

**[LANGUAGE TO BE INSERTED IN TERMS OF PURCHASE BETWEEN
AMERICAN APPAREL WHOLESALERS AND THEIR BUYERS.]**

Re-Sale Terms And Conditions Governing American Apparel Products:

Our sale to you of any products from American Apparel LLC ("American Apparel") is expressly and strictly conditional on your agreement to the below terms and conditions. Unless otherwise agreed in writing by American Apparel, these terms and conditions supersede any other terms and conditions (including but not limited to those in your purchase order(s)) and will govern all our sales to you of American Apparel products.

You acceptance of any American Apparel products from us acknowledges your agreement to these terms and conditions.

1. The phrase "decorate or embellish" shall mean "substantially modify by printing, embellishing, or decorating in such a manner as to clearly distinguish from American Apparel's product line." American Apparel shall have sole discretion to determine whether its products have been sufficiently modified in such a manner as to clearly distinguish them from American Apparel's product line.
2. Unless you first decorate or embellish the American Apparel products or unless American Apparel authorizes you in writing, you agree that you will not under any circumstances re-sell any American Apparel products to any person or entity, including but not limited to consumers, wholesalers, retail stores, warehouse clubs, off-price retailers, internet or other retailers, whether such sales occur directly, indirectly, through the internet, or through any other means or devices of sale.
3. You acknowledge the great value of the goodwill associated with American Apparel products and acknowledge that all American Apparel trademarks and all the rights therein, and the goodwill attached thereto, belong exclusively to American Apparel. You agree not to use any American Apparel trademarks, logos, or creative materials for any purpose without prior written approval from American Apparel.
4. You understand and agree that American Apparel reserves the right to refuse to permit the purchase of its products by any person or entity that, in American Apparel's sole opinion, refuses to or fails to comply with the above outlined terms and conditions. Any violation of these terms and conditions will be subject to legal action.
5. You agree that these resale terms and conditions shall apply to all American Apparel products that you possess or acquire, whether or not acquired or purchased previously and whether or not acquired or purchased under these terms. In other words, in order to buy American Apparel products from us now, you must agree to comply with these terms and conditions for **ALL** American Apparel products you have or acquire, whether or not obtained from us and whether or not such products were previously or otherwise subject to these terms. Also, these terms and conditions will apply to all American Apparel products that you acquire from us in the future.
6. You acknowledge and agree that all the terms and conditions set forth above are for the express benefit of American Apparel; that American Apparel is an intended third-party beneficiary of these terms and conditions; and that American Apparel shall be entitled directly, independently, and in its own name to enforce and benefit from these terms and conditions, including but not limited to by bringing lawsuits or other proceedings to enforce them. Only American Apparel may agree to waive or modify any of these terms or conditions, and such waiver or modification must be in writing. The prevailing party in any proceeding to enforce or arising out of these terms shall be entitled to recover that party's costs and attorneys' fees from the other party.