

**United States
Securities and Exchange Commission
Washington, D.C. 20549**

**Form 8-K
Current Report**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 28, 2012

Black Diamond, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-24277
(Commission File Number)

58-1972600
(IRS Employer
Identification Number)

2084 East 3900 South, Salt Lake City, Utah
(Address of principal executive offices)

84124
(Zip Code)

Registrant's telephone number, including area code: (801) 278-5552

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

A&F Agreement

On September 28, 2012, Gregory Mountain Products, LLC (“Gregory”), a Delaware limited liability company and wholly owned subsidiary of Black Diamond, Inc. (“Black Diamond”), entered into a definitive agreement (the “A&F Agreement”) to acquire Gregory’s Japanese distribution assets from Kabushiki Kaisha A&F (“A&F”).

Pursuant to the terms of the A&F Agreement, the parties agreed to terminate their prior agreement and commencing on January 1, 2013, Gregory will acquire from A&F all responsibilities relating to the sale, marketing and distribution of Gregory’s products in Japan in exchange for the payment of \$750,000 to A&F, of which \$500,000 is payable on or before January 1, 2013, and \$250,000 on or before December 31, 2013. Gregory has also agreed to purchase 100% of A&F’s then existing “in-line” inventory of Gregory products as of December 31, 2012, which is expected to be in the range of \$650,000 to \$750,000. The A&F Agreement also provides for certain other agreements and arrangements between the parties relating to the transition of the sales, marketing and distribution responsibilities to Gregory as well as certain understandings concerning A&F’s and Gregory’s relationship in the future.

The foregoing description of the A&F Agreement does not purport to be complete and is qualified in its entirety by reference to the A&F Agreement, which is included as Exhibit 10.1 to this Current Report on Form 8-K (the “Report”) and is incorporated herein by reference.

Zions Bank Loan Agreement

On September 28, 2012, POC USA, LLC (“POC USA”), a Delaware limited liability company and wholly owned subsidiary of Black Diamond, entered into an assumption agreement (the “Assumption Agreement”) and a substitute promissory note (the “Second Substitute Promissory Note”) pursuant to which POC USA became an additional borrower under the loan agreement (the “Loan Agreement”) dated May 28, 2010, as amended from time to time, by and among Zions First National Bank, a national banking association, and Black Diamond, Black Diamond Equipment, Ltd., Black Diamond Retail, Inc., Everest/Sapphire Acquisition, LLC, and Gregory.

On October 4, 2012, Pieps Corporation, a California corporation, and BD European Holdings, LLC, a Delaware limited liability company, each a wholly owned subsidiary of Black Diamond, also entered into an Assumption Agreement and a substitute promissory note (the “Third Substitute Promissory Note”) pursuant to which each of Pieps Corporation and BD European Holdings, LLC became an additional borrower under the Loan Agreement.

The terms of the Loan Agreement, except as described above, remain unchanged.

The foregoing descriptions of each of the Assumption Agreements, the Second Substitute Promissory Note, and the Third Substitute Promissory Note do not purport to be complete and are qualified in their entirety by reference to each of such agreements and notes which are included as Exhibits 10.2, 10.3, 10.4 and 10.5, to this Report.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On October 1, 2012, Black Diamond, through ADMIN BG Holding GmbH (to be renamed Black Diamond Austria GmbH “BD Austria”), an Austrian corporation and wholly owned subsidiary of Black Diamond, acquired PIEPS Holding GmbH and its subsidiaries, PIEPS GmbH and Pieps Corporation (collectively “PIEPS”), an Austrian designer and marketer of avalanche beacons and snow safety products (the “PIEPS Acquisition”).

The PIEPS Acquisition was completed pursuant to the terms of a Share Purchase Agreement (the “PIEPS Agreement”), dated September 24, 2012, by and between BD Austria and Seidel Privatstiftung (the “Seller”). Under the terms of the PIEPS Agreement, BD Austria acquired 100% of the outstanding shares of PIEPS Holding GmbH for €8.0 million or approximately \$10.3 million in cash and assumed approximately €2.1 million or \$2.7 million in debt. BD Austria has committed up to an additional estimated €2.3 million or approximately \$3.0 million of contingent purchase price upon PIEPS’ achievement of certain sales targets between April 1, 2012 and March 31, 2015, which may be paid, at Black Diamond’s discretion, either in cash, in shares of Black Diamond common stock or a combination of cash and such shares. Black Diamond has guaranteed the obligations of BD Austria under the PIEPS Agreement.

The foregoing description of the PIEPS Agreement does not purport to be complete and is qualified in its entirety by reference to the PIEPS Agreement, which is included as Exhibits 10.1 to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 28, 2012 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of the Business Acquired. Pursuant to paragraph (a)(4) of Item 9.01 of Form 8-K, the financial statements required to be filed under paragraph (a) of this Item 9.01 will be filed as soon as practicable, but not later than the time required by Item 9.01 of Form 8-K.

(b) Pro Forma Financial Information. Pursuant to paragraph (a)(4) of Item 9.01 of Form 8-K, the pro forma financial information required to be filed under paragraph (b) of this Item 9.01 will be filed as soon as practicable, but not later than the time required by Item 9.01 of Form 8-K.

(d) Exhibits. The following Exhibits are filed herewith as a part of this Report:

<u>Exhibit</u>	<u>Description</u>
10.1	Agreement, dated September 28, 2012, by and between Gregory Mountain Products and Kabushiki Kaisha A&F.
10.2	Assumption Agreement, dated September 28, 2012, by and between Zions First National Bank, a national banking association and POC USA, LLC.
10.3	Second Substitute Promissory Note, dated September 28, 2012, by and among Zions First National Bank, a national banking association, Black Diamond, Inc., Black Diamond Equipment Ltd., Black Diamond Retail, Inc., Everest/Sapphire Acquisition, LLC, Gregory Mountain Products, LLC and POC USA, LLC, as co-borrowers.
10.4	Assumption Agreement, dated October 4, 2012, by and between Zions First National Bank, a national banking association, Pieps Corporation, and BD European Holdings, LLC.
10.5	Third Substitute Promissory Note, dated October 4, 2012, by and among Zions First National Bank, a national banking association, Black Diamond, Inc., Black Diamond Equipment Ltd., Black Diamond Retail, Inc., Everest/Sapphire Acquisition, LLC, Gregory Mountain Products, LLC, POC USA, LLC, Pieps Corporation, and BD European Holdings, LLC, as co-borrowers.
10.6	Share Purchase Agreement dated September 24, 2012, by and among Black Diamond Austria GmbH and SEIDEL Privatstiftung (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 28, 2012 and incorporated herein by reference).

SIGNATURES

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

Dated: October 4, 2012

BLACK DIAMOND, INC.

By: /s/ Robert Peay

Name: Robert Peay

Title: Chief Financial Officer, Secretary
and Treasurer

EXHIBIT INDEX

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AMENDMENT NO. 6
TRANSITION AND PHASE OUT AGREEMENT RELATED TO
DISTRIBUTION AND LICENSING AGREEMENT

THIS Agreement, dated as of the 28th day of September 2012 (the "Effective Date"), shall supersede the Distribution and Licensing Agreement and all related Amendments by and between Gregory Mountain Products, LLC, a Delaware limited liability company doing business as Gregory Mountain Products (hereinafter referred to as "Gregory"), and Kabushiki Kaisha A&F, a Japanese corporation (hereinafter referred to as the "Licensee"). Gregory and Licensee hereinafter sometimes are referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, Gregory and Licensee entered into a Distribution and Licensing Agreement dated as of January 1, 2007 as well as certain Amended and Restated Distribution and Licensing Agreements, dated as of May 30, 2008, which was amended as of March 31, 2009, and further amended as of September 3, 2009, as of October 4, 2009 and as of June 18, 2010 (as amended through June 18, 2010), and as of November 16, 2011, the "Distribution and Licensing Agreement")

WHEREAS, Gregory and Licensee desire to phase out the obligations in all of the aforementioned agreements in order to coordinate a smooth and fully endorsed transition of the sales and distribution of Gregory products in Japan to a new Gregory controlled entity, the joint announcement of which shall occur on October 1, 2012.

WHEREAS, coincident with the transition, Licensee and Gregory have agreed to various terms regarding an ongoing business relationship

WHEREAS, during the phase out period, Licensee agrees to use its best efforts to promote and grow the Gregory wholesale and retail business

NOW, THEREFORE, in consideration of the promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

DEFINITIONS

"Current Inventories" shall mean all inventories of Products in the market other than "Discontinued Product Inventories". Notwithstanding anything to the contrary, "Current Inventories" shall exclude all inventories of Products in Licensee's direct retail stores and the Gregory brand Store in Harajuku, Japan.

"Discontinued Products Inventories" shall mean all Products that Gregory has determined not to produce after January 1, 2013.

"Go Forward Inventories" is defined as products that will be current models in the Spring/Summer 2013 product list"

“Transition Period” shall mean that period of time in which the sales and distribution of Gregory products shall inure to the new Gregory controlled entity beginning at the execution of this agreement until as set forth hereinbelow.

1. GOOD FAITH AND BEST EFFORTS

Licensee hereby agrees to act in good faith to fully and completely endorse and facilitate the smooth transition of sales and distribution to the new Gregory controlled entity in all actions, statements, commentary and representations involving media, retailers, and customers, including collaboration on the preparation and dissemination of any and all related announcements regarding said change. In addition, Licensee hereby agrees to fulfill all obligations set forth in the Distribution and Licensing Agreement as well as act in good faith and use its best efforts throughout 2012 to promote and grow the Gregory wholesale and retail business.

2. TRANSITION OBLIGATIONS; PAYMENT

2.1 Customer Data. Both parties recognize that it is in the mutual interests to effect a smooth transition to the post-distributor relationship, so as to maintain sales levels and in order to minimize disruption to the many retail partners, who in most cases will remain customers of both Licensee and Gregory businesses. To facilitate such smooth transition, Licensee agrees to share with Gregory its essential customer data including, but not limited to:

- (a) Full customer lists, addresses, key contacts
- (b) Full customer sales history for the years 2008-2012, including as available sales by model, month, year and customer location/store
- (c) Customer credit terms and conditions, payment history

Limit as required by individual information protection law in Japan

2.2 Transition Timeline. The parties will develop a mutually agreed upon timeline and plan for the transition period, including, but not limited, to the mutually agreed upon planning and execution of any and all trade shows occurring within the transition period

2.3 Transition Announcement. The parties will develop and distribute a mutually agreed upon Letter to Retail Partners, explaining the transition of distribution to the new Gregory entity and encouraging all Retail Partners to support and cooperate with both licensee and Gregory in the future. The joint announcement of the transition shall occur on October 1, 2012.

2.4 Exclusive Distribution Forbearance. In light of the discounts extended to Licensee for its A & F Country Stores, the extension of the licensed operation of the Gregory Harajuku Brand store with similar discounts, and for other such consideration, Licensee agrees not to begin any exclusive distribution with another pack or bag brand during the period of Spring/Summer of 2013 (the first six months of 2013). Licensee further agrees that it will not publicly announce, present, nor offer for sale to its customers any pack or bag brand until February 1, 2013 and that it will not ship or deliver any such products to any customers until July 1, 2013.

2.5 Transition Consideration. For the full and complete fulfillment of the obligations set forth herein, Gregory agrees to make a payment to A&F of Seven Hundred and Fifth Thousand United States Dollars (\$750,000). Payment will be made in two installments: Five Hundred Thousand Dollars (\$500,000) due no later than January 31, 2013 and Two Hundred and Fifty Thousand Dollars \$250,000 due no later than December 31, 2013.

3. BUY BACK INVENTORY

Gregory hereby agrees that it will buy back from Licensee all Go Forward Inventories and Cancel for Spring/Summer 2013 Lifestyle Inventories. The Go Forward Inventories and Cancel for Spring/Summer 2013 Lifestyle Inventories will be valued at Licensee's Book Value, which will be set forth herein at Exhibit A and mutually agreed upon between the parties. Gregory hereby agrees to buy back the Go Forward Inventories and Cancel for Spring/Summer 2013 Lifestyle Inventories; however, the maximum value it shall agree to pay for said products is 250,000,000 Yen. Gregory and Licensee shall conduct a joint inventory audit at Licensee's warehouses between November 15 and December 31, 2012 to determine Going Forward Inventories and Cancel for Spring/Summer 2013 Lifestyle Inventories which Gregory shall buy back from Licensee, the risk and title of which shall be transferred to Gregory from Licensee on December 31, 2012. Gregory shall pay to Licensee the amount in yen of the Buy Back Inventory valuation within ten business days of physical receipt of the inventory, not to be later than December 31, 2012 at a location determined by Gregory. Inventory is to be shipped freight collect by carrier and means determined by Gregory. Any inventories remaining following the maximum amount agreed upon to be paid by Gregory shall be considered for purchase upon mutually agreed terms between the parties.

4. GREGORY HARAJUKU STORE

4.1 Gregory agrees to offer special discounts of thirty percent (30%) below standard wholesale, defined herein as Fifty-five percent (55%) of Manufacturers Suggested Retail Price ("MSRP") to Licensee for all purchases for products to be sold in the Gregory Harajuku store throughout 2013 and through the end of February 2014. Gregory hereby extends the special license agreement for the Gregory Harajuku Store to March 1, 2014, at which time said license shall terminate. No royalty payments shall be required for the extension period for the Gregory Harajuku Store license. Licensee, however, shall remain obligated pursuant to the Distribution and Licensing agreement for regular monthly reports regarding sales from the Gregory Harajuku Store.

4.2 The discounts set forth hereinabove at 4.1 shall apply only if the year to date sales at the end of the third quarter of 2013 at the Gregory Harajuku Store fulfill or exceed a threshold amount of eighty percent of a mutually agreed upon goal between the parties of a four (4) percent increase over the 2012 annual sales and the sales for January and February 2014 at least equal or exceed the sales for the same two month period in 2013. If said threshold is not met, the discounts as set forth hereinabove at 4.1 shall discontinue for the periods beginning in the fourth quarter of 2013 through February 28, 2014. If, at any time up to February 28, 2014, it is determined that discounts were withheld unreasonably according to the terms set forth herein, Gregory shall remit payments to Licensee in accordance with the discounts specified in section 4.1.

5. A & F COUNTRY AND ONLINE STORES

5.1 Gregory hereby agrees to provide discounts to Licensee's A&F Country Stores and its e-commerce website (A&F Country Online Store) on merchandise at thirty percent (30%) below standard wholesale, defined herein as Fifty-five percent (55%) of MSRP for the calendar year 2013. Gregory will further extend discounts of twenty-five percent (25%) below standard wholesale, defined herein as Fifty-five percent (55%) of MSRP for all purchases by Licensee's A&F Country Stores and its e-commerce website (A&F Country Online Store) for the period of January 1 through June 30, 2014.

5 . 2 The discounts described hereinabove at paragraph 5.1 shall apply if, and only if, Licensee shall not offer for sale by Licensee's A&F Country Stores and its e-commerce website (A&F Country Online Store) any pack or bag brand considered competing with Gregory from January 1, 2013 through June 30, 2014. Additionally, the discounts described hereinabove at paragraph 5.1 shall apply only if the year to date sales at Licensee's A&F Country Stores and its e-commerce website (A&F Country Online Store) shall fulfill or exceed a threshold amount at the end of the third quarter of 2013 of eighty percent (80%) of the mutually agreed upon annual goal regarding said sales. If, at any time up to December 31, 2013, it is determined that discounts were withheld unreasonably according to the terms set forth herein, Gregory shall remit payments to Licensee in accordance with the discounts specified in section 5.1.

5 . 3 Beginning January 1, 2014, the discounts described hereinabove shall be reduced to twenty-five (25%) below standard wholesale, defined herein as Fifty-five percent (55%) of MSRP; however, said discounts shall only apply if the sales at Licensee's A&F Country Stores and its e-commerce website (A&F Country Online Store) equal or exceed the sales made in the first quarter of 2012. If, at any time it is determined that discounts were withheld unreasonably according to the terms set forth herein, Gregory shall remit payments to Licensee in accordance with the discounts specified hereinabove.

6. GREGORYPACKS.JP WEBSITE

The parties herein hereby agree that Gregory shall include all purchases of products by Licensee for resale through the gregorypacks.jp website from January 1, 2013 through December 31, 2013 based on the discount rate of thirty percent (30%) below standard wholesale, defined herein as Fifty-five percent (55%) of MSRP. The parties further agree that said sales will create no royalty payment obligations for Licensee. However, Licensee shall remain obligated pursuant to the Distribution and Licensing agreement to provide to Gregory all monthly reports of sales from the gregorypacks.jp website.

7. DISCONTINUED PRODUCTS

The parties hereby agree that any special discounts previously required in the Distribution and Licensing Agreement for Discontinued Products shall be foregone and no such obligations for discounts shall apply hereafter. The parties further agree that the new Gregory controlled entity may offer to Licensee, for sale through its Outlet stores, discounted products, the price of which shall be determined on a case by case basis in good faith. Licensee shall be under no obligation to buy Discontinued Products. Licensee shall have ten (10) business days to review any such offers and respond, after which the new Gregory entity may offer the Discontinued Products to other customers. The aforementioned "right of first refusal" on Discontinued Products shall be effective from January 1, 2013 through June 30, 2014.

8. NON-DISCLOSURE AGREEMENT

The parties hereby agree that the Non-Disclosure Agreement, dated April 1, 2010, shall be extended in effect and obligation until September 30, 2012 and shall be attached hereto as an exhibit.

9. TERMINATION PAYMENT EXCLUSION

Licensee hereby agrees that no further payments are due, and thus agrees to forego any such further payments, which may be related to or in connection with or by reason of the termination of the Distribution and Licensing Agreement except those payments that are provided for hereinabove.

10. FORCE MAJEURE

Notwithstanding anything to the contrary in this Agreement, neither party hereto shall be deemed to be in default of any provision of this Agreement or be liable to the other party or to any third party for any delay, error, failure in performance or interruption of performance due to any act of God, war, insurrection, riot, boycott, strikes, interruption of power service, interruption of communications service, labor or civil disturbance, acts of any other person not under the control of either party or other similar causes, the occurrence of which are (i) not reasonably foreseeable by a party, and (ii) beyond the reasonable control of that party; provided, that no such actions shall delay the payment of any orders of Products where title to such Products has passed to the Distributor or its agents or where such Products are in the possession of Distributor or its Agents. Each party shall use its best efforts to remedy its delay, error, failure to perform, or incomplete performance in a manner which is fair and equitable to both parties. The delayed party shall give the other party reasonable written notification of any material or indefinite delay due to such causes. This Agreement shall be deemed to have been amended to extend the time of performance of such obligation hereunder by the period of time attributable to the excusable delay.

11. LAW GOVERNING

10.1 Interpretation. This Agreement shall be governed by and interpreted under the laws of the State of New York without regard to that state's conflicts of laws provisions, except that the United Nations Convention for the International Sale of Goods does not apply. The Parties agree that any and all disputes arising out of or relating in any way to this Agreement shall be litigated at the trial level only in state court or federal court in New York, New York. Licensee hereby submits to personal and subject matter jurisdiction in such courts and agrees that Licensee will not contest venue.

12. CONSTRUCTION

12.1 The headings appearing at the beginning of each Section of this Agreement are for convenience only and shall not be deemed to define, limit or construe the contents of any such article, section or schedule. Time is of the essence of this Agreement. Wherever required by the context hereof, each pronoun used herein shall be deemed to include both the singular and the plural and encompass each gender. This Agreement: (a) shall be deemed to reflect the mutual intent of the Parties, and no rule of strict construction shall be applied against either Party; (b) may be executed in separate counterparts, each of which is deemed to be an original, and all of which taken together constitute one and the same agreement; and (c) is written in American English, and no translation(s) of this Agreement in any other language(s) shall control.

12.2 Enforceability.

(a) Reformation. In the event that any provision(s) or part(s) thereof in this Agreement shall be finally determined by any court or administrative agency to not be effective or enforceable as written, and, if such determination is upheld on appeal or no appeal from such determination is taken, then the Parties agree that such court or agency shall (or if such court or agency is unwilling or fails to do so, then the Parties shall) modify such provision(s) or part(s) thereof to the minimum extent required to make such provision(s) or part(s) thereof effective and enforceable, and the Parties further hereby consent to the entry by a court or administrative agency of an order to so modify such provision(s) or part(s) thereof.

(b) Substitution. If applicable law contains or appears to contain any requirement that is contrary to, conflicts with or is missing from any provision(s) or part(s) thereof in this Agreement, Gregory at any time and in its sole discretion, may elect by written notice to Licensee (effective upon receipt thereof or as otherwise designated by Gregory therein) that: (i) such requirement be substituted for or added to such provision(s) or part(s) thereof to the minimum extent necessary to validate such provision(s) or part(s) thereof or (ii) this Agreement.

(c) Severability. If any provision(s) or part(s) thereof in this Agreement shall be held invalid, the remainder of this Agreement shall continue in full force and effect and each such provision or part thereof shall be deemed not to be part of this Agreement. It is the intention of the Parties that this Agreement shall be interpreted to give effect to its provisions, notwithstanding any potential adjudicative interpretation to the contrary.

12.3 Relief.

In the event that Gregory files any action against Licensee to enforce any provision(s) of this Agreement or Gregory defends itself in any action brought by Licensee, Gregory shall be entitled: (a) to equitable relief without the necessity of posting bond or other security (including without limitation entry of temporary and permanent injunctions and orders of specific performance) and (b) to recover in any judgment wholly or partially in favor of Gregory entered in any such action the attorneys' fees and litigation expenses of Gregory, such costs and damages as permitted by law, the costs of collection thereof and such other relief as a court may award or order.

13. ENTIRE AGREEMENT

13.1 Integration. This Agreement shall constitute the entire understanding of the Parties; (b) is intended to govern the relationship between the Parties, including without limitation each sale of any or all of the Products by Gregory to Licensee (c) supersede all agreements, representations or statements, either oral or written; and (d) except as otherwise provided herein, may be amended or modified only by a written supplement, duly executed by both of the Parties.

IN WITNESS WHEREOF, the parties hereto have read and fully understand and agree to the terms described hereinabove and have duly executed this Agreement as of the date first above written.

GREGORY MOUNTAIN PRODUCTS, LLC.

By: /s/ William Kulczycki

Name: William Kulczycki

Title: Gregory Mountain Products Brand President

Vice President Black Diamond Inc.

KABUSHIKI KAISHA A&F

By: /s/ Takao Akatsu

Name: Takao Akatsu

Title: President

Assumption Agreement

This Assumption Agreement (the "Agreement") is made as of September 28, 2012 by POC USA, LLC, a limited liability company organized and existing under the laws of the State of Delaware (the "Additional Borrower"), and Zions First National Bank ("Lender").

Recitals

1. Black Diamond, Inc., formerly known as Clarus Corporation, Black Diamond Equipment, Ltd., Black Diamond Retail, Inc., Everest/Sapphire Acquisition, LLC, and Gregory Mountain Products, LLC (individually and collectively, the "Borrower") and Lender have entered into a Loan Agreement dated May 28, 2010 (as amended from time to time, the "Loan Agreement"), pursuant to which Lender has loaned Borrower the sum of thirty-five million dollars (\$35,000,000.00), evidenced by a First Substitute Promissory Note (Revolving Line of Credit) dated May 28, 2010, in the original principal amount of thirty-five million dollars (\$35,000,000.00) (collectively, the "Loan").
2. Additional Borrower has been acquired, directly or indirectly, by the Borrower.
3. Pursuant to the terms of the Loan Agreement, Additional Borrower is required to become a Borrower under the Loan Agreement.
4. Additional Borrower desires to agree and consent to become bound by the Loan Agreement.

Agreement

For good and valuable consideration, receipt of which is hereby acknowledged, Additional Borrower agrees as follows:

1. Additional Borrower Agreement. Additional Borrower hereby agrees and becomes bound by each of the Loan Documents (as defined in the Loan Agreement) as if Additional Borrower has executed and delivered the Loan Documents as Borrower at the time the Loan Documents were executed by the other parties thereto. Additional Borrower will execute and deliver a Substitute Promissory Note as provided in the Loan Documents.
 2. Consideration Among Co-Borrowers. Additional Borrower acknowledges and agrees that it has become a part of the financial enterprise described in Section 2.3 Consideration Among Co-Borrowers of the Loan Agreement and the considerations recited therein are applicable to Additional Borrower.
 3. Representations and Warranties of Additional Borrower. Additional Borrower represents and warrants that it is a limited liability company duly organized and existing in good standing under the laws of the State of Delaware.
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4 . Loan Documents Remain in Full Force and Effect. The Loan Documents continue in full force and effect and remain unchanged, except as specifically modified by this Agreement.

5 . Counterparts. Borrower agrees that this Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document. Receipt by Lender of an executed copy of this Agreement by facsimile or electronic mail shall constitute conclusive evidence of execution and delivery of this Agreement by the signatory thereto.

6 . Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without giving effect to conflicts of law principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Assumption Agreement and it becomes effective as of the day and year first set forth above.

Additional Borrower:

POC USA, LLC

By: /s/ Robert Peay

Name: Robert Peay

Title: Secretary and Treasurer

Lender:

Zions First National Bank

By: /s/ Michael R. Brough

Name: Michael R. Brough

Title: Senior Vice President

ASSUMPTION AGREEMENT (POC USA, LLC)

Signature Page

**Second Substitute Promissory Note
Revolving Line of Credit**

September 28, 2012

Borrowers: Black Diamond, Inc., formerly known as Clarus Corporation
 Black Diamond Equipment, Ltd.
 Black Diamond Retail, Inc.
 Everest/Sapphire Acquisition, LLC
 Gregory Mountain Products, LLC
 POC USA, LLC

Lender: Zions First National Bank

Amount: \$35,000,000.00

Maturity Date: July 2, 2013

For value received, Black Diamond, Inc., a Delaware corporation, formerly known as Clarus Corporation, Black Diamond Equipment, Ltd., a Delaware corporation, Black Diamond Retail, Inc., a Delaware corporation, Everest/Sapphire Acquisition, LLC, a Delaware limited liability company, Gregory Mountain Products, LLC, a Delaware limited liability company, and POC USA, LLC, a Delaware limited liability company (individually and collectively herein, "Borrowers"), promise to pay to the order of Zions First National Bank ("Lender") at its Corporate Banking Group, One South Main, Suite 200, Salt Lake City, Utah 84133, the sum of thirty-five million dollars (\$35,000,000.00) or such other principal balance as may be outstanding hereunder in lawful money of the United States with interest thereon calculated and payable as provided herein.

Definitions

Terms used in the singular shall have the same meaning when used in the plural and vice versa. As used in this Promissory Note, the term:

"Banking Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the State of Utah are authorized or required to close.

"Default Rate" means Ninety Day LIBOR Rate plus seven and five-tenths percent (7.5%) per annum.

"Dollars" and the sign "\$" mean lawful money of the United States.

"EBITDA" shall have the meaning set forth in the Loan Agreement.

"Loan Agreement" means the Loan Agreement dated May 28, 2010 between Lender and Borrowers, together with any exhibits, amendments, addenda, and modifications.

“Ninety Day FHLB Rate” means the rate per annum quoted by Lender as Lender’s Ninety Day Federal Home Loan Bank rate based upon the FHLB Seattle rate as quoted in Bloomberg, or on the FHLB Seattle internet web site at www.FHLBsea.com, or other comparable service selected by Lender. The definition of “Ninety Day FHLB Rate” is to be strictly interpreted and is not intended to serve any purpose other than providing an index to determine the interest rate used herein. It is not necessarily the lowest rate charged by Lender on its loans. If the Ninety Day FHLB Rate becomes unavailable during the term of this Promissory Note, Lender may designate a substitute index after notifying Borrowers.

“Ninety Day LIBOR Rate” means the rate per annum quoted by Lender as its Ninety Day LIBOR Rate based upon quotes from the London Interbank Offered Rate from the British Bankers Association Interest Settlement Rates as quoted for United States Dollars by Bloomberg or other comparable services selected by Lender. This definition of “Ninety Day LIBOR Rate” is to be strictly interpreted and is not intended to serve any purpose other than providing an index to determine the interest rate used herein. It is not the lowest rate at which Lender may make loans to any of its customers, either now or in the future.

“Promissory Note” means this Second Substitute Promissory Note (Revolving Line of Credit).

“Senior Net Debt” shall have the meaning set forth in the Loan Agreement.

“Trailing Twelve Month” shall have the meaning set forth in the Loan Agreement.

Interest

Interest shall accrue on the outstanding principal balance hereunder from the date of disbursement until paid, both before and after judgment, at a variable rate computed on the basis of the Ninety Day LIBOR Rate from time to time in effect, adjusted as of the date of any change in the Ninety Day LIBOR Rate, and on a three hundred sixty (360) day year as follows: (A) Ninety Day LIBOR Rate plus three and five-tenths percent (3.5%) per annum at all times that Borrowers’ Senior Net Debt to Trailing Twelve Month EBITDA ratio is greater than or equal to two and five-tenths (2.5); (B) Ninety Day LIBOR Rate plus two and seventy-five hundredths percent (2.75%) per annum at all times that Borrowers’ Senior Net Debt to Trailing Twelve Month EBITDA ratio is less than two and five-tenths (2.5).

Notwithstanding the foregoing, if Lender reasonably determines (which determination shall be conclusive) that (i) quotations of interest rates referred to in the definition of Lender’s Ninety Day LIBOR Rate are not being provided in the relevant amounts or for the relevant maturities for purposes of Lender determining the Ninety Day LIBOR Rate, (ii) the adoption of any applicable law, rule, or regulation or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by Lender with any request or directive (whether or not having the force of law) of any such authority, central bank, or comparable agency shall make it unlawful or impossible for Lender to offer loans based on the Ninety Day LIBOR Rate, or (iii) the Ninety Day LIBOR Rate does not adequately cover the cost of Lender making or maintaining advances based on the Ninety Day LIBOR Rate, then Lender shall give notice thereof to Borrowers, whereupon until Lender notifies Borrowers that the circumstances giving rise to such suspension no longer exist, the interest rate hereunder shall be converted to a variable rate computed on the basis of the Ninety Day FHLB Rate, adjusted as of the date of any change in the Ninety Day FHLB Rate, and a three hundred sixty (360) day year as follows: (A) Ninety Day FHLB Rate plus three and five-tenths percent (3.5%) per annum at all times that Borrowers’ Senior Net Debt to Trailing Twelve Month EBITDA ratio is greater than or equal to 2.5; (B) Ninety Day FHLB Rate plus two and seventy-five hundredths percent (2.75%) per annum at all times that Borrowers’ Senior Net Debt to Trailing Twelve Month EBITDA ratio is less than 2.5.

The foregoing margins above the Ninety Day LIBOR Rate or Ninety Day FHLB Rate shall adjust on the first day of each month following the later of the due date or date of receipt of the quarterly or annual financial statements to be provided by Borrowers pursuant to the Loan Agreement.

Notwithstanding the foregoing, in no case shall interest be less than three and twenty-five hundredths percent (3.25%) per annum, regardless of Borrowers' Senior Net Debt to Trailing Twelve Month EBITDA ratio and regardless of the Ninety Day LIBOR Rate or Ninety Day FHLB Rate.

Revolving Line of Credit

This Promissory Note shall be a revolving line of credit under which Borrowers may repeatedly draw and repay funds, so long as no Event of Default has occurred hereunder or under the Loan Agreement which has not been timely cured or waived. All disbursements under this Promissory Note shall be made in accordance with the Loan Agreement.

Principal and interest shall be payable as follows: Interest accrued is to be paid monthly in arrears commencing June 1, 2010, and on the same day of each month thereafter. All principal and unpaid interest shall be paid in full on July 2, 2013.

All payments shall be applied first to accrued interest and the remainder, if any, to principal.

Prepayment

Borrowers may prepay all or any portion of this Promissory Note at any time without penalty. Any prepayment received by Lender after 2:00 p.m. Mountain Time shall be deemed received on the following Banking Business Day. Any prepayment may be subject to fees or charges relating to the breakage of or constitute a termination event under an Interest Rate Management Transaction (as defined in the Loan Agreement).

General

This Promissory Note is made in accordance with, governed by, and deemed to be a promissory note under, and subject to all terms and conditions of, the Loan Agreement.

If, at any time prior to the maturity of this Promissory Note, this Promissory Note shall have a zero balance owing, this Promissory Note shall not be deemed satisfied or terminated by and shall remain in full force and effect for future draws unless terminated upon other grounds.

Upon an Event of Default in payment of any principal or interest when due, whether due at stated maturity, by acceleration, or otherwise, all outstanding principal shall bear interest at the Default Rate from the date when due until paid, both before and after judgment.

If an Event of Default occurs, time being the essence hereof, then the entire unpaid balance, with interest as aforesaid, shall, at the election of the holder hereof and without notice of such election, become immediately due and payable in full.

If an Event of Default occurs, Borrowers agree to pay to the holder hereof all collection costs, including reasonable attorney fees and legal expenses, in addition to all other sums due hereunder.

This Promissory Note shall be governed by and construed in accordance with the laws of the State of Utah.

Borrowers acknowledge that by execution and delivery of this Promissory Note Borrowers have transacted business in the State of Utah and Borrowers voluntarily submit to, consent to, and waive any defense to the jurisdiction of courts located in the State of Utah as to all matters relating to or arising from this Promissory Note. EXCEPT AS EXPRESSLY AGREED IN WRITING BY LENDER AND EXCEPT AS PROVIDED IN THE ARBITRATION PROVISIONS IN THE LOAN AGREEMENT, THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF UTAH SHALL HAVE SOLE AND EXCLUSIVE JURISDICTION OF ANY AND ALL CLAIMS, DISPUTES, AND CONTROVERSIES, ARISING UNDER OR RELATING TO THIS PROMISSORY NOTE. NO LAWSUIT, PROCEEDING, OR ANY OTHER ACTION RELATING TO OR ARISING UNDER THIS PROMISSORY NOTE MAY BE COMMENCED OR PROSECUTED IN ANY OTHER FORUM EXCEPT AS EXPRESSLY AGREED IN WRITING BY LENDER.

All obligations of Borrowers under this Promissory Note shall be joint and several.

Borrowers and all endorsers, sureties and guarantors hereof hereby jointly and severally waive presentment for payment, demand, protest, notice of protest, notice of protest and of non-payment and of dishonor, and consent to extensions of time, renewal, waivers or modifications without notice and further consent to the release of any collateral or any part thereof with or without substitution.

This Promissory Note restates, replaces and supersedes in its entirety, but does not extinguish or novate, that certain First Substitute Promissory Note dated May 28, 2010, executed by Borrower, and any previous renewals, modifications or amendments thereof (the "Prior Note"). All interest evidenced by the Prior Note shall continue to be due and payable until paid.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Second Substitute Promissory Note and it becomes effective as of the day and year first set forth above.

Borrowers:

Black Diamond, Inc.

By: /s/ Robert Peay
Name: Robert Peay
Title: Chief Financial Officer, Secretary and Treasurer

Black Diamond Equipment, Ltd.

By: /s/ Robert Peay
Name: Robert Peay
Title: Chief Financial Officer and Secretary

Black Diamond Retail, Inc.

By: /s/ Robert Peay
Name: Robert Peay
Title: Chief Financial Officer and Secretary

Everest/Sapphire Acquisition, LLC

By: /s/ Robert Peay
Name: Robert Peay
Title: Secretary and Treasurer

Gregory Mountain Products, LLC

By: /s/ Robert Peay
Name: Robert Peay
Title: Treasurer

SECOND SUBSTITUTE PROMISSORY
NOTE
Signature Pages

POC USA, LLC

By: /s/ Robert Peay
Name: Robert Peay
Title: Secretary and Treasurer

Lender:

Zions First National Bank

By: /s/ Michael R. Brough
Name: Michael R. Brough
Title: Senior Vice President

SECOND SUBSTITUTE PROMISSORY
NOTE
Signature Pages

Assumption Agreement

This Assumption Agreement (the "Agreement") is made as of October 4, 2012, by Pieps Corporation, a California corporation ("Pieps"), and BD European Holdings, LLC, a Delaware limited liability company ("BDEH" and together with Pieps, individually and collectively, as the context requires, the "Additional Borrower"), and Zions First National Bank ("Lender").

Recitals

1. Black Diamond, Inc., formerly known as Clarus Corporation, Black Diamond Equipment, Ltd., Black Diamond Retail, Inc., Everest/Sapphire Acquisition, LLC, Gregory Mountain Products, LLC, and POC USA, LLC (individually and collectively, the "Borrower") and Lender have entered into a Loan Agreement dated May 28, 2010 (as amended from time to time, the "Loan Agreement"), pursuant to which Lender has loaned Borrower the sum of thirty-five million dollars (\$35,000,000.00), evidenced by a Second Substitute Promissory Note (Revolving Line of Credit) dated September 28, 2012, in the original principal amount of thirty-five million dollars (\$35,000,000.00) (collectively, the "Loan").

2. Additional Borrower has been acquired, directly or indirectly, by the Borrower.

3. Pursuant to the terms of the Loan Agreement, Additional Borrower is required to become a Borrower under the Loan Agreement.

4. Additional Borrower desires to agree and consent to become bound by the Loan Agreement.

Agreement

For good and valuable consideration, receipt of which is hereby acknowledged, Additional Borrower agrees as follows:

1. Additional Borrower Agreement. Additional Borrower hereby agrees and becomes bound by each of the Loan Documents (as defined in the Loan Agreement) as if Additional Borrower has executed and delivered the Loan Documents as Borrower at the time the Loan Documents were executed by the other parties thereto. Additional Borrower will execute and deliver a Substitute Promissory Note as provided in the Loan Documents.

2. Consideration Among Co-Borrowers. Additional Borrower acknowledges and agrees that it has become a part of the financial enterprise described in Section 2.3 Consideration Among Co-Borrowers of the Loan Agreement and the considerations recited therein are applicable to Additional Borrower.

3. Representations and Warranties of Additional Borrower. Pieps represents and warrants that it is a corporation duly organized and existing in good standing under the laws of the State of California. BDEH represents and warrants that it is a limited liability company duly organized and existing in good standing under the laws of the State of Delaware.

4 . Loan Documents Remain in Full Force and Effect. The Loan Documents continue in full force and effect and remain unchanged, except as specifically modified by this Agreement.

5 . Counterparts. Borrower agrees that this Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document. Receipt by Lender of an executed copy of this Agreement by facsimile or electronic mail shall constitute conclusive evidence of execution and delivery of this Agreement by the signatory thereto.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without giving effect to conflicts of law principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Assumption Agreement and it becomes effective as of the first day and year set forth above.

Additional Borrower:

Pieps Corporation

By: /s/ Robert Peay

Name: Robert Peay

Title: Secretary and Treasurer

BD European Holdings, LLC

By: /s/ Robert Peay

Name: Robert Peay

Title: Secretary and Treasurer

Zions First National Bank:

By: /s/ Michael R. Brough

Name: Michael R. Brough

Title: Senior Vice President

**Third Substitute Promissory Note
Revolving Line of Credit**

October 4, 2012

Borrowers: Black Diamond, Inc., formerly known as Clarus Corporation
 Black Diamond Equipment, Ltd.
 Black Diamond Retail, Inc.
 Everest/Sapphire Acquisition, LLC
 Gregory Mountain Products, LLC
 POC USA, LLC
 Pieps Corporation
 BD European Holdings, LLC

Lender: Zions First National Bank

Amount: \$35,000,000.00

Maturity Date: July 2, 2013

For value received, Black Diamond, Inc., a Delaware corporation, formerly known as Clarus Corporation, Black Diamond Equipment, Ltd., a Delaware corporation, Black Diamond Retail, Inc., a Delaware corporation, Everest/Sapphire Acquisition, LLC, a Delaware limited liability company, Gregory Mountain Products, LLC, a Delaware limited liability company, POC USA, LLC, a Delaware limited liability company, Pieps Corporation, a California corporation, and BD European Holdings, LLC, a Delaware limited liability company (individually and collectively herein, "Borrowers"), promise to pay to the order of Zions First National Bank ("Lender") at its Corporate Banking Group, One South Main, Suite 200, Salt Lake City, Utah 84133, the sum of thirty-five million dollars (\$35,000,000.00) or such other principal balance as may be outstanding hereunder in lawful money of the United States with interest thereon calculated and payable as provided herein.

Definitions

Terms used in the singular shall have the same meaning when used in the plural and vice versa. As used in this Promissory Note, the term:

"Banking Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the State of Utah are authorized or required to close.

"Default Rate" means Ninety Day LIBOR Rate plus seven and five-tenths percent (7.5%) per annum.

"Dollars" and the sign "\$" mean lawful money of the United States.

"EBITDA" shall have the meaning set forth in the Loan Agreement.

“Loan Agreement” means the Loan Agreement dated May 28, 2010 between Lender and Borrowers, together with any exhibits, amendments, addenda, and modifications.

“Ninety Day FHLB Rate” means the rate per annum quoted by Lender as Lender’s Ninety Day Federal Home Loan Bank rate based upon the FHLB Seattle rate as quoted in Bloomberg, or on the FHLB Seattle internet web site at www.FHLBsea.com, or other comparable service selected by Lender. The definition of “Ninety Day FHLB Rate” is to be strictly interpreted and is not intended to serve any purpose other than providing an index to determine the interest rate used herein. It is not necessarily the lowest rate charged by Lender on its loans. If the Ninety Day FHLB Rate becomes unavailable during the term of this Promissory Note, Lender may designate a substitute index after notifying Borrowers.

“Ninety Day LIBOR Rate” means the rate per annum quoted by Lender as its Ninety Day LIBOR Rate based upon quotes from the London Interbank Offered Rate from the British Bankers Association Interest Settlement Rates as quoted for United States Dollars by Bloomberg or other comparable services selected by Lender. This definition of “Ninety Day LIBOR Rate” is to be strictly interpreted and is not intended to serve any purpose other than providing an index to determine the interest rate used herein. It is not the lowest rate at which Lender may make loans to any of its customers, either now or in the future.

“Promissory Note” means this Third Substitute Promissory Note (Revolving Line of Credit).

“Senior Net Debt” shall have the meaning set forth in the Loan Agreement.

“Trailing Twelve Month” shall have the meaning set forth in the Loan Agreement.

Interest

Interest shall accrue on the outstanding principal balance hereunder from the date of disbursement until paid, both before and after judgment, at a variable rate computed on the basis of the Ninety Day LIBOR Rate from time to time in effect, adjusted as of the date of any change in the Ninety Day LIBOR Rate, and on a three hundred sixty (360) day year as follows: (A) Ninety Day LIBOR Rate plus three and five-tenths percent (3.5%) per annum at all times that Borrowers’ Senior Net Debt to Trailing Twelve Month EBITDA ratio is greater than or equal to two and five-tenths (2.5); (B) Ninety Day LIBOR Rate plus two and seventy-five hundredths percent (2.75%) per annum at all times that Borrowers’ Senior Net Debt to Trailing Twelve Month EBITDA ratio is less than two and five-tenths (2.5).

Notwithstanding the foregoing, if Lender reasonably determines (which determination shall be conclusive) that (i) quotations of interest rates referred to in the definition of Lender's Ninety Day LIBOR Rate are not being provided in the relevant amounts or for the relevant maturities for purposes of Lender determining the Ninety Day LIBOR Rate, (ii) the adoption of any applicable law, rule, or regulation or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by Lender with any request or directive (whether or not having the force of law) of any such authority, central bank, or comparable agency shall make it unlawful or impossible for Lender to offer loans based on the Ninety Day LIBOR Rate, or (iii) the Ninety Day LIBOR Rate does not adequately cover the cost of Lender making or maintaining advances based on the Ninety Day LIBOR Rate, then Lender shall give notice thereof to Borrowers, whereupon until Lender notifies Borrowers that the circumstances giving rise to such suspension no longer exist, the interest rate hereunder shall be converted to a variable rate computed on the basis of the Ninety Day FHLB Rate, adjusted as of the date of any change in the Ninety Day FHLB Rate, and a three hundred sixty (360) day year as follows: (A) Ninety Day FHLB Rate plus three and five-tenths percent (3.5%) per annum at all times that Borrowers' Senior Net Debt to Trailing Twelve Month EBITDA ratio is greater than or equal to 2.5; (B) Ninety Day FHLB Rate plus two and seventy-five hundredths percent (2.75%) per annum at all times that Borrowers' Senior Net Debt to Trailing Twelve Month EBITDA ratio is less than 2.5.

The foregoing margins above the Ninety Day LIBOR Rate or Ninety Day FHLB Rate shall adjust on the first day of each month following the later of the due date or date of receipt of the quarterly or annual financial statements to be provided by Borrowers pursuant to the Loan Agreement.

Notwithstanding the foregoing, in no case shall interest be less than three and twenty-five hundredths percent (3.25%) per annum, regardless of Borrowers' Senior Net Debt to Trailing Twelve Month EBITDA ratio and regardless of the Ninety Day LIBOR Rate or Ninety Day FHLB Rate.

Revolving Line of Credit

This Promissory Note shall be a revolving line of credit under which Borrowers may repeatedly draw and repay funds, so long as no Event of Default has occurred hereunder or under the Loan Agreement which has not been timely cured or waived. All disbursements under this Promissory Note shall be made in accordance with the Loan Agreement.

Principal and interest shall be payable as follows: Interest accrued is to be paid monthly in arrears commencing June 1, 2010, and on the same day of each month thereafter. All principal and unpaid interest shall be paid in full on July 2, 2013.

All payments shall be applied first to accrued interest and the remainder, if any, to principal.

Prepayment

Borrowers may prepay all or any portion of this Promissory Note at any time without penalty. Any prepayment received by Lender after 2:00 p.m. Mountain Time shall be deemed received on the following Banking Business Day. Any prepayment may be subject to fees or charges relating to the breakage of or constitute a termination event under an Interest Rate Management Transaction (as defined in the Loan Agreement).

General

This Promissory Note is made in accordance with, governed by, and deemed to be a promissory note under, and subject to all terms and conditions of, the Loan Agreement.

If, at any time prior to the maturity of this Promissory Note, this Promissory Note shall have a zero balance owing, this Promissory Note shall not be deemed satisfied or terminated by and shall remain in full force and effect for future draws unless terminated upon other grounds.

Upon an Event of Default in payment of any principal or interest when due, whether due at stated maturity, by acceleration, or otherwise, all outstanding principal shall bear interest at the Default Rate from the date when due until paid, both before and after judgment.

If an Event of Default occurs, time being the essence hereof, then the entire unpaid balance, with interest as aforesaid, shall, at the election of the holder hereof and without notice of such election, become immediately due and payable in full.

If an Event of Default occurs, Borrowers agree to pay to the holder hereof all collection costs, including reasonable attorney fees and legal expenses, in addition to all other sums due hereunder.

This Promissory Note shall be governed by and construed in accordance with the laws of the State of Utah.

Borrowers acknowledge that by execution and delivery of this Promissory Note Borrowers have transacted business in the State of Utah and Borrowers voluntarily submit to, consent to, and waive any defense to the jurisdiction of courts located in the State of Utah as to all matters relating to or arising from this Promissory Note. EXCEPT AS EXPRESSLY AGREED IN WRITING BY LENDER AND EXCEPT AS PROVIDED IN THE ARBITRATION PROVISIONS IN THE LOAN AGREEMENT, THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF UTAH SHALL HAVE SOLE AND EXCLUSIVE JURISDICTION OF ANY AND ALL CLAIMS, DISPUTES, AND CONTROVERSIES, ARISING UNDER OR RELATING TO THIS PROMISSORY NOTE. NO LAWSUIT, PROCEEDING, OR ANY OTHER ACTION RELATING TO OR ARISING UNDER THIS PROMISSORY NOTE MAY BE COMMENCED OR PROSECUTED IN ANY OTHER FORUM EXCEPT AS EXPRESSLY AGREED IN WRITING BY LENDER.

All obligations of Borrowers under this Promissory Note shall be joint and several.

Borrowers and all endorsers, sureties and guarantors hereof hereby jointly and severally waive presentment for payment, demand, protest, notice of protest, notice of protest and of non-payment and of dishonor, and consent to extensions of time, renewal, waivers or modifications without notice and further consent to the release of any collateral or any part thereof with or without substitution.

This Promissory Note restates, replaces and supersedes in its entirety, but does not extinguish or novate, that certain Second Substitute Promissory Note dated September 28, 2012, executed by Borrower, and any previous renewals, modifications or amendments thereof (the "Prior Note"). All interest evidenced by the Prior Note shall continue to be due and payable until paid.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Third Substitute Promissory Note and it becomes effective as of the day and year first set forth above.

Borrowers:

Black Diamond, Inc.

By: /s/ Robert Peay
Name: Robert Peay
Title: Chief Financial Officer, Secretary
and Treasurer

Black Diamond Equipment, Ltd.

By: /s/ Robert Peay
Name: Robert Peay
Title: Chief Financial Officer and Secretary

Black Diamond Retail, Inc.

By: /s/ Robert Peay
Name: Robert Peay
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Everest/Sapphire Acquisition, LLC

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Gregory Mountain Products, LLC

By: /s/ Robert Peay
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POC USA, LLC

By: /s/ Robert Peay
Name: Robert Peay
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Pieps Corporation

By: /s/ Robert Peay
Name: Robert Peay
Title: Secretary and Treasurer

BD European Holdings, LLC

By: /s/ Robert Peay
Name: Robert Peay
Title: Secretary and Treasurer

Lender:

Zions First National Bank

By: /s/ Michael R. Brough
Name: Michael R. Brough
Title: Senior Vice President
