal, Inc. (5932); and Trisar, Inc. (0659). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 100 Tice Boulevard, Woodcliff Lake, New Jersey 07677.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the *Debtors’ Emergency Motion for Entry of an Order (I) Approving, and Authorizing the Debtors to Enter Into and Perform Under, the Master Consulting Agreement, (II) Approving Procedures for Store Closing Sales, and (III) Granting Related Relief* [Docket No. 368].

(the “Phase II Closing Stores”) is hereby included among the Debtors’ Additional Closing Stores. The Debtors have entered into a new Statement of Work in connection with the Phase II Closing Stores, which is attached hereto as Exhibit 2 with the Master Consulting Agreement.

**PLEASE TAKE FURTHER NOTICE** that parties seeking to object to the application of the Store Closing Procedures Order to any of the Phase II Closing Stores must file and serve a written objection so that such objection is filed with the Court on the docket of the Debtors’ chapter 11 cases and is *actually received* by the Debtors and their counsel no later than February 23, 2023 (the date that is seven (7) days after the date that the Debtors served this Additional Closing Store List). The Debtors shall cause the following parties to be served with this Additional Closing Store List: (a) the Additional Closing Store Landlords; (b) the Office of the U.S. Trustee for the Southern District of Texas; (c) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (d) counsel to the Committee, Pachulski Stang Ziehl & Jones LLP, 780 Third Ave., 34<sup>th</sup> Fl., New York, NY 10017; (e) JPMorgan Chase Bank, N.A., as Prepetition ABL Agent, and counsel thereto, Simpson Thacher & Bartlett LLP, 425 Lexington Ave., New York, NY 10017; (f) counsel to the Ad Hoc Noteholder Group, Davis Polk & Wardwell LLP, 450 Lexington Ave., New York, NY 10017; (g) Ankura Trust Company, LLC, as First Lien Notes Trustee, 140 Sherman St., 4th Fl., Fairfield, CT 06824; (h) Wilmington Trust, National Association, as Unsecured Notes Trustee, 246 Goose Ln., Ste. 105, Guilford, CT 06437; (i) counsel to the Ad Hoc Group of Anagram Noteholders, Milbank LLP, 55 Hudson Yards, New York, NY 10001; (j) Ankura Trust Company, LLC, as agent under the DIP Facility, 140 Sherman St., 4th Fl., Fairfield, CT 06824, and counsel thereto, Chapman and Cutler LLP, 1270 Avenue of the Americas, New York, NY 10020; (k) the United States Attorney’s Office for the Southern District of Texas; (l) the Internal Revenue Service; (m) the United States Securities and Exchange Commission; (n) the state

attorneys general for states in which the Debtors conduct business; (o) other regulatory agencies having a regulatory or statutory interest in these cases; (p) any party that has requested notice pursuant to Bankruptcy Rule 2002; (q) any sublessees, licensees, or concessionaries of the Debtors' goods and owners of goods held by the Debtors on memo, consignment, or as bailee located at Additional Closing Stores; and (r) the Dispute Notice Parties. Only those responses that are timely filed, served, and received will be considered at any hearing on this written notice.

**PLEASE TAKE FURTHER NOTICE** that, if an objection to the application of the Store Closing Procedures Order to the Phase II Closing Stores is timely filed and not withdrawn or resolved, such objection will be considered by the Court, subject to the rights of any party to seek relief on an emergency basis on shortened notice to the extent necessary.

*[Remainder of page intentionally left blank]*

February 16, 2023

Respectfully submitted,

By: /s/ John F. Higgins

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*Proposed Counsel to the Debtors and  
the Debtors in Possession*

**Certificate of Service**

I certify that on February 16, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

*/s/ John F. Higgins*

\_\_\_\_\_  
John F. Higgins

**Exhibit 1**

**Phase II Store Closing Sales**

Store Number	Address	Landlord	Landlord Contact Information
534	Mcbride Lenox Plaza Shopping Center 1756 Route 46 West Paterson, NJ 07424	Summit Lenox Plaza, LLC	c/o CBRE, Inc. Park 80 W, Plaza 2 250 Pehle Ave., Ste. 600 Saddle Brook, NJ 07663 <u>Attn:</u> Octavio Amezcuita octavio@jewellcapital.com
814	Five Points Shopping Center 4101 Hwy. 77, Ste. K2 Corpus Christi, TX 78410	Cielo Paso Parke Green, L.P.	c/o Mimco Inc. 6500 Montana Ave. El Paso, TX 79925 <u>Attn:</u> McGee Sauls msauls@mimcoinc.com
821	223 W 34 <sup>th</sup> St. New York, NY 10001	Overlandlord: 34 <sup>th</sup> Street Penn Association, LLC  Sublandlord: Duane Reade, Inc.	c/o ACHS Management 1412 Broadway, 3 <sup>rd</sup> Fl. New York, NY 10018 <u>Attn:</u> Carrie Kalita carrie.kalita@walgreens.com  Walgreen Co. Inc. 104 Wilmot Rd., MS #144G Deerfield, IL 60015
823	2702 Martha Berry Rd. Rome, GA 30165	Meadows Commercial Properties, Inc.	4141 Southpoint Dr. E, Ste. B Jacksonville, FL 32216 <u>Attn:</u> Philip O. Meadows, President stovallgroup@gmail.com
916	Raleigh Mall 4283 Robert C. Byrd Dr. Beckley, WV 25801	Raleigh Enterprises, LLC	c/o Libby & Libby Enterprises 803 Commonwealth Dr. Warrendale, PA 15086 jlibby@jllibbycorp.com
927	Cartersville Crossing 451 E Main St. Cartersville, GA 30120	Attic Self Storage, Inc.	c/o Georgia Acquisitions 307 WI Pkwy. Dallas, GA 30132
1047	Stirling Slidell Shopping Center 61119 Airport Rd. Slidell, LA 70460	ARC SSSDLLA001, LLC	c/o American Finance Trust, Inc. 650 Fifth Ave., 30 <sup>th</sup> Fl. New York, NY 10019 <u>Attn:</u> General Counsel and CFO  Greenberg Traurig, LLP 77 W Wacker Dr., Ste. 3100 Chicago, IL 60601 <u>Attn:</u> Michael Baum  ARC SSSDLLA001 LLC c/o Hiffman National One Oakbrook Terr. #400 Oakbrook Terrace, IL 60181 <u>Attn:</u> Shawn Brown
4135	Felch Street Shopping Center 3050 Beeline Rd., Ste. 20 Holland, MI 49424	ORF VII Felch Street, LLC	c/o Pinnacle Leasing and Management 5865 North Point Pkwy, Ste. 350 Alpharetta, GA 30022 <u>Attn:</u> Michael Guski mguski@plnms.com

<b>Store Number</b>	<b>Address</b>	<b>Landlord</b>	<b>Landlord Contact Information</b>
5191	Crossroads Commons Shopping Center 1415 Flammang Dr. Waterloo, IA 50702	Waterloo Crossroads Property, L.L.C.	c/o Central Property Management / Crossroads Commons P.O. Box 447 Waukee, IA 50263 Attn: Michael Billings
5197	Bradley Commons 2060 N State Rte. 50 Bradley, IL 60915	IRC Bradley Commons, L.L.C.	c/o Pine Tree Commercial Realty LLC 814 Commerce Dr., Ste. 300 Oak Brook, IL 60523 <u>Attn</u> : Legal Department mgold@pinetree.com



**Exhibit 2**

**Store Closing Procedures Order, Store Closing Procedures,  
and Master Consulting Agreement**

**ENTERED**

February 14, 2023

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

	)	
In re:	)	Chapter 11
	)	
PARTY CITY HOLDCO INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 23-90005 (DRJ)
	)	
Debtors.	)	(Jointly Administered)
	)	<b>Re: Docket No. 368</b>

**ORDER (I) APPROVING, AND AUTHORIZING THE  
DEBTORS TO ENTER INTO AND PERFORM UNDER, THE  
MASTER CONSULTING AGREEMENT, (II) APPROVING PROCEDURES  
FOR STORE CLOSING SALES, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the "Motion")<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") (a) approving, and authorizing the Debtors to enter into and perform under, a Master Consulting Agreement, the form of which is attached to the Motion as Exhibit A (the "Master Consulting Agreement"), (b) authorizing and approving the continuation and/or initiation of phased store closings and related matters in accordance with the terms of the Master Consulting Agreement and the Store Closing Procedures, with such sales to be free and clear of all liens, claims, and encumbrances, and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration and the Orlofsky Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order; and this Court having found that this is a core proceeding pursuant

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Party City Holdco Inc. (9758); Amscan Custom Injection Molding, LLC (4238); Amscan Inc. (1359); Amscan Purple Sage, LLC (3514); Am-Source, LLC (8427); Anagram Eden Prairie Property Holdings LLC (8309); Party City Corporation (3692); Party City Holdings Inc. (3029); Party Horizon Inc. (5812); PC Intermediate Holdings, Inc. (1229); PC Nextco Finance, Inc. (2091); PC Nextco Holdings, LLC (7285); Print Appeal, Inc. (5932); and Trisar, Inc. (0659). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 100 Tice Boulevard, Woodcliff Lake, New Jersey 07677.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Master Consulting Agreement, and all terms and conditions therein, is approved. The Debtors are authorized, pursuant to section 363(b) of the Bankruptcy Code, to enter into and perform under the Master Consulting Agreement, including, without limitation, making payments required thereunder (including fees and reimbursement of expenses to the Consultant without the need for any application of the Consultant or a further order of this Court). All such payments of fees and reimbursement of expenses shall be free and clear of any and all encumbrances.

2. The Master Consulting Agreement and related documents may be immaterially modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court. Any modifications, amendments or supplementations will be promptly provided to the Committee.

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3. The Debtors are authorized to enter into additional Statements of Work in connection with any Additional Closing Stores so long as they (a) first consult with the Required Consenting Noteholders (as such term is defined in the Restructuring Support Agreement), the agent under the DIP Facility, and the Official Committee of Unsecured Creditors (the "Committee"), (b) file an Additional Closing Store List with the Court, and (c) serve a notice of their intent to conduct the Store Closing Sales at the Additional Closing Stores on the Additional Closing Store Landlords (including their counsel, if known) by mail and email, if known, and other interested parties, including the notice parties set forth in paragraph 57 of the Motion and any sublessees, licensees, or concessionaries of the Debtors' goods and owners of goods held by the Debtors on memo, consignment, or as bailee located at Additional Closing Stores. The notice of intent to conduct the Store Closing Sales at the Additional Closing Stores shall state whether any additional Statements of Work have been entered into in connection with the Additional Closing Stores. The Debtors are authorized to modify, supplement, or otherwise revise, as well as to rescind, any Additional Closing Store List they have filed before the date upon which this Order becomes applicable to such Additional Closing Store List; *provided* that the Debtors shall not add any additional store to any such Additional Closing Store List without extending the applicable objection deadline to provide interested parties with seven (7) days to object to any such addition. At least two (2) business days prior to filing an Additional Closing Store List with the Court (the "Ad Hoc Noteholder Group Review Period"), the Debtors will provide a copy of such Additional Closing Store List to counsel to the Committee and the Ad Hoc Noteholder Group. The Ad Hoc Noteholder Group shall have the right to object to such notice in accordance with formal or informal procedures that are acceptable to the Debtors and the Ad Hoc Noteholder Group and no such store shall be listed on such Additional Closing Store List if the Ad Hoc Noteholder Group

or the advisors to the Ad Hoc Noteholder Group inform the Debtors in writing within the Ad Hoc Noteholder Group Review Period that it objects to the inclusion of such store on the Additional Closing Store List.

4. The Additional Closing Store Landlords and any other interested parties shall have seven (7) days after filing of the applicable Additional Closing Store List with the Court to object to the application of this Order to their stores. If no timely objections are filed with respect to the application of the Order to an Additional Closing Store, then the Debtors should be authorized, pursuant to sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, to proceed with conducting the Store Closing Sales at the Additional Closing Stores in accordance with this Order, the Store Closing Procedures, and the Master Consulting Agreement. If any objections are filed with respect to the application of the Order to an Additional Closing Store, and such objections are not resolved, the objections and the application of the Order to the Additional Closing Store will be considered by the Court, subject to the rights of any party to seek relief on an emergency basis on shortened notice to the extent necessary.

5. The Store Closing Procedures, which are attached hereto as Exhibit 1, are reasonable and appropriate and are approved in their entirety.

6. The Debtors are authorized to (a) immediately conduct Store Closing Sales and (b) discontinue operations at the Closing Stores, in each case, in accordance with this Order, the Store Closing Procedures, and the Master Consulting Agreement. The Debtors will maintain insurance coverage at each of the Closing Stores as required by the applicable leases.

7. The Debtors and/or the Consultant are authorized to abandon certain Store Closing Assets remaining at the Closing Stores, the holding or sale of which, in the Debtors' discretion, would result in a net loss to their estates. Any and all FF&E remaining at the Closing Stores on

the effective date of rejection of the applicable leases of non-residential real property shall be deemed abandoned pursuant to section 554 of the Bankruptcy Code, free and clear of all liens, claims, encumbrances, or interests. As of the effective date of rejection of the applicable leases of non-residential real property, the landlords for such Closing Stores may, in their sole discretion and without further notice to any party or order of the Court, utilize and/or dispose of such abandoned FF&E without further notice or liability to the Debtors or third parties and, to the extent applicable, the automatic stay is modified to allow such disposition. The rights of the counterparties to any such rejected leases for Closing Stores to assert claims for the disposition of such abandoned FF&E are reserved, as are all parties' rights to object to such claims.

8. Notwithstanding any other provision of this Order, (a) the Debtors are not authorized to abandon, and are directed to remove, any hazardous materials as defined under applicable law from any leased premises as and to the extent they are required to do so by applicable law and (b) to the extent the Debtors seek to abandon personal property that contains any "personally identifiable information," as that term is defined in section 101(41A) of the Bankruptcy Code, or other personal and/or confidential information about the Debtors' employees, customers, and/or any other individual, the Debtors shall remove such personal and/or confidential information from such personal property before abandonment.

9. All entities that are presently in possession of some or all of the Merchandise or FF&E in which the Debtors hold an interest that are or may be subject to the Master Consulting Agreement or this Order hereby are directed to surrender possession of such Merchandise or FF&E to the Debtors or the Consultant. The Debtors shall serve a copy of this Order on any party alleged to be in possession of Merchandise or FF&E.

10. Neither the Debtors nor the Consultant, nor any of their officers, employees, or agents, shall be required to obtain the approval of any third party, including (without limitation) any Governmental Unit (as defined under section 101(27) of the Bankruptcy Code) or landlord, to conduct the Store Closing Sales and to take the related actions authorized herein.

11. All newspapers and other advertising media in which the Store Closing Sales may be advertised and all landlords are directed to accept this Order as binding authority to authorize the Debtors and the Consultant to conduct the Store Closing Sales and the sale of Merchandise and FF&E pursuant to the Master Consulting Agreement, including, without limitation, to conduct and advertise the sale of Merchandise and FF&E in the manner contemplated by and in accordance with this Order, the Store Closing Procedures, and the Master Consulting Agreement.

12. Provided that the Sales are conducted in accordance with the terms of this Order, the Master Consulting Agreement, and the Store Closing Procedures, the Debtors and the Consultant shall be presumed to be in compliance with any Liquidation Sale Laws and are authorized to conduct the Sales in accordance with the terms of this Order and the Store Closing Procedures without the necessity of further showing compliance with any such Liquidation Sale Laws. To the extent that the Store Closing Sales or actions taken in order to effectuate the Store Closing Sales are subject to Liquidation Sale Laws, the following procedures shall apply and are deemed fair, reasonable, and compliant with applicable law:

- a. Provided that any Store Closing Sale is conducted in accordance with this Order and the Store Closing Procedures, the Debtors, the Consultant, and the Debtors' landlords shall be deemed to be in compliance with any requirements of all county, parish, or municipal or other local government and state requirements governing the conduct of a Store Closing Sale with respect to the Store Closing Assets, including, but not limited to, local statutes, regulations, and ordinances establishing licensing or permitting requirements, waiting periods or time limits, or bulk sale restrictions that would otherwise apply to the Store Closing Sale and sales of the Store Closing Assets of any state or local Governmental Unit (as defined in

Bankruptcy Code section 101(27); *provided* that the Liquidation Sale Laws shall be deemed not to include any public health or safety laws of any state (collectively, “Safety Laws”), and the Debtors and the Consultant shall continue to be required to comply, as applicable, with such Safety Laws as well as criminal, tax, labor, employment, environmental, antitrust, fair competition, traffic, and consumer protection laws (collectively, “General Laws”), subject to any applicable provision of the Bankruptcy Code and federal law, and nothing in this Order shall be deemed to bar Governmental Units (as defined in section 101(27) of the Bankruptcy Code) or public officials from enforcing Safety Laws or General Laws.

- b. Within three (3) business days after entry of this Order, the Debtors will serve by first-class mail copies of this Order, the Master Consulting Agreement, and the Store Closing Procedures on the following: (a) the Attorney General’s office for each state where the Store Closing Sale is being held; (b) the county consumer protection agency or similar agency for each county where the Store Closing Sale is being held; (c) the division of consumer protection for each state where the Store Closing Sale is being held; and (d) the landlords for the Closing Stores (collectively, the “Dispute Notice Parties”).
- c. With respect to any Additional Closing Stores, within three (3) business days after filing any Additional Closing Store List with the Bankruptcy Court, the Debtors will serve by first-class mail copies of the Order, the Master Consulting Agreement, and the Store Closing Procedures on the Dispute Notice Parties.
- d. To the extent that there is a dispute arising from or relating to the Store Closing Sale, this Order, the Master Consulting Agreement, or the Store Closing Procedures, which dispute relates to any Liquidation Sale Laws (a “Reserved Dispute”), the Bankruptcy Court shall retain exclusive jurisdiction to resolve the Reserved Dispute. Any time within 10 days following entry of this Order or service of an Additional Closing Store List, as applicable, any Governmental Unit may assert that a Reserved Dispute exists by sending a notice explaining the nature of the dispute to: (i) on behalf of Party City Corporation, 100 Tice Boulevard, Woodcliff Lake, NJ 07677, Attn: Ian Heller, and Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019, Attn: Kenneth S. Ziman, Michael Turkel, and Grace C. Hotz; (ii) on behalf of Gordon Brothers Retail Partners, LLC, Prudential Tower, 800 Boylston Street, 27th Floor, Boston, MA 02199, Attn: David Braun, and Riemer & Braunstein LLP, Times Square Tower, Seven Times Square, Suite 2506, New York, NY 10036, Attn: Steven E. Fox; and (iii) the landlord for the applicable Closing Store. If the Debtors and the Governmental Unit are unable to resolve the Reserved Dispute within 15 days after service of the notice, the Governmental Unit may file a motion with the Bankruptcy Court requesting



that the Bankruptcy Court resolve the Reserved Dispute (a “Dispute Resolution Motion”).

- e. In the event that a Dispute Resolution Motion is filed, nothing in the Order shall preclude the Debtors, a landlord, or any other interested party from asserting that (i) the provisions of any Liquidation Sale Laws are preempted by the Bankruptcy Code or (ii) neither the terms of the Order nor the conduct of the Debtors pursuant to the Order violates such Liquidation Sale Laws. Filing a Dispute Resolution Motion as set forth herein shall not be deemed to affect the finality of the Order or to limit or interfere with the Debtors’ or the Consultant’s ability to conduct or to continue to conduct the Sale pursuant to the Order absent further order of the Bankruptcy Court. Upon the entry of the Order, the Bankruptcy Court grants authority for the Debtors and the Consultant to conduct the Store Closing Sale pursuant to the terms of the Order, the Master Consulting Agreement, and the Store Closing Procedures and to take all actions reasonably related thereto or arising in connection therewith. The Governmental Unit will be entitled to assert any jurisdictional, procedural, or substantive arguments it wishes with respect to the requirements of its Liquidation Sale Laws or the lack of any preemption of such Liquidation Sale Laws by the Bankruptcy Code. Nothing in the Order will constitute a ruling with respect to any issues to be raised in any Dispute Resolution Motion.
- f. If, at any time, a dispute arises between the Debtors and/or the Consultant and a Governmental Unit as to whether a particular law is a Liquidation Sale Law, and subject to any provisions contained in the Order related to the Liquidation Sale Laws, then any party to that dispute may utilize the provisions herein by serving a notice to the other party and proceeding thereunder in accordance with those paragraphs. Any determination with respect to whether a particular law is a Liquidation Sale Law shall be made de novo.

13. To the extent the Debtors are subject to any state Fast Pay Laws in connection with the Closing Store closures, the Debtors shall be presumed to be in compliance with such laws to the extent, in applicable states, such payroll payments are made by the later of: (a) the Debtors’ next regularly scheduled payroll and (b) seven (7) calendar days following the termination date of the relevant employee, and in all such cases consistent with, and subject to, any previous orders of this Court regarding payment of same.

14. Except as expressly provided in the Master Consulting Agreement, the Store Closing Sales, including the sale of the Merchandise and FF&E, shall be conducted by the Debtors

and the Consultant notwithstanding any restrictive provision of any lease, sublease, restrictive covenant, or other agreement relative to occupancy affecting or purporting to restrict the conduct of the Closing Store closures or the Store Closing Sales (including the sale of the Merchandise and FF&E), the rejection of leases, abandonment of assets, or “going dark” provisions. Breach of any such provisions in these chapter 11 cases in conjunction with the Closing Store closures or the Store Closing Sales shall not constitute a default under a lease or provide a basis to terminate the lease; *provided* that the Closing Store closures and Store Closing Sales are conducted in accordance with the terms of this Order, any Side Letters (as defined herein), and the Store Closing Procedures. The Debtors and/or Consultant and landlords of the Closing Stores are authorized to enter into agreements between themselves (the “Side Letters”) modifying the Store Closing Procedures without further order of the Court, and such Side Letters shall be binding as among the Debtors and Consultant and any such landlords; *provided* that nothing in such Side Letters affects the provisions of this Order other than with respect to the conduct of the Store Closing Sales, for which the terms of such Side Letter shall control. In the event of a dispute between the Debtors or Consultant and a landlord regarding the terms of a Side Letter, either the Debtors, Consultant, or the landlord may seek an emergency hearing before this Court on no less than three (3) business days’ notice, unless the parties agree to a hearing on shorter notice, subject to the Court’s availability.

15. Pursuant to section 363(f) of the Bankruptcy Code, the Consultant, on behalf of the Debtors, is authorized to sell the Store Closing Assets, and all sales of Store Closing Assets, whether by the Consultant or the Debtors, shall be free and clear of any and all liens, claims, encumbrances, and other interests; *provided, however*, that any such liens, claims, encumbrances, and other interests shall attach to the proceeds of the sale of the Store Closing Assets with the same

validity, in the amount, with the same priority as, and to the same extent that any such liens, claims, and encumbrances have with respect to the Store Closing Assets, subject to any claims and defenses that the Debtors may possess with respect thereto and the Consultant's fees and expenses (as provided in the Master Consulting Agreement).

16. All sales of Store Closing Assets shall be "as is" and final. Returns related to the purchase of Store Closing Assets shall not be accepted at stores that are not participating in the Store Closing Sales; *provided* that the Consultant shall accept return of any goods that contain a defect which the lay consumer could not reasonably determine was defective by visual inspection prior to purchase for a full refund, *provided* that the consumer must return the merchandise within the time period proscribed by the Debtors' return policy that was in effect when the merchandise was purchased, the consumer must provide a receipt, and the asserted defect must in fact be a "latent" defect.

17. Except as expressly provided for herein or in the Store Closing Procedures, no person or entity, including, but not limited to, any landlord, licensor, service provider, utility provider, or creditor, shall take any action to directly or indirectly prevent, interfere with, or otherwise hinder consummation of the Sales, the sale of Merchandise or FF&E, the advertising and promotion of such sales, or the Store Closing Sales. These persons or entities are also hereby barred from instituting any action or proceeding in any court (other than in this Court) or administrative body seeking an order or judgment against, among others, the Debtors, the Consultant, or the landlords at the closing locations that might in any way directly or indirectly obstruct or otherwise interfere with or adversely affect the conduct of the Store Closing Sales, the sale of the Merchandise or FF&E, the advertising and promotion of such sales, the Store Closing

Sales, and/or seek to recover damages for breach(es) of covenants or provisions in any lease, sublease, license, or contract based upon any relief authorized herein.

18. Neither the Store Closing Procedures, Master Consulting Agreement, nor this Order authorize the Debtors to lease, sell, or otherwise transfer to the Consultant or any other party the personal identifying information of any customers, unless such lease, sale, or transfer is permitted by the Debtors' privacy policy and state or federal privacy and/or identity theft prevention laws and rules. The foregoing shall not limit the Consultant's use of the Debtors' customer lists and mailing lists in accordance with the Master Consulting Agreement solely for purposes of advertising and promoting the Store Closing Sales.

19. The Debtors shall remove or cause to be removed any confidential and/or personal identifying information in any of the Debtors hardware, software, computers, or cash registers or similar equipment which are to be sold or abandoned so as to render it unreadable or undecipherable. At the conclusion of the Sales, the Consultant shall provide the Debtors with written verification that the Consultant has not removed, copied, or transferred any customer personal identifying information and that any records containing such were shredded, erased, or otherwise modified to render it unreadable or undecipherable.

20. The tax liens of the Texas Taxing Entities listed on Exhibit 3 hereto, if any, whether for prepetition or postpetition taxes, shall attach to the proceeds of the sale of any of the Debtors' assets in connection with any store closings contemplated by the Motion located within the jurisdiction of the applicable Texas Taxing Entity to the same extent and with the same priority as such tax liens attached to such assets immediately prior to the closing of such sale, and the Debtors shall not make any payments of principal to the DIP Agent or to the DIP Lenders (each as defined in the DIP Order (as defined herein)) from the proceeds from any such sale of any such assets

subject to a valid, first priority lien of any Texas Taxing Entity without first establishing a reserve for any such tax liens (in an amount not to exceed the amount of any obligations secured by the purported tax liens and to be agreed upon by the Debtors and the applicable Texas Taxing Entity (in consultation with the Ad Hoc Noteholder Group), or otherwise ordered by the Court). The rights of any party to contest the validity, priority, or enforceability of any purported lien of any Texas Taxing Entity are reserved.

21. Notwithstanding anything to the contrary in this Order, the Debtors and the Consultant are not authorized to, and shall not, abandon equipment provided by Comcast Cable Communications Management, LLC and its affiliates (collectively, "Comcast") but excluding any inside wiring located in the Debtors' leased premises (the "Comcast Equipment"). For clarity, the wiring will be subject to abandonment in accordance with this Order and the wiring shall not be removed by Comcast or the Debtors or the Consultant. The Debtors shall use commercially reasonable efforts to return Comcast Equipment in the Debtors' leased premises prior to any applicable effective date of rejection of any lease for such leased premises in accordance with their valid agreements with Comcast. Nothing herein shall alter, amend, modify, or waive Comcast's rights and remedies under its valid agreements with the Debtors, all of which rights are expressly preserved.

22. The entry of this Order is in the best interests of the Debtors and their estates, creditors, and all other parties in interest.

23. To the extent of any conflict between this Order, the Store Closing Procedures, and the Master Consulting Agreement, the terms of this Order shall control over all other documents and the Store Closing Procedures shall control over the Master Consulting Agreement. To the

extent of any conflict between the Store Closing Procedures, the Master Consulting Agreement, this Order, and any Side Letter, the terms of such Side Letter shall control.

24. Notwithstanding the relief granted in this Order, any payment made or to be made by the Debtors pursuant to the authority granted herein, and any relief or authorization granted herein, shall be subject to and in compliance with each interim and final order entered by the Court in respect of the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Provide Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Lenders, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 10] (collectively, such interim and final orders, the "DIP Order"), including compliance with any budget or cash flow forecast in connection therewith and any other terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Order. To the extent there is any inconsistency between the terms of the DIP Order and the terms of this Order or any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

25. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

26. Notice of the Motion as provided therein is hereby deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

27. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

28. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion, the Store Closing Procedures, and the Master Consulting Agreement.

29. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

**Signed: February 14, 2023.**



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DAVID R. JONES  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Store Closing Procedures<sup>1</sup>**

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<sup>1</sup> Capitalized terms used but not defined in these Store Closing Procedures have the meanings given to them in the Order, to which these Store Closing Procedures are attached as Exhibit 1, or the Motion, as applicable.



1. The Store Closing Sales will be conducted during normal business hours or such hours as otherwise permitted by the applicable unexpired lease.

2. The Store Closing Sales will be conducted in accordance with applicable state and local “Blue Laws,” and thus, where such a law is applicable, no Store Closing Sales will be conducted on Sunday unless the Debtors have been operating such stores on Sundays.

3. On “shopping center” property, neither the Debtors nor the Consultant shall distribute handbills, leaflets, or other written materials to customers outside of any Closing Stores’ premises, unless permitted by the applicable lease or if distribution is customary in the “shopping center” in which such Closing Store is located; *provided* that the Debtors and the Consultant may solicit customers in the Closing Stores themselves. On “shopping center” property, neither the Debtors nor the Consultant shall use any flashing lights or amplified sound to advertise the Store Closing Sales or solicit customers, except as permitted under the applicable lease or agreed in writing by the landlord.

4. At the conclusion of the Sale, the Consultant shall vacate the Closing Stores in broom clean condition; *provided* that the Consultant may leave in place and without further responsibility or liability of any kind any furniture, fixtures, and equipment (including, but not limited to, machinery, rolling stock, office equipment and personal property, and conveyor systems and racking) (collectively, “FF&E”) not sold in the Sale at the conclusion of the Sale, without cost or liability of any kind to Consultant. For the avoidance of doubt, as of the conclusion of the Sale or the vacate date, as applicable, the Consultant may leave in place and without further responsibility or liability of any kind, any FF&E.

5. The Debtors and the Consultant shall have the right to use and sell the FF&E. The Debtors and the Consultant may advertise the sale of the FF&E in a manner consistent with these

Store Closing Procedures. The purchasers of any FF&E sold during the Store Closing Sales shall be permitted to remove the FF&E either through the back or alternative shipping areas at any time, or through other areas after Closing Store business hours; *provided, however*, that the foregoing shall not apply to *de minimis* FF&E sales made whereby the item can be carried out of the Closing Store in a shopping bag.

6. The Debtors and the Consultant may, but are not required to, advertise all of the Store Closing Sales as “store closing,” “sale on everything,” “everything must go,” or similarly themed sales. The Debtors and the Consultant may also have a “countdown to closing” sign prominently displayed in a manner consistent with these Store Closing Procedures.

7. The Consultant shall be entitled to include Additional Consultant Goods (as defined in the Master Consulting Agreement) in the Sale in accordance with the terms of the Master Consulting Agreement.

8. The Debtors and the Consultant shall be permitted to utilize sign walkers, display, hanging signs, and interior banners in connection with the Store Closing Sales; *provided* that such sign walkers, display, hanging signs, and interior banners shall be professionally produced and hung in a professional manner. Neither the Debtors nor the Consultant shall use neon or “day-glo” on its sign walkers, display, hanging signs, or interior banners if prohibited by the applicable lease or applicable law. Furthermore, with respect to enclosed mall locations, no exterior signs or signs in common areas of a mall shall be used unless otherwise expressly permitted in these Store Closing Procedures. In addition, the Debtors and the Consultant shall be permitted to utilize exterior banners at (a) non-enclosed mall Closing Stores and (b) enclosed mall Closing Stores to the extent the entrance to the applicable Closing Store does not require entry into the enclosed mall common area; *provided, however*, that such banners shall be located or hung so as to make clear

that the Store Closing is being conducted only at the affected Closing Store, and shall not be wider than the storefront of the Closing Store. In addition, the Debtors and the Consultant shall be permitted to utilize sign walkers in a safe and professional manner. The Debtors and the Consultant shall also be permitted to use 4'x40' exterior banners, A-frames, feather flags, and banners listing "building for sale" with contact information. Nothing contained in these Store Closing Procedures shall be construed to create or impose upon the Debtors or the Consultant any additional restrictions not contained in the applicable lease agreement.

9. Neither the Debtors nor the Consultant shall make any alterations to the storefront, roof, or exterior walls of any Closing Stores or shopping centers, or to interior or exterior store lighting, except with respect to the hanging of exterior banners or as authorized by the applicable lease. The hanging of in-store signage shall not constitute an alteration to a Closing Store.

10. Affected landlords will have the ability to negotiate with the Debtors, or at the Debtors' direction, the Consultant, any particular modifications to the Store Closing Procedures. The Debtors and the landlord of any Closing Store are authorized to enter into Side Letters without further order of the Court; *provided* that such agreements do not have a material adverse effect on the Debtors or their estates.

11. Conspicuous signs will be posted in each of the affected stores to the effect that all sales are "final."

12. The Debtors will keep store premises and surrounding areas clear and orderly, consistent with past practices.

13. An unexpired non-residential real property lease will not be deemed rejected by reason of a Store Closing or the adoption of these Store Closing Procedures.

14. The rights of landlords against the Debtors for any damages to a Closing Store shall be reserved in accordance with the provisions of the applicable lease; *provided* that (a) closed stores shall be surrendered in as-is condition and (b) to the extent certain leases of closed stores require written confirmation of receipt of a key to effectuate surrender, this requirement is waived.

15. If and to the extent that the landlord of any Closing Store contends that the Debtors or the Consultant are in breach of or default under these Store Closing Procedures, such landlord shall provide at least five days' written notice, served by email or overnight delivery, on:

If to the Debtors:

Party City Corporation  
100 Tice Boulevard  
Woodcliff Lake, NJ 07677  
Attn: Ian Heller, General Counsel

with copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
Attn: Kenneth Ziman, Michael Turkel, and Grace Hotz

- and -

Porter Hedges LLP  
1000 Main Street, 36<sup>th</sup> Floor  
Houston, TX 77002  
Attn: John Higgins, Shane Johnson, and Megan Young-John

If to the Consultant:

Gordon Brothers Retail Partners, LLC  
Prudential Tower  
800 Boylston Street  
Boston, MA 02119  
Attn: Rick Edwards, President  
David Braun, Senior Corporate Counsel  
Email: redwards@gordonbrothers.com  
dbraun@gordonbrothers.com

with copies (which shall not constitute notice) to:

Riemer & Braunstein LLP  
Times Square Tower  
Seven Times Square, Suite 2506  
New York, New York 10036  
Attn: Steven E. Fox  
Email: sfox@riemerlaw.com

16. If the parties are unable to resolve the dispute, either the landlord or the Debtors shall have the right to schedule an emergency hearing before the Court on no less than three (3) business days' notice, unless the parties agree to a hearing on shorter notice, subject to the Court's availability.

**Exhibit 2**

**Phase 1 Closing Stores**

<b>Store Number</b>	<b>Address</b>	<b>Landlord</b>	<b>Landlord Contact Information</b>
848	301 W 125 <sup>th</sup> St. New York, NY 10027	301-303 West 125 LLC	c/o ACHS Management LLC 1412 Broadway, 3rd Fl. New York, NY 10018 Attn: Alex Adjmi alex@achsnyc.com
881	Broadway Plaza 171 W 230 <sup>th</sup> St. Bronx, New York 10463	Equity One (Northeast Portfolio), LLC	c/o Regency Centers One Independent Dr., Ste. 114 Jacksonville, FL 32202 Attn: Ernst Bell ernstbell@regencycenters.com
910	East Hills Shopping Center 3702 Frederick Ave., Ste. L12 St. Joseph, MO 64506	East Hills Properties	c/o Craig Realty Group 4100 MacArthur Blvd., Ste. 100 Newport Beach, CA 92660 Attn: Steven L. Craig steve@craigrealtygroup.com
929	Jackson Crossing 1510 N West Ave. Jackson, MI 49202	Jackson GS LLC	3139 N Lincoln Ave., Ste. 212 Chicago, IL 60657 Attn: Anthony Solomon anthonyjsolomon@gmail.com
978	4047 24 <sup>th</sup> Ave. Ft. Gratiot, MI 48059	Fort Gratiot LLC	c/o Hakimi Capital Group 150 Great Neck Rd., Ste. 304 Great Neck, NY 11021 jason@hakimicapgroup.com
982	Martinsburg Mall 800 Foxcroft Ave. Martinsburg, WV 25401	Martinsburg Development Partners, LLC	263 White Oak Dr. Beckley, WV 25801 Attn: Jared Decker rgardner@pdc malls.com
984	Circle 9 Shopping Center 944 NW Circle Blvd. Corvallis, OR 97330	Keizer Enterprises, LLC	P.O. Box 1583 Corvallis, OR 97339 Attn: Darren Dickerhoof darren@dickerhoof.com
986	Belton Gateway 541 East Markey Pkwy. Belton, MO 64012	Rick Hoover Properties LLC	3335 N Hwy 63 West Plains, MO 65775 Attn: Rick Hoover hoover04@hotmail.com
1157	Cache Road Square 3801 NW Cache Rd., 19B Lawton, OK 73505	Cache Road Square, LP	3801 NW Cache Rd., Ste. 200 Lawton, OK 73505 Attn: Brian Booker bookerbrian@gmail.com

<b>Store Number</b>	<b>Address</b>	<b>Landlord</b>	<b>Landlord Contact Information</b>
1222	Boulevard Consumer Square 4090 Maple Rd. Buffalo, NY 14226	AGATE-93, LLC	c/o Benderson Development 7978 Cooper Creek Blvd., Ste. 100 University Park, FL 34201 Attn: Eric Recoon ericrecoon@benderson.com
5224	Culver Ridge Plaza 2255 E Ridge Rd. Irondequoit, NY 14622	Irondequoit TK Owner LLC	415 Park Ave. Rochester, NY 14607 Attn: Michael Smith michael@LLDEnterprises.com
5234	Fairplain Plaza 1040 Fairplain Dr. Benton Harbor, MI 49022	Lormax Stern Fairplain LLC	38500 Woodward Ave., Ste. 200 Bloomfield Hills, MI 48304 Attn: Andrew Luckoff alukoff@lormaxstern.com



**Exhibit 3**

**Texas Taxing Entities**

Alief Independent School District  
Alvin Community College  
Alvin Independent School District  
Bexar County  
Brazoria Country Special Road & Bridge  
Brazoria County Drainage District 4  
Brazoria County  
Burleson ISD  
Cameron County  
Carrollton-Farmers Branch ISD  
Champions Municipal Utility District  
City Lake Worth  
City of Garland  
City of Tomball  
Clear Creek Independent School District  
Cypress-Fairbanks ISD  
Dallas County  
Ector CAD  
City of El Paso  
Fallbrook Utility District  
Fort Bend County  
Fort Bend County Levee Improvement District #12  
Fort Bend County Levee Improvement District #2  
Fort Bend County Municipal Utility District # 50  
Fort Bend Independent School District

City of Frisco

Frisco ISD

Galena Park Independent School District

Galveston County

Garland ISD

Grapevine-Colleyville ISD

Gregg County

Harris County

Harris County Municipal Utility District # 358

Harris County Municipal Utility District #132

Harris County Municipal Utility District #285

Harris County Municipal Utility District #346

Harris County Water Control And Improvement District #155

Hidalgo County

Humble Independent School District

Irving ISD

Jefferson County

Klein Independent School District

Lewisville ISD

Lubbock Central Appraisal District

City of McAllen

McLennan County

City of Mesquite

Midland County

Montgomery County

Nueces County

Pasadena Independent School District

Pearland Municipal Management

Plano ISD

Randall County Tax Office

Richardson ISD

Rockwall CAD

Smith County

Tarrant County

Tomball Independent School District

Tom Green CAD

Tyler Independent School District

Valley Ranch Town Center Management District

West Harris County Municipal District #6

Wichita County

Wichita Falls City

Wichita Falls ISD



# Gordon Brothers

Dated as of January 31, 2023

To: Party City Corporation  
100 Tice Boulevard  
Woodcliff Lake, NJ 07677

From: Gordon Brothers Retail Partners, LLC  
800 Boylston Street, 27<sup>th</sup> Floor  
Boston, MA 02199

## **Re: Consulting Agreement**

Ladies and Gentlemen:

This letter shall serve as the amended and restated agreement (this “Agreement”)<sup>1</sup> of Gordon Brothers Retail Partners, LLC (“Consultant”) and Party City Corporation and its subsidiaries (collectively, “Merchant” and together with Consultant, the “Parties”) pursuant to which Consultant shall serve as the exclusive consultant to Merchant to conduct a “store closing,” “everything must go,” “sale on everything,” and other mutually-agreed upon themed sale (and, solely upon entry of the Approval Order (as defined herein) and subject to the terms thereof, a “going out of business” sale) (the “Sale”) at Merchant’s retail stores as identified pursuant to Section 2 below (each, a “Store” and collectively, the “Stores”), subject to the terms and conditions set forth herein.

### **1. RETENTION**

- (A) Merchant hereby retains Consultant as its exclusive, independent consultant to conduct the Sale at the Stores during the Sale Term, and in connection therewith, Consultant shall, throughout the Sale Term:
- (i) Recommend appropriate discounting to effectively sell all of the goods located at the Stores as of the Sale Commencement Date or thereafter delivered to the Stores with the mutual agreement of the Parties (including without limitation, Additional Consultant Goods) in accordance with a “store closing,” “everything must go,” “sale on everything,” or other mutually agreed-upon themed sale, and recommend appropriate point-of-purchase, point-of-sale, and other internal and external

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<sup>1</sup> This Agreement shall amend and restate and supersede in its entirety the agreement between the Parties entitled *Store Closing Program – Master Consulting Agreement* dated as of February 11, 2019.

advertising in connection therewith;

- (ii) Provide qualified supervision to oversee the conduct of the Sale;
- (iii) Maintain focused and constant communication with Store-level employees and managers to keep them abreast of strategy and timing and to properly effect Store-level communication by Merchant's employees to customers and others about the Sale;
- (iv) Establish and monitor accounting functions for the Sale, including evaluation of sales of Merchant's goods located at the Stores by category, sales reporting and expense monitoring;
- (v) Recommend loss prevention strategies;
- (vi) Coordinate with Merchant so that the operation of the Stores is being properly maintained including ongoing customer service and housekeeping activities;
- (vii) Recommend appropriate staffing levels for the Stores and appropriate bonus and/or incentive programs (to be funded by Merchant) for Store employees;
- (viii) Recommend appropriate internal and external advertising; and
- (ix) Advise Merchant with respect to the legal requirements of affecting the Sale as a "store closing" or other mutually agreed upon theme in compliance with applicable state and local "going out of business" laws. In connection with such obligation, Consultant will (i) advise Merchant of the applicable waiting period under such laws, and/or (ii) prepare (in Merchant's name and for Merchant's signature) all permitting paperwork as may be necessary under such laws, deliver all such paperwork to Merchant, and file, on behalf of Merchant, all such paperwork where necessary, and/or (iii) advise where permitting paperwork and/or waiting periods do not apply.

## 2. SALE TERM; VACATING STORES

(A) Attached as Schedule 1 is a form of Statement of Work (a "SOW"), which Merchant and Consultant shall complete and execute in connection with each "wave" of Stores that Merchant wishes to close pursuant to this Agreement (each, a "Wave"). The list of Stores to be closed in each Wave shall be identified on Exhibit A to a SOW. The term "Sale Term" with respect to each Wave shall commence on or about the start date set forth on its respective SOW (each, a "Sale Commencement Date") and shall end no later than the end date set forth on its respective SOW (each, a "Sale Termination Date"); provided, however, that Consultant and Merchant may mutually agree upon an earlier or later "Sale Commencement Date" or "Sale Termination Date" with respect to any one or more Stores (on a Store-by-Store basis) within such Wave. Following commencement of the Bankruptcy Cases (defined below), Merchant has or will obtain landlord consent to extend the statutory rejection deadline applicable for each occupancy agreement governing for each of the Stores until at least the Sale Termination

Date.

(B) Upon the conclusion of the Sale Term at each Store, Consultant shall leave such Store in broom clean condition, subject to Consultant's right pursuant to Section 6 below to abandon in a neat and orderly manner all unsold Offered FF&E and Retained FF&E.

### 3. EXPENSES

(A) All expenses incident to the conduct of the Sale and the operation of the Stores during the Sale Term, including without limitation all Consultant Controlled Expenses and all other store-level and corporate expenses associated with the Sale, shall be borne by Merchant; except solely for any of the specifically enumerated "Consultant Controlled Expenses" that exceed the aggregate budgeted amount (as provided in Section 3(B) below) for such Consultant Controlled Expenses.

(B) Attached to each SOW as Exhibit B shall be an expense budget for the expenses associated with the applicable Wave, including without limitation any pre-approved supervisor costs, advertising expenses, signage costs, travel expenses and miscellaneous expenses (collectively, the "Consultant Controlled Expenses"). Consultant will advance funds for the Consultant Controlled Expenses and Merchant shall reimburse Consultant therefor (up to the aggregate budgeted amount) in connection with each weekly reconciliation contemplated by Section 5(B) upon presentation of reasonable documentation for such actually-incurred expenses pursuant to Merchant's then-existing expense policy. In addition to, and not as part of, reimbursement for any Consultant Controlled Expenses, Merchant shall also reimburse Consultant for its reasonable and documented legal fees and expenses incurred in connection with this Agreement and the Sale.

(C) The parties may from time to time, including through email correspondence, mutually agree in writing to amend the budget of Consultant Controlled Expenses based upon circumstances of the Sale.

(D) Consultant will provide Merchant with bi-weekly reporting on expenses incurred, an expense forecast and any variances to the initial budget.

### 4. CONSULTANT COMPENSATION

(A) Definitions. As used herein, the following terms shall have the following meanings:

- (i) "Cost Value" means, with respect to each item of Merchandise sold, the lower of (1) the lowest per unit vendor cost for such Merchandise in the File or in Merchant's books and records, maintained in the ordinary course consistent with historic practices; or (2) the Retail Price of such Merchandise.
- (ii) "File" means any inventory file identified on a SOW or otherwise delivered to Consultant in connection with its diligence in connection with the execution thereof.
- (iii) "Gross Proceeds" means the sum of the gross proceeds of all sales of Merchandise

(including as a result of the redemption of any gift card, gift certificate, or merchandise credit) during the Sale Term, net only of sales taxes.

- (iv) “Merchandise” shall mean all goods actually sold in the Stores during the Sale Term, the aggregate amount of which shall be determined using the gross rings inventory taking method.
- (v) “Retail Price” means, with respect to each item of Merchandise, the lower of the lowest ticketed, marked, shelf, stickered, hang-tag, or File price.

(B) **Merchandise Fee.** In consideration of its services hereunder, Merchant shall pay Consultant a “Merchandise Fee” equal to one and one-half percent (1.5%) of Gross Proceeds.

(C) **Gross Rings.** For purposes of calculating Gross Proceeds and the Merchandise Fee, the Parties shall use the “Gross Rings” method, wherein Consultant and Merchant shall jointly keep (i) a strict count of gross register receipts less applicable sales taxes, and (ii) cash reports of sales within each Store. Register receipts shall show for each item sold the Cost Value and Retail Price (as reflected on Merchant's books and records) for such item, and the markdown or other discount granted in connection with such sale. All such records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice.

(D) **Monthly Payments.** On a weekly basis in connection with each weekly reconciliation contemplated by Section 5(B) below, Consultant shall invoice Merchant shall for each Wave then being conducted, an amount equal to the Merchandise Fee payable on account of the prior week's sales in such Wave as an advance on account of the Merchandise Fee payable thereunder, and any FF&E Commission earned during the prior week, which amount shall be deemed fully earned when paid, subject only to a determination of the definitive amounts of such fees in connection with the Final Reconciliation for each Wave. Merchant shall make the payments set forth in this Section 4(D) within thirty (30) days following receipt of such invoice.

## 5. **CONDUCT OF SALE; OTHER SALE MATTERS**

(A) Merchant shall have control over the personnel in the Stores and shall handle the cash, debit and charge card payments for all Merchandise in accordance with Merchant's normal cash management procedures, subject to Consultant's right to audit any such items in the event of a good faith dispute as to the amount thereof. Merchant (and not Consultant) shall be responsible for ensuring that the Sale, and the operation of the Stores (before, during, and after the Sale Term) shall be conducted in compliance with all applicable laws and regulations.

(B) The Parties will meet on each Wednesday during the Sale Term to review any Sale matters reasonably requested by either party; and all amounts payable or reimbursable to Consultant for the prior week (or the partial week in the case of the first and last weeks) shall be reconciled and paid immediately thereafter. No later than thirty (30) days following the end of the Sale in each Wave, the Parties shall complete a final reconciliation and settlement of all amounts contemplated by this Agreement (the “Final Reconciliation”). Promptly upon completing the Final Reconciliation, Merchant or Consultant, as applicable, shall pay any



additional amounts owed to the other Party hereunder.

(C) From time to time upon request, each Party shall prepare and deliver to the other Party such other reports as either Party may reasonably request. Each Party shall, at all times during the Sale Term and during the one (1) year period thereafter, provide the other with access to all information, books and records relating to the Sale and this Agreement. All records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice.

(D) Merchant shall be solely responsible for computing, collecting, holding, reporting, and paying all sales taxes associated with the sale of Merchandise during the Sale Term, and Consultant shall have absolutely no responsibilities or liabilities therefor.

(E) Although Consultant shall undertake its obligations under this Agreement in a manner designed to achieve the desired results of the Sale and to maximize the recovery to Merchant, Merchant expressly acknowledges that Consultant is not guaranteeing the results of the Sale.

(F) Merchant acknowledges that (i) the Parties are not conducting an inventory of Merchant's goods located at the Stores; (ii) Consultant has made no independent assessment of the beginning levels of such goods; and (iii) Consultant shall not bear any liability for shrink or other loss to Merchant's goods located at the Stores (including without limitation Merchandise). Merchant may, at its election, conduct an inventory at some or all of the Stores and Consultant agrees to cooperate with such inventory taking if and when done.

(G) All sales of Merchandise during the Sale Term shall be made in the name, and on behalf, of Merchant subject to Consultant's rights provided for elsewhere in this Agreement.

(H) All sales of Merchandise during the Sale Term shall be "final sales" and "as is," and all advertisements and sales receipts will reflect the same.

(I) Merchant shall be responsible for providing direction to and supplies for the Stores in order to comply with federal, state and local COVID-19 related health and safety requirements, and Consultant will assist with the implementation of such requirements at the Store; provided, however, that Consultant shall not be responsible for the payment of nor liable for any fine, injury, death, or damage caused by or related to COVID-19.

(J) Consultant shall, during the Sale Term at the Stores, cooperate with Merchant in respect of Merchant's procedures governing returns of goods otherwise sold by Merchant (e.g., not in the Stores during the Sale Term).

(K) Merchant hereby permits the Sale to be, and shall ensure that the Sale otherwise may be, advertised as a "store closing," "everything must go," "sale on everything" and such other mutually agreed upon themed sale throughout the term of the Sale, as provided for by Section 1(a)(ix) above.

(L) Concurrently with the execution of, and as a condition to Consultant's obligations under, this Agreement, Merchant shall fund to Consultant any advance amount specified on a SOW (the "Special Purpose Payment") which shall be held by Consultant until the Final

Reconciliation for the last Wave hereunder (and Merchant shall not apply the Special Purpose Payment to, or otherwise offset any portion of the Special Purpose Payment against, any weekly reimbursement, payment of fees, or other amount owing to Consultant under this Agreement prior to such Final Reconciliation). Without limiting any of Consultant's other rights, Consultant may apply the Special Purpose Payment to any unpaid obligation owing by Merchant to Consultant under this Agreement. Any portion of the Special Purpose Payment not used to pay amounts explicitly contemplated by this Agreement shall be returned to Merchant within three days following the Final Reconciliation for the last Wave hereunder.

**6. FF&E**

(A) Promptly following the Sale Commencement Date for each Wave, Merchant shall inform Consultant of those items of owned furnishings, trade fixtures, equipment, machinery, office supplies, racking, rolling stock, any vehicles or other modes of transportation, and other personal property (collectively, "FF&E") located at the Stores included within such Wave which are not to be sold (because Merchant does not have the right to sell such items, because Merchant wishes to retain such items for itself or otherwise) (collectively, "Retained FF&E").

(B) With respect to all FF&E located at the Stores as of the Sale Commencement Date which is not Retained FF&E (collectively, the "Offered FF&E"), Consultant shall have the right to sell such Offered FF&E in exchange for a fee equal to 15% of the gross sale proceeds of Offered FF&E, net only of sales tax (the "FF&E Commission")

(C) Merchant shall reimburse Consultant for its reasonable sale expenses associated with the sale of the Offered FF&E, not to exceed the amount shown on an FF&E expense budget (which shall be in addition to the Consultant Controlled Expenses budget), to be mutually and reasonably agreed to by the parties promptly after Merchant identifies the Offered FF&E and Retained FF&E for each Wave ("FF&E Expenses").

(D) Consultant shall have the right to abandon any unsold Offered FF&E (and all Retained FF&E) at the Stores at the conclusion of the applicable Sale Term without liability to Merchant or any third party.

**7. ADDITIONAL CONSULTANT GOODS**

(A) In connection with the Sale, and subject to compliance with applicable law (except as otherwise provided in any Approval Order), Consultant shall have the right, at Consultant's sole cost and expense, to supplement the Merchandise in the Sale with additional goods procured by Consultant which are of like kind, and no lesser quality to the Merchandise in the Sale ("Additional Consultant Goods"). The Additional Consultant Goods shall be purchased by Consultant as part of the Sale, and delivered to the Stores at Consultant's sole expense (including labor, freight and insurance relative to shipping such Additional Consultant Goods to the Stores). Sales of Additional Consultant Goods shall be run through Merchant's cash register systems; provided, however, that Consultant shall mark the Additional Consultant Goods using either a "dummy" SKU or department number, or in such other manner so as to distinguish the sale of Additional Consultant Goods from the sale of Merchandise. Consultant and Merchant shall also cooperate so as to ensure that the Additional Consultant Goods are

marked in such a way that a reasonable consumer could identify the Additional Consultant Goods as non-Merchant goods. Additionally, Consultant shall provide signage in the Stores notifying customers that the Additional Consultant Goods have been included in the Sale. Absent Merchant's written consent, and Consultant's agreement to reimburse Merchant for any associated expenses, Consultant shall not use Merchant's distribution centers for any Additional Consultant Goods.

(B) Consultant shall pay to Merchant an amount equal to seven and a half percent (7.5%) of the gross proceeds (excluding sales taxes) from the sale of the Additional Consultant Goods (the "Additional Consultant Goods Fee"), and Consultant shall retain all remaining amounts from the sale of the Additional Consultant Goods. Consultant shall pay Merchant its Additional Consultant Goods Fee in connection with each weekly sale reconciliation with respect to sales of Additional Consultant Goods sold by Consultant during the prior week in each Wave (or at such other mutually agreed upon time).

(C) Consultant and Merchant intend that the transactions relating to the Additional Consultant Goods are, and shall be construed as, a true consignment from Consultant to Merchant in all respects and not a consignment for security purposes. Subject solely to Consultant's obligations to pay to Merchant the Additional Consultant Goods Fee, at all times and for all purposes the Additional Consultant Goods and their proceeds shall be the exclusive property of Consultant, and no other person or entity shall have any claim against any of the Additional Consultant Goods or their proceeds. The Additional Consultant Goods shall at all times remain subject to the exclusive control of Consultant.

(D) Merchant shall, at Consultant's sole cost and expense, insure the Additional Consultant Goods and, if required, promptly file any proofs of loss with regard to same with Merchant's insurers. Consultant shall be responsible for payment of any deductible (but only in relation to the Additional Consultant Goods) under any such insurance in the event of any casualty affecting the Additional Consultant Goods.

(E) Merchant acknowledges that the Additional Consultant Goods shall be consigned to Merchant as a true consignment under Article 9 of the Uniform Commercial Code (the "UCC"). Consultant is hereby granted a first-priority security interest in and lien upon (i) the Additional Consultant Goods and (ii) the Additional Consultant Goods proceeds less the Additional Consultant Goods Fee, and Consultant is hereby authorized to file UCC financing statements and provide notifications to any prior secured parties.

## **8. INSURANCE; RISK OF LOSS**

(A) During the Sale Term, (a) Merchant shall maintain (at its expense) insurance with respect to the Merchandise in amounts and on such terms and conditions as are consistent with Merchant's ordinary course operations, (b) each of Merchant and Consultant shall maintain (at each party's respective expense) comprehensive auto liability for owned and non-owned autos and general liability insurance covering injuries to persons and property in or in connection with the Stores or as a result of the Sale, in such amounts as are reasonable and consistent with its ordinary practices, for bodily injury, personal injury and/or property damage and (c) each of Merchant and Consultant shall maintain statutory worker's compensation coverage covering

its own employees. Each party shall be added as an additional insured on all such insurance of the other party, all such insurance shall provide that it shall be non-cancelable and non-changeable except after 30 days' prior written notice to the other party, and each party shall provide the other with certificates of all such insurance prior to the commencement of the Sale.

(B) Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that Consultant shall not be deemed to be in possession or control of the Stores or the Merchandise or other assets located therein or associated therewith, or of Merchant's employees located at the Stores; and Consultant does not assume any of Merchant's obligations or liabilities with respect thereto.

(C) Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that Merchant shall bear all responsibility for liability claims (product liability and otherwise) of customers, employees and other persons arising from events occurring at the Stores, and Merchandise sold in the Stores, before, during and after the Sale Term.

## 9. INDEMNIFICATION

(A) Consultant shall indemnify and hold Merchant and its affiliates, and their respective officers, directors, employees, consultants, and independent contractors (collectively, "Merchant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to:

- (i) Consultant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;
- (ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any employees or agents of Merchant by Consultant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives (including without limitation any supervisors);
- (iii) any claims by any party engaged by Consultant as an employee or independent contractor (including without limitation any non-Merchant employee supervisor) arising out of such employment or engagement; or
- (iv) the gross negligence, willful misconduct or unlawful acts of Consultant, its affiliates or their respective officers, directors, employees, Consultants, independent contractors or representatives; provided, that Consultant shall not be obligated to indemnify any Merchant Indemnified Party from or against any claims, demands, penalties, losses, liabilities or damages arising primarily from any Merchant Indemnified Party's gross negligence, willful misconduct, or unlawful act.

(B) Merchant shall indemnify and hold Consultant, its affiliates, and their respective officers, directors, employees, consultants, and independent contractors (collectively, "Consultant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or

indirectly asserted against, resulting from or related to:

- (i) Merchant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;
- (ii) if applicable, any proceedings before a bankruptcy court or any other court of competent jurisdiction regarding this Agreement or the transactions contemplated herein, including obtaining approval of this Agreement and/or defending against any objection thereto;
- (iii) any claims by any party engaged by Merchant as an employee or independent contractor arising out of such engagement;
- (iv) any claims relating to any Merchandise or Store, including without limitation consumer warranty and products liability claims and claims related to the infringement of intellectual property rights; or
- (v) the gross negligence, willful misconduct or unlawful acts of Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives; provided, that Merchant shall not be obligated to indemnify any Consultant Indemnified Party from or against any claims, demands, penalties, losses, liabilities or damages arising primarily from any Consultant Indemnified Party's gross negligence, willful misconduct, or unlawful act.

## 10. **BANKRUPTCY COURT MATTERS**

(A) Merchant has advised Consultant that following execution of this Agreement, each entity comprising the Merchant may file a voluntary petition for relief under chapter 11 of title 11, United States Code, 11 U.S.C. §101, et seq. (as amended and in effect from time to time, the "Bankruptcy Code", and such cases the "Bankruptcy Cases").

(B) In the event Merchant commences the Bankruptcy Cases, then no later than two days after the later of (i) execution of this Agreement and (ii) the filing of the Bankruptcy Cases, Merchant shall file a motion (the "Store Closing Motion") seeking entry of an order of the applicable Bankruptcy Court pursuant to sections 363(b) and 365 of the Bankruptcy Code (and not pursuant to sections 327, 328, 330, or 331 thereof) with terms acceptable to both Merchant and Consultant, among other things: (a) approving this Agreement and Merchant's assumption thereof, (b) authorizing Merchant's conduct of the Sale, without necessity to comply with state and local laws, rules and regulations, including, but not limited to, licensing requirements, purporting to restrict the conduct of the Sale (but subject to conduct of the Sale in accordance with the Sale Guidelines), (c) approving the Sale Guidelines, (d) authorizing Merchant's conduct of the Sale notwithstanding any restrictive provisions in any underlying store leases or occupancy agreement that purport to preclude or restrict the conduct of the Sale at the Stores or the necessity of obtaining any third party consents, (e) authorizing Merchant's payment to Consultant of any earned Merchandise Fee, FF&E Commission, if any, and further authorizing Merchant's reimbursement to Consultant of any Consultant Controlled Expenses or other

amounts that may be advanced by Consultant on Merchant's behalf, (g) providing that the payment of all fees and reimbursement of expenses hereunder to Consultant is approved without further order of the court and shall be free and clear of all liens, claims and encumbrances, (h) all such payments of fees and reimbursement of expenses shall be made on a weekly basis without further order of the Bankruptcy Court and otherwise in accordance with this Agreement, (i) providing for the protection of such fees and expenses on terms and conditions reasonably acceptable to each of Consultant, and (j) such other terms and provisions as may be necessary or appropriate to facilitate the conduct of the Sale (the "Approval Order").

(C) Merchant shall exercise reasonable best efforts to have the Approval Order entered on or before ten (10) calendar days after the commencement of the Bankruptcy Cases. In the event the Approval Order is not entered by the Bankruptcy Court or does not include the terms and conditions contained herein, (i) Merchant shall nevertheless be obligated to reimburse Consultant for any Consultant Controlled Expenses incurred in connection with the Sale through and including the day immediately after denial of such motion by the Bankruptcy Court; and (ii) Consultant may, in its sole discretion, elect to terminate this Agreement. From and after entry of the Approval Order, Consultant shall conduct the Sale in accordance with the terms of the Approval Order in all material respects. The Bankruptcy Court shall have exclusive jurisdiction to resolve any issues arising under this Agreement. In such event, any legal action, suit or proceeding arising in connection with this Agreement shall be submitted to the exclusive jurisdiction of the Bankruptcy Court having jurisdiction over Merchant, and each Party hereby waives any defenses or objections based on lack of jurisdiction, improper venue, and/or *forum non conveniens*.

## 11. MISCELLANEOUS

(A) This Agreement constitutes the entire agreement between the parties with respect to the matters contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto. This Agreement may not be modified except in a written instrument executed by each of the Parties.

(B) No consent or waiver by any Party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligation of such Party. The failure on the part of any Party to complain of any act or failure to act by the other Party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder.

(C) Nothing contained in this Agreement shall be deemed to create any relationship between Merchant and Consultant other than that of Consultant as an independent contractor of Merchant, and it is stipulated that the Parties are not partners or joint venturers in any way. Unless expressly set forth herein to the contrary, to the extent that either Party's consent is required/requested hereunder, such consent shall not be unreasonably withheld or delayed.

(D) This Agreement shall inure to the benefit of, and be binding upon, the Parties and their



respective successors and assigns; provided, however, that this Agreement may not be assigned by either party without the prior written consent of the other. The foregoing notwithstanding, Consultant shall have the right to syndicate and partner with additional entities to serve as “Consultant” hereunder as to this Agreement and as to any similar agreements.

(E) This Agreement, including all exhibits attached hereto and thereto, and all matters arising out of or relating to this Agreement are governed by, and construed in accordance with, the laws of the State of New Jersey. In the event any term or provision contained within this Agreement shall be deemed illegal or unenforceable, then such offending term or provision shall be considered deleted from this Agreement and the remaining terms shall continue to be in full force and effect.

(F) This Agreement shall supersede and replace all prior agreements and understandings, oral and written, between the Parties.

(G) Any notice or other communication under this Agreement shall be in writing and may be

delivered personally or by prepaid registered or certified mail, addressed as follows:

If to Merchant:

PARTY CITY CORPORATION  
100 Tice Boulevard  
Woodcliff Lake, NJ 07677  
Attn: Marc Ehle  
Email: mehle@partycity.com

With a copy to:

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP  
1285 Avenue of the Americas  
New York, NY 10019  
Attn: Grace Hotz  
Email: ghotz@paulweiss.com

If to Consultant:

GORDON BROTHERS RETAIL PARTNERS, LLC  
Prudential Tower  
800 Boylston Street  
Boston, MA 02119  
Attn: Rick Edwards, President  
David Braun, Senior Corporate Counsel  
Email: redwards@gordonbrothers.com  
dbraun@gordonbrothers.com

With a copy to:

RIEMER & BRAUNSTEIN LLP  
Times Square Tower  
Seven Times Square, Suite 2506  
New York, NY 10036  
Attn: Steven E. Fox  
Email: sfox@riemerlaw.com

*[Signature Pages Follow]*



Very truly yours,

**GORDON BROTHERS RETAIL PARTNERS, LLC**

DocuSigned by:  
*Rick Edwards*  
By: \_\_\_\_\_  
Name: Rick Edwards  
Title: President - Retail

Agreed and Accepted:  
**PARTY CITY CORPORATION**, on behalf  
of itself and its subsidiaries

DocuSigned by:  
*Marc Ehle*  
By: \_\_\_\_\_  
Name: Marc Ehle  
Title: EVP  
Address: 100 Tice Blvd., woodcliff Lake, NJ 07677

Exhibits:  
A Form of SOW



*[Signature Page to Consulting Agreement]*

**STATEMENT OF WORK**

**WAVE #** \_\_

**EFFECTIVE** \_\_\_\_\_, **2023**

This Statement of Work (the “SOW”) is executed pursuant to that certain *Store Closing Program – Master Consulting Agreement* (the “Agreement”) effective as of January 31, 2023, by and between Party City Holdings Inc., on behalf of itself and its subsidiaries (the “Merchant”) and Gordon Brothers Retail Partners, LLC (the “Consultant” and together with Merchant, the “Parties”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

1. The Stores for this Wave are identified on Exhibit A attached hereto.
2. The Budget of Consultant Controlled Expenses for this Wave is attached hereto as Exhibit B.
3. The Sale Commencement Date for this Wave shall be on or before \_\_\_\_\_.
4. The Sale Termination Date for this Wave shall be no later than \_\_\_\_\_.
5. The File for this Wave is \_\_\_\_\_.
6. Any other changes to the terms and conditions of the Agreement are as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Gordon Brothers Retail Partners, LLC**

**[Party City Corporation]**

By: \_\_\_\_\_

By:

\_\_\_\_\_  
Name:

Name:

Title:

Title:

Exhibits:

A Store List

B Budget of Consultant Controlled Expenses

**STATEMENT OF WORK**

**WAVE # 2**

**EFFECTIVE February 22, 2023**

This Statement of Work (the “SOW”) is effective as of February 22, 2023 and is pursuant to that certain *Amended and Restated Consulting Agreement dated as of January 31, 2023* (the “Agreement”), by and between Party City Corporation, on behalf of itself and its subsidiaries (the “Merchant”) and Gordon Brothers Retail Partners, LLC (the “Consultant” and together with Merchant, the “Parties”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

1. The Stores for this Wave are identified on Exhibit A attached hereto.
2. The Budget of Consultant Controlled Expenses for this Wave is attached hereto as Exhibit B.
3. The Sale Commencement Date for this Wave shall be on or before February 22, 2023.
4. The Sale Termination Date for this Wave shall be no later than April 30, 2023.
5. The File for this Wave is 20230221.xlsx.
6. Any other changes to the terms and conditions of the Agreement are as follows:

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**Gordon Brothers Retail Partners, LLC**

DocuSigned by:  
  
 By: \_\_\_\_\_  
8DBA48849AC540D...  
 Name: Rick Edwards  
 Title: President - Retail

**Party City Corporation**

DocuSigned by:  
  
 By: \_\_\_\_\_  
EEA674F70442499...  
 Name: Marc Ehle  
 Title: EVP

Exhibits:

- A Store List
- B Budget of Consultant Controlled Expenses

**Party City Wave 2 Stores****Exhibit A  
Store List**

<b>Store No.</b>	<b>Store</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>	<b>Square Ft</b>
534	Mcbride Lenox Plaza Shopping Center	1756 Route 46	West Paterson	NJ	07424	11,841
814	Five Points Shopping Center	4101 Hwy 77	Corpus Christi	TX	78410	15,500
821	W 34Th St	223 W 34th St	New York	NY	10001	9,680
823	Berry Mall	2702 Martha Berry Highway	Rome	GA	30165	12,853
916	Raleigh Mall	4283 Robert C. Byrd Drive	Beckley	WV	25801	15,000
927	East Main Street	451 E. Main Street	Cartersville	GA	30121	14,000
1047	Airport Rd	61119 Airport Rd.	Slidell	LA	70460	14,389
4135	Beeline Rd	3050 Beeline Rd	Holland	MI	49424	10,000
5191	Flammang Square	1415 Flamming Drive	Waterloo	IA	50702	13,400
5197	Bradley Commons	2060 N. State Route 50	Bourbonnais	IL	60914	7,500

**EXHIBIT B**

**Party City  
GBRP's Controlled Expenses  
Wave 2**

**# Stores :** 10  
**Sale Term :** 2/22/23 - 4/26/23  
**# Weeks :** 9.1

	\$
<b>Advertising</b>	<b>142,857</b>
<b>Supervision</b>	<b>301,639</b>
<b>Total Expenses</b>	<b>444,496</b>

This expense budget is based upon the above start and end dates. Any changes in these dates may result in adjustments to the expense budget, which will be agreed upon by Consultant and Merchant.

Any legal expenses incurred by Consultant will be in addition to and not part of the above budget.