

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
American Apparel, Inc.		04/04/2013	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Capital One Leverage Finance Corp., as Administrative Agent		
Street Address:	275 Boradhollow Road		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	11747		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	2359401	ALL AMERICAN APPAREL	
CORRESPONDENCE DATA			
Fax Number:	7044448847		
	<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>		
Phone:	212-548-2154		
Email:	ksaltrick@mcguirewoods.com		
Correspondent Name:	McGuireWoods LLP		
Address Line 1:	1345 Avenue of the Americas		
Address Line 2:	Attention: Emily Iverson, Esq.		
Address Line 4:	New York, NEW YORK 10105		
ATTORNEY DOCKET NUMBER:	2058030-0010 / IVERSON		
NAME OF SUBMITTER:	Emily Iverson, Esq./McGuireWoods LLP		
Signature:	/Emily Iverson/		

OP \$40.00 2359401

Date:

04/04/2013

Total Attachments: 22

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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

American Apparel, Inc.

- Individual(s)
- Partnership
- Corporation- State: Delaware
- Other _____
- Association
- Limited Partnership

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

3. Nature of conveyance/Execution Date(s) :

Execution Date(s) April 4, 2013

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Capital One Leverage Finance Corp., as Administrative Agent

Street Address: 275 Broadhollow Road

City: Melville

State: New York

Country: USA Zip: 11747

- Individual(s) Citizenship _____
- Association Citizenship _____
- Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship New York
- Other _____ Citizenship _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) Text
See Exhibit A attached hereto and incorporated herein.

B. Trademark Registration No.(s)
See Exhibit A attached hereto and incorporated herein.

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

5. Name & address of party to whom correspondence concerning document should be mailed:

Name: McGuireWoods LLP

Internal Address: Attention: Emily Iverson, Esq.

Street Address: 1345 Avenue of the Americas

City: New York

State: New York Zip: 10105

Phone Number: 212-548-2154

Docket Number: _____

Email Address: eiverson@mcguirewoods.com

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00

- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

Deposit Account Number _____
Authorized User Name _____

9. Signature: Emily Iverson
Signature

April 4, 2013
Date

Emily Iverson, Esq./McGuireWoods LLP, as counsel to Receiving Party
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 22

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Branch, Director of the USPTO, P.O. Box 1460, Alexandria, VA 22313-1460

**EXHIBIT A
TO
RECORDATION FORM COVER SHEET – TRADEMARKS
(Item 4 – Registration/Application Numbers)**

Trademark	Status	Owner
ALL AMERICAN APPAREL SN:75-559981 RN:2,359,401 Disclaimer: "APPAREL"	Registered 8 & 15 August 14, 2006	American Apparel, Inc.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), dated as of April 4, 2013, by and among (a) American Apparel (USA), LLC, a California limited liability company ("AA USA"), (b) American Apparel, Inc., a Delaware corporation ("Holdings"), (c) each other Person who shall become a party hereto by execution of an IP Security Agreement Joinder Agreement (as defined below) (together with AA USA and Holdings, each, individually, a "Grantor" and, collectively, the "Grantors"), and (d) Capital One Leverage Finance Corp. ("COLF"), as administrative agent for its own benefit and the benefit of the other Secured Parties (as defined in the Credit Agreement referred to below) (in such capacity, the "Administrative Agent"), in consideration of the mutual covenants contained herein and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to that certain Credit Agreement, dated as of April 4, 2013 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by, among others, (i) the Grantors, (ii) the other borrowers party thereto (the "Borrowers"), (iii) the other guarantors party thereto (the "Guarantors"), (iv) the Administrative Agent, (v) COLF, as Swing Line Lender, (vi) Capital One, N.A., as L/C Issuer, and (vii) the lenders party thereto (the "Lenders"), pursuant to which the Lenders have agreed to make Loans to the Borrowers, and the L/C Issuer has agreed to issue Letters of Credit for the account of the Borrowers, upon the terms and subject to the conditions specified in the Credit Agreement; and

WHEREAS, reference is also made to that certain Guaranty, dated as of April 4, 2013 (as amended, modified, supplemented or restated and in effect from time to time, the "Guaranty"), executed by the Guarantors in favor of the Administrative Agent, for the benefit of the Secured Parties, pursuant to which each Guarantor guarantees the payment and performance of the Guaranteed Obligations (as defined in the Guaranty); and

WHEREAS, the obligations of the Lenders to make Loans and of the L/C Issuer to issue Letters of Credit are each conditioned upon, among other things, the execution and delivery by the Grantors of (i) that certain Security Agreement, dated as of April 4, 2013 (as amended, modified, supplemented or restated and in effect from time to time, the "Security Agreement"), by and among the Grantors and the Administrative Agent, pursuant to which each Grantor grants to the Administrative Agent (for its own benefit and the benefit of the other Secured Parties) a security interest in and to the Collateral (as defined in the Security Agreement), and (ii) an agreement in the form hereof, pursuant to which each Grantor, as security for the payment or performance, as the case may be, in full of the Secured Obligations (as defined herein), bargains, assigns, mortgages, pledges, hypothecates and transfers to the Administrative Agent, its successors and assigns, for its own benefit and the benefit of the other Secured Parties, and grants to the Administrative Agent, its successors and assigns, for its own benefit and the benefit

of the other Secured Parties, a security interest in all of such Grantor's right, title, and interest in, to and under the IP Collateral (as defined herein).

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in this Agreement, and for good and valuable consideration, the receipt of which is hereby acknowledged, the Grantors and the Administrative Agent, on its own behalf and on behalf of the other Secured Parties (and each of their respective successors or assigns), hereby agree as follows:

SECTION 1. Definitions. Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement or the Security Agreement (as applicable). In addition, as used herein, the following terms shall have the following meanings:

“Copyright Licenses” shall mean all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to use any Copyright, including, without limitation, the material agreements listed on **EXHIBIT A** to the Security Agreement annexed hereto and made a part hereof.

“Copyright Office” shall mean the United States Copyright Office or any other federal governmental agency which may hereafter perform its functions.

“Copyrights” shall mean all copyrights and like protections in each work of authorship or derivative work thereof of any Grantor, whether registered or unregistered and whether published or unpublished, including, without limitation, the United States copyright registrations and copyright applications listed on **EXHIBIT A** annexed hereto and made a part hereof.

“Intellectual Property” shall have the meaning assigned to such term in Section 3 hereof.

“IP Collateral” shall have the meaning assigned to such term in Section 2 hereof.

“Licenses” shall mean, collectively, the Copyright Licenses, Patent Licenses and Trademark Licenses.

“Patent Licenses” shall mean all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, the material agreements listed on **EXHIBIT A** to the Security Agreement annexed hereto and made a part hereof.

“Patents” shall mean all patents and applications for patents of any Grantor, and the inventions and improvements therein disclosed, and any and all divisions, reissues, continuations and continuations-in-part of said patents including, without limitation, the United States patents and patent applications listed on **EXHIBIT A** annexed hereto and made a part hereof.

“PTO” shall mean the United States Patent and Trademark Office or any other federal governmental agency which may hereafter perform its functions.

“Secured Obligations” shall mean, collectively, the Obligations (as defined in the Credit Agreement) and the Guaranteed Obligations (as defined in the Guaranty).

“Trademark Licenses” shall mean all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including, without limitation, the material agreements listed on **EXHIBIT A** to the Security Agreement annexed hereto and made a part hereof.

“Trademarks” shall mean all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, service marks, designs, logos and other source or business identifiers of any Grantor, whether registered or unregistered, including, without limitation, the United States trademark registrations and trademark applications listed on **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill of the business connected with, and symbolized by, any of the foregoing.

SECTION 2. Grant of Security Interest. In furtherance and as confirmation of the Security Interest granted by the Grantors to the Administrative Agent (for its own benefit and the benefit of the other Secured Parties) under the Security Agreement, and as further security for the payment or performance, as the case may be, in full of the Secured Obligations, each of the Grantors hereby ratifies such Security Interest and hereby bargains, assigns, mortgages, pledges, hypothecates and transfers to the Administrative Agent, its successors and assigns, for its own benefit and the benefit of the other Secured Parties, and hereby grants to the Administrative Agent, its successors and assigns, for its own benefit and the benefit of the other Secured Parties, a security interest in all of such Grantor’s right, title and interest in, to and under the following Collateral (collectively, the “IP Collateral”):

- (a) All Copyrights and Copyright Licenses.
- (b) All Patents and Patent Licenses.
- (c) All Trademarks and Trademark Licenses.
- (d) All renewals of any of the foregoing.
- (e) All General Intangibles connected with the use of, or related to, any and all Intellectual Property (including, without limitation, all goodwill of each Grantor and its business, products and services appurtenant to, associated with, or symbolized by, any and all Intellectual Property and the use thereof).
- (f) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all Licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.
- (g) The right to sue for past, present and future infringements and dilutions of any of the foregoing.

(h) All of the Grantors' rights corresponding to any of the foregoing throughout the world.

Notwithstanding anything contained in this Agreement or any other Loan Document to the contrary, the term "IP Collateral" shall not include (a) any asset or property right of any nature if the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of such asset or property right or the loss of use of such asset or property right or (ii) a breach, termination or default under any lease, license, contract or agreement, other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the U.S. Bankruptcy Code) or principles of equity, to which any Credit Party is party; (b) any asset or property right of any nature to the extent that any applicable law or regulation prohibits the creation of a security interest thereon (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity); or (c) any intent-to-use trademark applications filed in the PTO to the extent that, and solely during the period in which the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable law; provided that, upon submission and acceptance by the PTO of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall cease to be excluded from "IP Collateral".

SECTION 3. Protection of Intellectual Property By Grantors. Except as set forth below in this Section 3, each of the Grantors shall undertake the following with respect to each of the material items respectively described in Sections 2(a), (b), (c), (d) and (e) (collectively, the "Intellectual Property"):

(a) Pay all renewal fees and other fees and costs associated with maintaining the Intellectual Property and with the processing of the Intellectual Property and take all other reasonable and necessary steps to maintain each registration of the Intellectual Property.

(b) Take all actions reasonably necessary to prevent any of the Intellectual Property from becoming forfeited, abandoned, dedicated to the public, invalidated or impaired in any way.

(c) At the Grantors' sole cost, expense, and risk, pursue the processing of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts.

(d) At the Grantors' sole cost, expense, and risk, take any and all action which the Grantors reasonably deem appropriate under the circumstances to protect the Intellectual Property from infringement, misappropriation or dilution, including, without limitation, the prosecution and defense of infringement actions.

Notwithstanding the foregoing, so long as (i) no Event of Default has occurred and is continuing and (ii) no Material Adverse Effect would result therefrom, no Grantor shall have an obligation to use or to maintain any Intellectual Property (x) that relates solely to any product or service that has been discontinued, abandoned or terminated, or (y) that has been replaced with Intellectual Property substantially similar to or is an updated version of the Intellectual Property that has been abandoned or otherwise become invalid, so long as the failure to use or maintain such Intellectual Property does not materially adversely affect the validity of such replacement Intellectual Property and so long as such replacement Intellectual Property is subject to the Lien created by this Agreement.

SECTION 4. Grantors' Representations and Warranties. Each of the Grantors represent and warrant that:

(a) **EXHIBIT A** contains a true, correct and complete list (in all material respects) of all United States copyright registrations and copyright applications owned by such Grantor as of the date hereof.

(b) **EXHIBIT A** contains a true, correct and complete list (in all material respects) of all United States patents and patent applications owned by such Grantor as of the date hereof.

(c) **EXHIBIT A** contains a true, correct and complete list (in all material respects) of all United States trademark and service mark registrations, trademark and service mark applications owned by such Grantor as of the date hereof.

(d) **EXHIBIT A** to the Security Agreement contains a true, correct and complete list (in all material respects) of all Copyright Licenses, Patent Licenses and Trademark Licenses owned by such Grantor as of the date hereof.

(e) Except as set forth in **EXHIBIT A** to the Security Agreement, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(f) All IP Collateral is, and shall remain, free and clear of all Liens, encumbrances, or security interests in favor of any Person, other than Permitted Liens and Liens in favor of the Administrative Agent.

(g) Such Grantor owns, is licensed or otherwise has the right to use all Intellectual Property necessary for the conduct of its business as currently conducted. To the knowledge of each of the Grantors, no material claim has been asserted in writing and is pending by any Person challenging the use by such Grantor of any of its Intellectual Property or the validity or effectiveness of any of its Intellectual Property, nor does such Grantor know of any valid basis for any such claim, except as otherwise set forth in the Loan Documents. To the knowledge of each of the Grantors, the use by such Grantor of the Intellectual Property does not infringe the rights of any Person in any material respect. Except as set forth in the Loan Documents, no holding, decision or judgment has been rendered by any Governmental Authority which would limit or cancel the validity

of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect on the business or the property of such Grantor.

(h) Such Grantor shall authorize the Borrower Representative to give the Administrative Agent prompt written notice, no more often than once per calendar quarter (with reasonable detail), following the occurrence of any of the following:

(i) Such Grantor's obtaining rights to, and filing applications for registration of, any new Intellectual Property, or otherwise acquiring ownership of any newly registered or unregistered Intellectual Property.

(ii) Such Grantor's becoming entitled to the benefit of any additional registered Intellectual Property as licensee under a material License (other than such Grantor's right to sell products containing the trademarks of others in the ordinary course of such Grantor's business).

(iii) Such Grantor's entering into any new (x) material inbound Licenses and (y) outbound Licenses with respect to the Intellectual Property, other than Licenses pertaining to commercially-available software programs.

(iv) Such Grantor's knowing that any application or registration relating to any Intellectual Property may, other than as provided in Section 3 above, become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO, the Copyright Office or any court or tribunal, other than office actions issued by the trademark or patent examiner in the course of prosecution) regarding such Grantor's ownership of, or the validity of, any Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

SECTION 5. Agreement Applies to Future Intellectual Property.

(a) The provisions of this Agreement shall automatically apply to any such additional property or rights described in subsections (i), (ii) and (iii) of Section 4(h) above, all of which shall be deemed to be and treated as "IP Collateral" within the meaning of this Agreement, other than items excluded from the definition of "IP Collateral". Upon the acquisition by any Grantor of any additional registrations or applications of Intellectual Property, such Grantor shall promptly deliver to the Administrative Agent, no more often than once per calendar quarter, an updated **EXHIBIT A** to this Agreement and each Grantor hereby authorizes the Administrative Agent to file, at such Grantor's expense, such updated Exhibit as set forth in Section 5(b).

(b) Upon the reasonable request of the Administrative Agent, each of the Grantors shall execute and deliver, and have recorded in the U.S., any and all agreements, instruments, documents and papers as the Administrative Agent may reasonably request to evidence the Administrative Agent's security interest in any Intellectual Property

(including, without limitation, filings with the PTO, the Copyright Office or any similar office in the U.S.), and each of the Grantors hereby constitutes the Administrative Agent as its attorney-in-fact to execute and file all such writings for the foregoing purposes, all such acts of such attorney being hereby ratified and confirmed; provided, however, the Administrative Agent's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

SECTION 6. Grantors' Rights To Enforce Intellectual Property. Prior to the occurrence of an Event of Default, the Grantors shall have the exclusive right to sue for past, present and future infringement of the Intellectual Property, including the right to seek injunctions and/or money damages in an effort by the Grantors to protect the Intellectual Property against encroachment by third parties, provided, however, that:

(a) The Grantors provide the Administrative Agent with written notice of the Grantors' institution of any legal proceedings for enforcement of any Intellectual Property with the quarterly updates set forth in Section 5(a).

(b) Any money damages awarded or received by the Grantors on account of such suit (or the threat of such suit) shall constitute IP Collateral to the extent not otherwise excluded from the definition thereof.

(c) Following the occurrence and during the continuance of any Event of Default, the Administrative Agent, by notice to the Grantors, may terminate or limit the Grantor's rights under this Section 6.

SECTION 7. Administrative Agent's Actions To Protect Intellectual Property. In the event of

(a) any Grantor's failure, within twenty (20) days of written notice from the Administrative Agent, to cure any failure by such Grantor to observe or perform any of such Grantor's covenants, agreements or other obligations hereunder; and/or

(b) the occurrence and continuance of any other Event of Default,

the Administrative Agent, acting in its own name or in that of any Grantor, may (but shall not be required to) act in any Grantor's place and stead and/or in the Administrative Agent's own right in connection therewith.

SECTION 8. Rights Upon Default. Upon the occurrence and during the continuance of an Event of Default, in addition to all other rights and remedies, the Administrative Agent may exercise all rights and remedies of a secured party under the Uniform Commercial Code as adopted in the State of New York, with respect to the Intellectual Property, in addition to which the Administrative Agent may sell, license, assign, transfer, or otherwise dispose of the Intellectual Property, subject to those restrictions to which such Grantor is subject under applicable law. Any person may conclusively rely upon an affidavit of an officer of the Administrative Agent that an Event of Default has occurred and is continuing and that the Administrative Agent is authorized to exercise such rights and remedies.

SECTION 9. Administrative Agent As Attorney-In-Fact.

(a) Each of the Grantors hereby irrevocably makes, constitutes and appoints the Administrative Agent (and all officers, employees or agents designated by the Administrative Agent) as and for such Grantor's true and lawful agent and attorney-in-fact, effective following the occurrence and during the continuance of any Event of Default, and in such capacity and during such time the Administrative Agent shall have the right, with power of substitution for each Grantor and in each Grantor's name or otherwise, for the use and benefit of the Administrative Agent and the other Secured Parties:

(i) To supplement and amend from time to time **EXHIBIT A** of this Agreement to include any new or additional Intellectual Property of such Grantor.

(ii) To exercise any of the rights and powers referenced herein.

(iii) To execute all such instruments, documents, and papers as the Administrative Agent determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Intellectual Property.

(b) The power of attorney granted herein, being coupled with an interest, shall be irrevocable until this Agreement is terminated in writing by a duly authorized officer of the Administrative Agent.

(c) The Administrative Agent shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a), but if the Administrative Agent elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to the Grantors for any act or omission to act, except for any act or omission to act as to which there is a final and nonappealable judgment made by a court of competent jurisdiction, which determination includes a specific finding that the subject act or omission to act has resulted from the gross negligence, bad faith or willful misconduct of the Administrative Agent.

SECTION 10. Administrative Agent's Rights.

(a) Any use by the Administrative Agent of the Intellectual Property, as authorized hereunder in connection with the exercise of the Administrative Agent's rights and remedies under this Agreement, the Credit Agreement and the Security Agreement shall be coextensive with the Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

(b) None of this Agreement, the Credit Agreement, the Security Agreement, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Administrative Agent any rights in and to the

Intellectual Property, which rights are effective only following the occurrence and during the continuance of any Event of Default.

SECTION 11. Intent. This Agreement is being executed and delivered by the Grantors for the purpose of registering and confirming the grant of the security interest of the Administrative Agent in the IP Collateral with the PTO and the Copyright Office. It is intended that the security interest granted pursuant to this Agreement is granted as a supplement to, and not in limitation of, the Security Interest granted to the Administrative Agent, for its own benefit and the benefit of the other Secured Parties, under the Security Agreement. All provisions of the Security Agreement shall apply to the IP Collateral. The Administrative Agent shall have the same rights, remedies, powers, privileges and discretions with respect to the security interests created in the IP Collateral as in all other Collateral. In the event of a conflict between this Agreement and the Security Agreement, the terms of this Agreement shall control with respect to the IP Collateral and the Security Agreement with respect to all other Collateral.

SECTION 12. Further Assurances. Each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further documents, financing statements, agreements and instruments and take all such further actions as the Administrative Agent may from time to time reasonably request to better assure, preserve, protect and perfect the security interest in the IP Collateral granted pursuant to this Agreement and the rights and remedies created hereby or the validity or priority of such security interest, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the security interest and the filing of any financing statements or other documents in connection herewith or therewith.

SECTION 13. Termination; Release of IP Collateral. Except for those provisions which expressly survive the termination thereof, this Agreement and the security interest granted herein shall terminate when (i) the Commitments shall have expired or been terminated, (ii) the principal of and interest on each Loan and all fees and other Secured Obligations (other than contingent indemnification obligations for which claims have not been asserted) shall have been paid in full in cash, (iii) all Letters of Credit shall have expired or terminated or been cash collateralized or backstopped by a letter of credit reasonably acceptable to the Administrative Agent and the L/C Issuer to the extent provided in the Credit Agreement, (iv) all Letter of Credit disbursements and Unreimbursed Amounts shall have been reimbursed, and (v) all Bank Product Obligations shall have been satisfied or been cash collateralized, at which time the Administrative Agent shall execute and deliver to the Grantors, at the Grantors' expense, all termination statements, releases and similar documents that the Grantors shall reasonably request to evidence such termination; provided, however, that the Credit Agreement, this Agreement, and the security interest granted herein shall be reinstated if at any time payment, or any part thereof, of any Secured Obligation is rescinded or must otherwise be restored by any Secured Party upon the bankruptcy or reorganization of any Grantor or any other Credit Party. Any execution and delivery of termination statements, releases or other documents pursuant to this Section 13 shall be without recourse to, or warranty by, the Administrative Agent or any other Secured Party.

SECTION 14. Choice of Laws. It is intended that all rights and obligations under this Agreement, including matters of construction, validity, and performance, shall be governed by the laws of the State of New York, without giving effect to the conflicts of law principles thereof, (other than the New York General Obligations Law §§ 5-1401 and 5-1402).

SECTION 15. Senior Notes Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Administrative Agent pursuant to this Agreement and the exercise of any right or remedy by the Administrative Agent hereunder are subject to the provisions of that certain Intercreditor Agreement dated as of April 4, 2013, by and between: (i) U.S. Bank National Association, as Collateral Agent (and its successors and assigns), for the benefit of the holders from time to time of the Indenture Obligations (as defined therein) and (ii) Capital One Leverage Finance Corp., as Credit Facility Agent (and its successors and assigns), for the benefit of the holders from time to time of the Credit Facility Claims (as defined therein) (as may be amended, restated, modified or supplemented or replaced, from time to time in accordance therewith, the “Senior Notes Intercreditor Agreement”). In the event of any conflict between the terms of the Senior Notes Intercreditor Agreement and this Agreement with respect to lien priority or rights and remedies in connection with the Common Collateral (as defined in the Senior Notes Intercreditor Agreement), the terms of the Senior Notes Intercreditor Agreement shall govern.

SECTION 16. Bank Product Obligations. No Secured Party (other than the Administrative Agent) that obtains the benefit of this Agreement shall have any right to notice of any action or to consent to, direct or object to any action hereunder (including the release, impairment or modification of any Secured Obligations or security therefor) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent shall only be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, the Bank Product Obligations to the extent the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as it may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Secured Party not a party to the Credit Agreement that obtains the benefit of this Agreement shall be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of the Credit Agreement, and that with respect to the actions and omissions of the Administrative Agent hereunder or otherwise relating hereto that do or may affect such Secured Party, the Administrative Agent and each of its Related Parties shall be entitled to all the rights, benefits and immunities conferred under Article IX of the Credit Agreement.

SECTION 17. Joinder. Each Person that shall at any time execute and deliver to the Administrative Agent an intellectual property security agreement joinder agreement in form and substance reasonably satisfactory to the Administrative Agent (an “IP Security Agreement Joinder Agreement”) shall thereupon irrevocably, absolutely and unconditionally become a party hereto and obligated hereunder as a Grantor, and all references herein and in the other Loan Documents to the Grantors or to the parties to this Agreement shall be deemed to include such Person as a Grantor hereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Grantors and the Administrative Agent have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

GRANTORS:

AMERICAN APPAREL (USA), LLC

By  _____

Name: John Luttrell

Title: Chief Financial Officer and Executive Vice
President

AMERICAN APPAREL, INC.

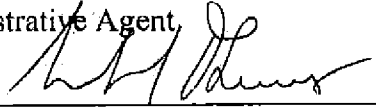
By  _____

Name: John Luttrell

Title: Chief Financial Officer and Executive Vice
President

ACCEPTED AND AGREED
as of the date first above written:

CAPITAL ONE LEVERAGE FINANCE CORP., as
Administrative Agent,

By:  _____

Name: Michael S. Burns
Title: Senior Vice President

EXHIBIT A
Intellectual Property
(Domestic)

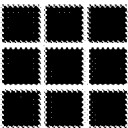
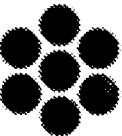

Patents and Trademarks

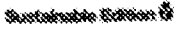
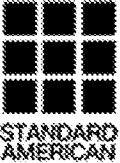

PATENTS:

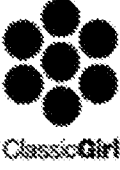

None.

UNITED STATES TRADEMARKS:


Trademark Holdings

Jurisdiction	Trademark	Status	Goods/Services	Owner
US Federal	 SN:85-788798	Pending - Initialized November 30, 2012	(Int'l Class: 25) Belts; footwear; headwear; jackets; neckwear; pants; shirts; shorts; sleepwear; suits; sweaters; swimwear; t-shirts; tops; underwear; vests	American Apparel (USA), LLC
US Federal	 SN:76-636803 RN:3,190,540	Registered 8 & 15 January 23, 2013	(Int'l Class: 25) Clothing, namely, t-shirts, shirts, sweaters, tops, jackets, pants, shorts, skirts, skorts, vests, dresses, sleepwear, underwear, swim wear, headwear, and neckwear; footwear	American Apparel (USA), LLC
US Federal	VIVA RADIO (Stylized)  SN:77-355180 RN:3,536,279 Disclaimer: "RADIO"	Registered November 25, 2008	(Int'l Class: 38) Transmission and distribution of data or audio visual images via a global computer network or the internet; communications services, namely, transmitting streamed sound and audio-visual recordings via the internet; streaming of audio material on the internet; streaming of video material on the internet; webcasting services	American Apparel (USA), LLC


Jurisdiction	Trademark	Status	Goods/Services	Owner
US Federal	SUSTAINABLE EDITION SN:85-788747	Pending - Initialized November 30, 2012	(Int'l Class: 25) Belts; blazers; caps; hats; jackets; pants; shirts; shorts; skirts; socks; sweaters; t-shirts; ties; underclothing; underwear; vests	American Apparel (USA), LLC
US Federal	SUSTAINABLE EDITION and Design  SN:76-626261 RN:3,102,765	Registered 8 & 15 January 11, 2013	(Int'l Class: 25) Clothing, namely, t-shirts, shirts, sweaters, tops, jackets, vests, pants, shorts, skirts, skorts, sleepwear, underwear, swim wear, headwear, belts, and neckwear; footwear	American Apparel (USA), LLC
US Federal	STANDARD AMERICAN SN:85-783328 Disclaimer: "AMERICAN"	Pending - Publication Review Complete April 9, 2013	(Int'l Class: 25) T-shirts	American Apparel (USA), LLC
US Federal	STANDARD AMERICAN and Design  SN:76-624844 RN:3,105,682	Registered 8 & 15 January 10, 2013	(Int'l Class: 18) Clothing for domestic pets (Int'l Class: 25) Clothing, namely, t-shirts, shirts, sweaters, tops, jackets, vests, pants, shorts, sleepwear, underwear, swim wear, headwear, belts, and neckwear; footwear	American Apparel (USA), LLC
US Federal	PANTYTIME SN:78-738044 RN:3,288,903	Registered September 4, 2007	(Int'l Class: 25) Lingerie; sleepwear; under garments; underwear	American Apparel (USA), LLC
US Federal	MULTIBRAND SN:77-105512 RN:3,559,219	Registered Supplemental Register January 6, 2009	(Int'l Class: 35) On-line retail store services featuring a wide variety of consumer goods; retail store services featuring a wide variety of consumer goods	American Apparel (USA), LLC
US Federal	LE CLUB AMERICAN APPAREL and Design  SN:85-698503 Disclaimer: "CLUB"	Pending - Response After Non-final Refusal Principal Register - Sec. 2(f) March 5, 2013	(Int'l Class: 35) Customer loyalty services and customer club services, for commercial, promotional and/or advertising purposes	American Apparel (USA), LLC

Jurisdiction	Trademark	Status	Goods/Services	Owner
US Federal	CLASSICGIRL and Design  SN:85-788712 Disclaimer: "GIRL"	Published February 19, 2013	(Int'l Class: 25) Belts; footwear; headwear; jackets; neckwear; pants; shirts; shorts; skirts; skorts; sleepwear; sweaters; swimwear; t-shirts; tops; underwear; vests	American Apparel (USA), LLC
US Federal	CLASSICBABY and Design  SN:76-624845 RN:3,102,758	Registered 8 & 15 January 10, 2013	(Int'l Class: 25) Clothing, namely, t-shirts, shirts, sweaters, tops, jackets, pants, shorts, skirts, skorts, vests, sleepwear, underwear, swim wear, headwear, and neckwear; footwear	American Apparel (USA), LLC
US Federal	CLASSIC GIRL SN:85-783430 Disclaimer: "GIRL"	Published February 19, 2013	(Int'l Class: 25) Shirts; tops; underwear	American Apparel (USA), LLC
US Federal	CLASSIC BABY SN:85-783232 Disclaimer: "BABY"	Published February 12, 2013	(Int'l Class: 25) Shirts; tops; underwear	American Apparel (USA), LLC
US Federal	CALIFORNIA SELECT VINTAGE AND MORE SN:77-425155 RN:3,516,152 Disclaimer: "CALIFORNIA" OR "VINTAGE"	Registered October 14, 2008	(Int'l Class: 35) On-line retail store services featuring clothing and clothing accessories, eyewear, footwear, jewelry, stationery, and writing instruments; retail stores featuring clothing and clothing accessories, eyewear, footwear, jewelry, stationery, and writing instruments	American Apparel (USA), LLC

Jurisdiction	Trademark	Status	Goods/Services	Owner
US Federal	CALIFORNIA SELECT SN:77-425297 RN:3,516,158 Disclaimer: "CALIFORNIA"	Registered October 14, 2008	(Int'l Class: 35) On-line retail store services featuring clothing and clothing accessories, eyewear, footwear, jewelry, stationery, and writing instruments; retail stores featuring clothing and clothing accessories, eyewear, footwear, jewelry, stationery, and writing instruments	American Apparel (USA), LLC
US Federal	AMERICAN APPAREL SN:77-440836 RN:3,516,373 Disclaimer: "APPAREL"	Registered Principal Register - Sec. 2(f) October 14, 2008	(Int'l Class: 16) Calendars; pen and pencil holders; posters; pen and pencil cases (Int'l Class: 18) Backpacks, book bags, sports bags, bum bags, wallets and handbags; carry-all bags; coin purses; cosmetic bags sold empty; dog apparel; duffle bags; fanny packs; gym bags; hipsacks; key cases; make-up bags sold empty; pouches and bags sold empty for attachment to backpacks; purses; school bags; textile shopping bags; tote bags; traveling bags; wristlet bags (Int'l Class: 24) Blanket throws; throws; throws designed to also be wrapped around a person; children's blankets; receiving blankets; textile fabrics for the manufacture of clothing; burp cloths (Int'l Class: 25) Baby bibs not of paper; baby bodysuits; beach cover-ups; bibs not of cloth or paper; cap visors; caps; cardigans; children's and infants' cloth bibs; dresses; leggings; gloves; gowns; hosiery; leg warmers; robes; socks and stockings; sweat bands; sweat jackets; sweat pants; sweat shirts; sweat shorts; tights; visors; wristbands; parkas; ponchos; turtlenecks; vests	American Apparel (USA), LLC

Jurisdiction	Trademark	Status	Goods/Services	Owner
US Federal	<p>AMERICAN APPAREL and Design</p> <p><i>American Apparel</i> </p> <p>SN:76-624848 RN:3,578,314</p> <p>Disclaimer: "APPAREL"</p>	Registered Principal Register - Sec. 2(f) February 24, 2009	<p>(Int'l Class: 25) Clothing, namely, t-shirts, tank tops, tops, shirts, jackets, pants, skirts, shorts, skorts, vests, sleepwear, underwear, headwear, scarves, swim wear, belts, and neckwear; footwear</p> <p>(Int'l Class: 35) Retail store services, online retail store services, and mail order catalog services in the field of clothing and clothing accessories for men, women, children and pets; wholesale distributorship featuring clothing and clothing accessories for men, women, children and pets; on-line wholesale ordering services in the field of clothing and clothing accessories for men, women, children and pets; and providing gift, product and service information to customers in the field of clothing and clothing accessories for men, women, children and pets</p>	American Apparel (USA), LLC

Jurisdiction	Trademark	Status	Goods/Services	Owner
US Federal	<p>AMERICAN APPAREL</p> <p>AMERICAN APPAREL</p> <p>SN:76-624846 RN:3,048,206</p> <p>Disclaimer: "APPAREL"</p>	<p>Registered Principal Register - Sec. 2(f) 8 & 15</p> <p>March 9, 2012</p>	<p>(Int'l Class: 18) Clothing for domestic pets</p> <p>(Int'l Class: 25) Clothing, namely, t-shirts, tank tops, tops, shirts, jackets, pants, skirts, shorts, skorts, vests, sleepwear, underwear, headwear, scarves, swim wear, belts and neckwear; footwear</p> <p>(Int'l Class: 35) Retail store services, online retail store services, and mail order catalog services in the field of clothing and clothing accessories for men, women, children and pets; wholesale distributorship featuring clothing and clothing accessories for men, women, children and pets; on-line wholesale ordering services in the field of clothing and clothing accessories for men, women, children and pets; and providing gift and product sales and pricing information to customers in the field of clothing and clothing accessories for men, women, children and pets</p>	American Apparel (USA), LLC
US Federal	<p>AMERICAN APPAREL</p> <p>SN:76-544549 RN:2,954,280</p> <p>Disclaimer: APPAREL</p>	<p>Registered Principal Register - Sec. 2(f) 8 & 15</p> <p>July 8, 2011</p>	<p>(Int'l Class: 25) Clothing, namely mens, womens and childrens, tops and underwear</p>	American Apparel (USA), LLC
US Federal	<p>ALL AMERICAN APPAREL</p> <p>SN:75-559981 RN:2,359,401</p> <p>Disclaimer: "APPAREL"</p>	<p>Registered 8 & 15</p> <p>August 14, 2006</p>	<p>(Int'l Class: 25) Clothing namely, t-shirts, shorts, denim shirts and denim pants, exercise and sports clothing namely, sweatshirts, sweatpants, leotards, and unitards</p>	American Apparel, Inc.

Jurisdiction	Trademark	Status	Goods/Services	Owner
US Federal	AA and Design  SN:76-624847 RN:3,574,355	Registered February 17, 2009	(Int'l Class: 25) Clothing, namely, t-shirts, tank tops, tops, shirts, jackets, pants, skirts, shorts, skorts, sleepwear, underwear, headwear, scarves, swim wear, belts, and neckwear; footwear (Int'l Class: 35) Retail store services, online retail store services, and mail order catalog services in the field of clothing and clothing accessories for men, women, children and pets; wholesale distributorship featuring clothing and clothing accessories for men, women, children and pets; on-line wholesale ordering services in the field of clothing and clothing accessories for men, women, children and pets; and providing gift, product and service information to customers in the field of clothing and clothing accessories for men, women, children & pets.	American Apparel (USA), LLC

Copyrights

Registered Copyrights:

Title	Copyright Number	Date	Owner
American Apparel.	CSN0147295	2005	American Apparel, Inc.
American Apparel.	TX0006231973	2005	American Apparel, Inc.
Americanapparel.net.	TX0006219296	2005	American Apparel, Inc.
BFF best friends forever.	VA0001402789	2005	American Apparel, Inc.
Unpublished Collection American Apparel 07-09.	VAu001006623	2009	American Apparel, Inc.
American Apparel (catalog)	TX0006219297	2005	American Apparel, Inc.