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*Intellectual Property*

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K2 Corporation
19215 Vashon Hwy SW
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USA

**BY FAX & POST**

please quote our reference: MJF:tn:M2853(3)

your reference: SNOW-5-7284 7294

date: 02 September 2004

Dear Ms VanDerZanden

**Re: Rear Entry Binding**

We act for Neil Pryde Limited. Mr Pryde has asked us to respond to your 26 August 2004 letter on his behalf.

The binding that Mr Pryde refers to in his letter is the K2 CINCH binding shown at the ISPO winter 04 in February of this year. At the ISPO Mr Pryde met with Mr Jürgen Schütte and yourself, at Mr Schütte's request, to discuss possible infringement of Neil Pryde Limited /Flow patents. Mr Pryde told you that he would investigate this matter and contact you if he believed there was any infringement

The CINCH binding appears to have all of the elements in at least claim 1 of US patent 5,971,423. The cable used to close and secure the CINCH binding comprises a tensioning element and diverter roller.

Neil Pryde Limited has corresponding patents in Germany, Switzerland, Austria and a pending Canadian application. The fact that the CINCH binding is covered by various patents is not a bar to infringement of the Neil Pryde Limited patents.

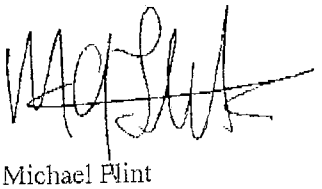
We believe that K2 should enter into a license agreement with Neil Pryde Limited. Mr. Pryde proposes to offer K2 a non-exclusive worldwide license for a royalty equal to five percent (5%) of revenues from sales of licensed products.

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We look forward to hearing from you.

Yours sincerely



Michael Flint
*For* MARKS & CLERK
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**C.c Neil Pryde**