PARKERVISION INC

FORM 10-Q
(Quarterly Report)

Filed 8/13/1996 For Period Ending 6/30/1996

Address	8493 BAYMEADOWS WAY
	JACKSONVILLE, Florida 32256
Telephone	904-737-1367
CIK	0000914139
Industry	Audio & Video Equipment
Sector	Consumer Cyclical
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-QSB
(Mark One)

(X) QUARTERLY REPORT UNDER SECTION 13 or 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1996

(_) TRANSITION REPORT UNDER SECTION 13 OR 15(d)

OF THE EXCHANGE ACT
For the transition period from _______ to ________

Commission file number 0-22904

PARKERVISION, INC.
(Name of small business issuer as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-2971472 I.R.S. Employer ID No.

8493 Baymeadows Way
Jacksonville, Florida 32256
(904) 737-1367
(Address of principal executive offices)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No __.

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes ___ No ___.

APPLICABLE ONLY TO CORPORATE ISSUERS

As of July 30, 1996, 10,022,754 shares of the Issuer's Common Stock, $.01 par value, were outstanding.

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

The accompanying unaudited financial statements of ParkerVision, Inc. (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Rule 10-01 of Regulation S-X. All adjustments which, in the opinion of management, are necessary for a fair presentation of the financial condition and results of operations have been included. Operating results for the three and six month periods ended June 30, 1996 are not necessarily indicative of the results that may be expected for the year ending December 31, 1996.

These interim consolidated financial statements should be read in conjunction with the Company's latest Annual Report on Form 10-KSB for the year ended December 31, 1995.

PARKERVISION, INC.

BALANCE SHEETS

ASSETS	June 30, 1996 (unaudited)	December 31, 1995
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,165,613	$ 1,291,527
Short-term investments	4,077,569	5,080,308
Accounts receivable, net of allowance for doubtful accounts of $26,224 and $17,350 at June 30, 1996 and December 31, 1995, respectively	2,219,479	451,274
Interest and other receivables	174,968	394,889
Inventories, net	1,831,405	2,274,764
Prepaid expenses	160,968	131,044
Deferred income taxes	6,662	6,662
Total current assets	9,636,664	9,630,468
LONG-TERM INVESTMENTS	7,979,236	0
PROPERTY AND EQUIPMENT, net	1,010,077	1,093,269
OTHER ASSETS, net	232,572	231,239
Total assets	$18,858,549	$10,954,976

The accompanying notes are an integral part of these balance sheets.

PARKERVISION, INC.

BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 1996 (unaudited)	December 31, 1995
CURRENT LIABILITIES:		
Accounts payable	$ 848,731	$ 462,466
Accrued expenses:		
Salaries and wages	162,548	113,112
Professional fees and other	94,597	62,333
Interest payable to related parties	0	8,110
Deferred revenue	2,508	87,954
Current portion of long-term subordinated debentures	0	216,018
Total current liabilities	1,108,384	949,993
LONG-TERM SUBORDINATED DEBENTURES	0	3,028,237
DEFERRED INCOME TAXES	6,662	6,662
COMMITMENTS AND CONTINGENCIES (Notes 4, 6 and 7)		
SHAREHOLDERS' EQUITY:		
Preferred stock, $1 par value, 1,000,000 shares authorized, none issued or outstanding	0	0
Common stock, $.01 par value, 20,000,000 shares authorized, 10,022,754 and 8,800,541 shares issued and outstanding at June 30, 1996 and December 31, 1995, respectively	100,227	88,005
Warrants outstanding	360	360
Additional paid-in capital	26,015,122	14,556,754
Accumulated deficit	(8,372,206)	(7,675,035)
Total shareholders' equity	17,743,503	6,970,084
Total liabilities and shareholders' equity	$ 18,858,549	$10,954,976

The accompanying notes are an integral part of these balance sheets.

PARKERVISION, INC.

STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three months ended June 30, 1996	Three months ended June 30, 1995	Six months ended June 30, 1996	Six months ended June 30, 1995
Revenues, net	$3,243,972	$1,003,398	$4,781,661	$ 1,323,004
Cost of goods sold	2,070,778	620,891	3,089,579	836,857
Gross margin	1,173,194	382,507	1,692,082	486,147
Marketing and selling expenses	627,697	518,629	1,094,632	997,384
General and administrative expenses	373,851	334,433	675,034	652,756
Research and development expenses	324,321	271,688	665,570	552,001
Nonrecoverable start-up and excess capacity costs	40,000	150,488	91,350	311,669
Interest expense to related parties	8,634	89,217	75,547	178,434
Interest income	(160,374)	(99,912)	(242,440)	(203,197)
Other expense, net	0	31,005	10,810	32,392
Net loss	$ (40,935)	$ (913,041)	$ (678,421)	$(2,035,292)
Net loss per common and common equivalent share	$ (0.00)	$ (0.10)	$ (0.07)	$ (0.23)

The accompanying notes are an integral part of these statements.

PARKERVISION, INC.

STATEMENT OF SHAREHOLDERS' EQUITY

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1996

	Common Stock			Additional		Total
	Shares	Par Value	Warrants outstanding	Paid-In Capital	Accumulated Deficit	Shareholders' Equity
BALANCE, December 31, 1995	8,800,541	$ 88,005	$ 360	$14,556,754	$ (7,675,035)	$ 6,970,084
Issuance of common stock upon exercise of employee stock options	17,788	178	0	28,662	0	28,840
Issuance of common stock for cash on April 12, 1996, net of offering costs of $602,500	800,000	8,000	0	7,389,500	0	7,397,500
Issuance of common stock for conversion of $3,244,250 subordinated debentures payable on April 12, 1996	324,425	3,244	0	3,241,006	0	3,244,250
Issuance of common stock for cash on April 22, 1996	80,000	800	0	799,200	0	800,000
Unrealized loss on investments available for sale	0	0	0	0	(18,750)	(18,750)
Net loss for the period ended June 30, 1996	0	0	0	0	(678,421)	(678,421)
BALANCE, June 30, 1996 (unaudited)	10,022,754	$ 100,227	$ 360	$26,015,122	$ (8,372,206)	$17,743,503

The accompanying notes are an integral part of these statements.

PARKERVISION, INC.

STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Three Months Ended June 30, 1996	Three Months Ended June 30, 1995	Six Months Ended June 30, 1996	Six Months Ended June 30, 1995
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$ (40,935)	$ (913,041)	$ (678,421)	$ (2,035,292)
Adjustments to reconcile net loss to net cash used for operating activities:				
Depreciation and amortization	133,738	179,401	265,089	280,122
Amortization of discounts on investments	(39,654)	(30,369)	(70,124)	(53,019)
Provision for obsolete inventories	100,000	29,934	170,451	29,934
Changes in operating assets and liabilities:				
Increase in accounts receivable, net	(1,229,150)	(530,112)	(1,768,205)	(465,244)
(Increase) decrease in interest and other receivables	(125,480)	58,296	219,921	169,166
Decrease in inventories, net	393,011	134,226	272,908	9,797
Increase in prepaid expenses	(1,843)	(16,066)	(29,924)	(37,315)
Increase in other assets	(14,604)	(95,154)	(23,849)	(111,465)
Increase in accounts payable and accrued expenses	537,023	40,570	467,960	32,576
Decrease in interest payable to related partie	0	(89,217)	(8,110)	0
(Decrease) increase in deferred revenue	(32,057)	(2,175)	(85,446)	5,205
Total adjustments	(279,016)	(320,666)	(589,329)	(140,243)
Net cash used for operating activities	(319,951)	(1,233,707)	(1,267,750)	(2,175,535)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	(6,925,123)	(999,176)	(6,925,123)	(3,934,162)
Proceeds from maturity of investments	0	7,947,000	0	7,947,000
Purchase of property and equipment	(136,805)	(157,323)	(159,381)	(320,853)
Net cash (used for) provided by investing activities	(7,061,928)	6,790,501	(7,084,504)	3,691,985
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issuance of common stock	8,211,044	40,049	8,226,340	55,631
Net cash provided by financing activities	8,211,044	40,049	8,226,340	55,631
NET CHANGE IN CASH AND CASH EQUIVALENTS	829,165	5,596,843	(125,914)	1,572,081
CASH AND CASH EQUIVALENTS, beginning of period	336,448	524,223	1,291,527	4,548,985
CASH AND CASH EQUIVALENTS, end of period	$ 1,165,613	$ 6,121,066	$ 1,165,613	$ 6,121,066

The accompanying notes are an integral part of these statements.

PARKERVISION, INC.

NOTES TO FINANCIAL STATEMENTS

(UNAUDITED)

1. ACCOUNTING POLICIES

There have been no changes in accounting policies from those stated in the Annual Report on Form 10-KSB for the year ended December 31, 1995.

Cash and Cash Equivalents. Cash and cash equivalents include overnight repurchase agreements totaling $1,079,000 and $1,093,000 at June 30, 1996 and December 31, 1995, respectively.

Reclassifications. Certain reclassifications have been made to the 1995 statements to conform to the 1996 presentation.

2. LOSS PER SHARE

Loss per share is determined based on the weighted average number of common shares and common share equivalents outstanding during each period. Common share equivalents are excluded from the determination of the weighted average number of shares outstanding to the extent they are anti-dilutive. The weighted average number of common shares and common share equivalents outstanding for the three month periods ended June 30, 1996 and 1995 is 9,865,565 and 8,747,131, respectively. The weighted average number of common shares and common share equivalents outstanding for the six month periods ended June 30, 1996 and 1995 is 9,679,491 and 8,747,957, respectively.

3. INVENTORIES:

Inventories consist of the following:

	June 30, 1996	December 31, 1995
Purchased materials	$1,403,047	$1,751,527
Work in process	293,963	484,873
Finished goods	436,839	370,364
	2,133,849	2,606,764
Less allowance for inventory obsolescence	(302,444)	(332,000)
	$1,831,405	$2,274,764

4. SIGNIFICANT CUSTOMERS

For the three months ended June 30, 1996, Vtel Corporation and one other customer accounted for approximately 51% and 10% of total revenues, respectively. For the three months ended June 30, 1995, two customers each accounted for approximately 10% of total revenues.

For the six month period ended June 30, 1996, Vtel Corporation and one other customer accounted for approximately 50% and 12% of total revenues, respectively. For the six months ended June 30, 1995, two customers, in aggregate, accounted for approximately 23% of total revenues, neither of which individually accounted for more than 12% of total revenues.

5. RELATED PARTY TRANSACTIONS

On April, 12, 1996, the Company converted $3,244,250 of its long-term debt payable to related parties to 324,425 shares of common stock of the Company (See Note 7).

6. STOCK OPTIONS

On April 1, 1996, the Company issued incentive stock options under the 1993 stock plan to purchase an aggregate of 21,775 shares of its common stock for $10.50 per share to certain employees. These options were granted at an exercise price equal to fair market value of the common stock at the date of grant. These options vest either immediately or over a five year period and are exercisable for a period of five years from the date the options become vested.

On June 19, 1996, the Company issued stock options under the 1993 stock plan to purchase an aggregate of 112,500 shares of its common stock for $13.875 per share to two officers. These options were granted at an exercise price equal to fair market value of the common stock at the date of grant. These options vest either immediately or over a five year period and are exercisable for a period of five to ten years from the date the options become vested.

Options to purchase 194,725 shares of common stock were available for future grants under the 1993 stock plan at June 30, 1996.

In connection with its Regulation S offering (see Note 7), on April 12, 1996, the Company granted options to purchase an aggregate of 250,000 shares of common stock of the Company at an exercise price of $10.00 per share. The options are exercisable for a period of five years from the date of consummation of the offering. The options have an estimated fair market value of $5.48 per share, or $1,370,000.

7. STOCK AUTHORIZATION AND ISSUANCE

On April 12, 1996, the Company completed an offering of 800,000 shares of its common stock to overseas investors in a transaction pursuant to Regulation S of the Securities Act of 1933, as amended (the "Offering"). The shares, which constituted approximately 8.3% of the Company's outstanding common stock on an after-issued basis, were sold at a price of $10.00 per share. After deducting issuance and offering costs of $602,500, the Company received net proceeds therefrom of $7,397,500.

The Company engaged an outside financial consultant in connection with the Offering, and as compensation for his services, on April 12, 1996, the Company granted the consultant and his designee options to purchase an aggregate of 250,000 shares of common stock of the Company (see Note 6).

Also in connection with the Offering, certain related parties agreed to convert an aggregate of $3,244,250 of subordinated debentures of the Company at a value of $10.00 per share for an aggregate of 324,425 shares of common stock. In accordance with the conversion agreement, these shares may not be sold, assigned, pledged or otherwise transferred publicly or privately to a third party for a period of six months after the date of conversion.

On April 22, 1996, the Company completed an offering of an aggregate of 80,000 shares of its common stock to two investors in a private placement transaction pursuant to Section 4(2) of the Securities Act of 1933, as amended. These shares, which constituted approximately 0.8% of the Company's outstanding common stock on an after-issued basis, were sold at a price of $10.00 per share and the Company received net proceeds therefrom of $800,000.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations for Each of the Three and Six Month Periods Ended June 30, 1996 and 1995

Revenues

Revenues for the three months ended June 30, 1996 were $3,243,972, as compared to $1,003,398 for the three months ended June 30, 1995. This increase of $2,240,574 is a result of an increase in the number of systems sold, as well as an increase in the average selling price per system.

The Company sold 682 systems during the three month period ended June 30, 1996, as compared to 235 systems for the three month period ended June 30, 1995. This increase in system sales is attributable to continued market acceptance of the Company's second generation CameraMan(R) system ("System II"), increased shipments of the Company's newly released three-chip camera system, and the shipment of products designed for integration with VTEL products, in connection with the Company's co-development and co-marketing agreement with Vtel Corporation ("VTEL"). VTEL accounted for approximately 51% of total revenues for the three month period ended June 30, 1996.

The average selling price per system for the three months ended June 30, 1996 and 1995, was approximately $4,800 and $4,300, respectively. This increase of approximately $500 per system is primarily due to a change in the mix of products sold, including the shipment of three-chip camera systems during the second quarter of 1996. The three-chip system generates approximately $8,500 more revenue per system than the Company's System II single-chip products.

Revenues for the six months ended June 30, 1996 were $4,781,661, as compared to $1,323,004 for the six months ended June 30, 1995. This increase of $3,458,657 is a result of a 650 unit increase in the number of systems sold and a $600 increase in the average selling price per system from the six month period ended June 30, 1995 to the corresponding period in 1996.

Gross Margin

For the three month periods ended June 30, 1996 and 1995, gross margins as a percentage of sales were 36.2% and 38.1%, respectively. This decrease is primarily due to the mix of products sold to VTEL during the second quarter of 1996. All systems purchased by VTEL represent general pan/tilt base units. VTEL may then separately purchase various upgrade packages which will convert the base unit into an application-specific package. The Company earns higher margins on the sale of upgrade packages than on the base unit itself. During the second quarter of 1996, approximately 37% of the base units purchased by VTEL were general pan/tilt units without corresponding application-specific upgrade packages.

For the six month periods ended June 30, 1996 and 1995, gross margins as a percentage of sales were 35.4% and 36.7%, respectively. This decrease is primarily due to the mix of products sold. During the six months ended June 30, 1996, approximately 33% of the base units purchased by VTEL were general pan/tilt units without corresponding application-specific upgrade packages.

Marketing and Selling Expenses

Marketing and selling expenses were $627,697 for the three month period ended June 30, 1996, as compared to $518,629 for the same period in 1995. This increase of $109,068 is primarily due to an increase in personnel costs resulting from the addition of sales and marketing personnel throughout 1995 to support the Company's ongoing marketing and selling activities, partially offset by a decrease in advertising costs resulting from the completion in 1995 of the Company's large-scale media campaign targeted at the distance education and videoconferencing markets.

For the six month periods ended June 30, 1996 and 1995, marketing and selling expenses were $1,094,632 and $997,384, respectively. The increase of $97,248 is primarily due to an increase in personnel costs, partially offset by a decrease in advertising costs.

General and Administrative Expenses

For the three month periods ended June 30, 1996 and 1995, general and administrative expenses were $373,851 and $334,433, respectively. This increase of $39,418 is primarily due to an increase in administrative personnel, partially offset by a decrease in officers' salaries resulting from a voluntary salary reduction by two of the Company's officers during 1996.

For the six month periods ended June 30, 1996 and 1995, general and administrative expenses were $675,034 and $652,756, respectively. This increase of $22,278 is primarily due to an increase in administrative personnel and professional fees, offset by a decrease in officers' salaries.

Research and Development Expenses

The Company's research and development expenses were $324,321 and $271,688 for the three month periods ended June 30, 1996 and 1995, respectively. This increase of $52,633 is primarily a result of increased personnel and related costs incurred in order to continue to refine the Company's existing CameraMan(R) systems and conduct research in complimentary wireless technologies.

For the six month periods ended June 30, 1996 and 1995, research and development expenses were $665,570 and $552,001, respectively. This increase of $113,569 is primarily due to an increase in personnel and related costs.

Nonrecoverable Start-up and Excess Capacity Costs

For the three month periods ended June 30, 1996 and 1995, nonrecoverable start-up and excess capacity costs were $40,000 and $150,488, respectively. For the six month periods ended June 30, 1996 and 1995, nonrecoverable start-up and excess capacity costs were $91,350 and $311,669, respectively. These costs represent labor and overhead costs incurred by the Company in excess of those directly or indirectly attributable to system production. This decrease is due to expanded usage of capacity as production volumes increased, as well as lower overhead costs during 1996 as a result of a decrease in the rental cost for the Company's manufacturing facilities.

Interest Expense

Interest expense represents interest on subordinated debentures payable to related parties. Interest expense was $8,634 and $89,217 for the three month periods ended June 30, 1996 and 1995, respectively, and $75,547 and $178,434 for the six month periods ended June 30, 1996 and 1995, respectively. This decrease in interest expense is primarily a result of the conversion of the subordinated debentures to common stock on April 12, 1996 (see Note 7 to the financial statements included in Item 1).

Interest Income

Interest income was $160,374 and $99,912 for the three month periods ended June 30, 1996 and 1995, respectively, and $242,440 and $203,197 for the six month periods ended June 30, 1996 and 1995, respectively. Interest income primarily represents interest earned on the investment in U.S. government securities of a substantial portion of the proceeds from the Company's initial public offering and its subsequent non-registered offerings in 1996. The increase in interest income is due to the investment of the proceeds from the Company's Regulation S and private placement transactions in April 1996 (see Note 7 to the financial statements included in Item 1), offset somewhat by the Company's use of proceeds from maturing investments to fund operations during 1995 and 1996.

Backlog

As of June 30, 1996, the Company had a backlog of approximately $578,000, as compared to a backlog as of June 30, 1995 of approximately $504,000. Backlog consists of orders received which generally have a specified delivery schedule within three months of receipt.

Liquidity and Capital Resources

At June 30, 1996, the Company had working capital of $8,528,280, a decrease of $152,195 from $8,680,475 at December 31, 1995. This decrease in working capital is primarily due to the increase in accounts payable and decrease in inventories resulting from the Company's increased volume of production during 1996, partially offset by increases in accounts receivable and decreases in short-term investments as maturing investments were used to fund operations during the first half of 1996.

The Company used cash for operating activities of $319,951 and $1,233,707 for the three month periods ended June 30, 1996 and 1995, respectively, and $1,267,750 and $2,175,535 for the six month periods ended June 30, 1996 and 1995, respectively. The decrease in cash used for operating activities is primarily due to increases in accounts receivable, offset by increases in accounts payable and decreases in the Company's net losses for the three and six month periods ended June 30, 1996 as compared to the corresponding periods in 1995. The increases in accounts receivable and accounts payable and the decrease in net losses are primarily attributable to increases in the Company's revenues for the three and six month periods ended June 30, 1996 as compared to the corresponding periods in 1995.

The Company used cash for investing activities of $7,061,928 and $7,084,504 for the three and six month periods ended June 30, 1996, and generated cash from investing activities of $6,790,501 and $3,691,985 for the three and six month periods ended June 30, 1995, respectively. The cash used for investing activities in 1996 is primarily the result of the investment of a substantial portion of the proceeds from the Company's Regulation S and private placement offerings during 1996. The cash generated by investing activities in 1995 is primarily due to the proceeds of maturing investments from the Company's initial public offering.

The Company generated cash from financing activities of $8,211,044 and $8,226,340 for the three and six month periods ended June 30, 1996 and generated cash from financing activities of $40,049 and 55,631 for the three and six month periods ended June 30, 1995. The cash generated from financing activities in 1996 is primarily attributable to the issuance of common stock in connection with the Company's Regulation S offering and other private placement transactions during April 1996 (see Note 7 to the financial statements included in Item 1). The cash generated from financing activities in 1995 represents proceeds from the issuance of common stock upon exercise of employee stock options.

The Company's principal source of liquidity at June 30, 1996 consisted of $5,243,182 in cash and short-term investments resulting from its initial public offering and subsequent Regulation S and private placement offerings. Until the Company generates sufficient revenues from system sales, it will be required to continue to utilize this source of liquidity to cover the continuing expense of product development, marketing and general administration. The Company believes its source of liquidity will provide sufficient resources to meet its cash requirements for the next twelve months as well as on a longer-term basis.

PART II - OTHER INFORMATION

ITEM 3. Legal Proceedings

Not applicable.

ITEM 2. Changes in Securities

Not applicable.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Submission of Matters to a Vote of Security Holders

Not applicable.

ITEM 5. Other Information

Not applicable.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description
10.1	Stock option agreement dated June 19, 1996 between the Registrant and Jeffrey Parker.

(b) No reports on Form 8-K were filed during the quarter ended June 30, 1996.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ParkerVision, Inc. Registrant

August 13, 1996	*By: /s/ Jeffrey Parker* *Jeffrey Parker* *Chairman, President and* *Chief Executive Officer*
August 13, 1996	*By: /s/ Cynthia Poehlman* *Cynthia Poehlman* *Chief Accounting Officer*

Exhibit Index

10.1 Stock option agreement dated June 19, 1996 between the Registrant and Jeffrey Parker.

STOCK OPTION

THIS STOCK OPTION (the "Agreement"), dated as of the 19th day of June 1996, is executed and delivered by PARKERVISION, INC., a Florida corporation (the "Company") to Jeffrey Parker(the "Optionee").

WHEREAS, the Company desires to provide the Optionee an opportunity to purchase its common stock, par value $.01 per share (the "Stock").

NOW THEREFORE, the Company agrees as follows:

1. Grant of Option. The Company irrevocably grants to the Optionee the right and option (the "Option") to purchase one hundred thousand (100,000) shares of Stock (the "Option Shares") on the terms and conditions contained in this agreement. The Option is granted under the ParkerVision, Inc. 1993 Stock Plan (the "Plan").

2. Purchase Price. The purchase price of the Option Shares shall be $13.875 per Option Share (the "Purchase Price").

3. Vesting; Expiration. The Option Shares shall be fully vested as of the date hereof. The right to exercise the Option shall expire ten (10) years after the date hereof.

4. Exercise and Payment. The Option may be exercised by written notice from the Optionee to the Company, addressed to its Secretary. The notice must specify the number of Option Shares which are to be exercised. The Option may not be exercised as to less than one hundred (100) shares at any one time (or the remaining shares then purchasable under the Option, if less than one hundred (100) shares). The notice must be accompanied by payment in cash of the full Purchase Price of the specified Option Shares. Payment of the Purchase Price shall be made by check payable to the order of the Company. All Option Shares purchased shall be fully paid and nonassessable. The Optionee shall remit to the Company at the time of any exercise of the Option any withholding taxes required to be collected by the Company under federal, state or local law as a result of the exercise. The Company shall deliver a certificate representing the Option Shares purchased as soon as practicable after receipt of the notice and full payment of the Purchase Price. The certificate for the Option Shares purchased shall be registered in the name of the Optionee.

5. Purchase for Investment; Registration. Notwithstanding anything to the contrary contained herein, unless the Option Shares to be issued upon exercise of the Option have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, the Optionee shall, upon exercise of the Option, provide a written representation to the Company in form and substance satisfactory to the Company and upon which the Company may reasonably rely, that the Optionee is acquiring the Option Shares as an investment and not with a view to, or for sale in connection with, the distribution of any such Option Shares. Each certificate representing Option Shares issued pursuant to the Option may bear a reference to such investment representation, as well as a legend that the Option Shares have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state, and that the Option Shares may not be sold or transferred unless the Company shall be provided evidence satisfactory to it that such sale or transfer shall not be in violation of the Securities Act of 1933, as amended, or applicable state securities laws, or any rule or regulation promulgated thereunder. Nothing contained herein shall ever require the Company to register the Option Shares under the Securities Act of 1933, as amended, or any state securities laws.

6. Transferability. The Option shall be transferable by the Optionee. Without limiting the foregoing, the Optionee shall have the right to sell, devise, gift, encumber, pledge, lien, grant a security interest in, and/or otherwise transfer, assign and dispose of the Option as the Optionee sees fit.

7. Changes in Capital Structure. If all or any portion of the Option shall be exercised subsequent to any share dividend, share split, recapitalization, merger, consolidation, combination or exchange of shares, separation, reorganization or liquidation occurring after the date hereof, as a result of which (i) shares of any class shall be issued in respect of outstanding stock, or (ii) shares of stock shall be changed into the same or a different number of shares of the same or another class or classes, the person or persons so exercising the Option shall receive, for the aggregate price paid upon such exercise, the aggregate number of the class of shares which, if shares of Stock (as authorized at the date hereof) had been purchased at the date hereof for the same aggregate price (on the basis of the price per share set forth in paragraph 2 hereof) and had not been disposed of, such person or persons would be holding, at the time of such exercise, as a result of such purchase and all such share dividends, share split, recapitalizations, mergers, consolidations, combinations or exchange of shares, separations, reorganizations or liquidations; provided however, that no fractional share shall be issued upon any such exercise and the aggregate price paid shall be approximately reduced on account of any fractional share not issued.

8. General. The Company shall at all times during the term of the Option, reserve and keep available such number of shares of Stock as will be sufficient to satisfy the requirements of this Agreement, shall pay all original issue and transfer taxes with respect to the issue and transfer of shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection therewith, and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Company, shall be applicable thereto.

9. Miscellaneous. This Agreement and the Option hereby granted is subject to the terms and provisions of the Plan. The holder of the Option shall not have any of the rights of a shareholder with respect to unexercised Option Shares.

IN WITNESS WHEREOF, this Agreement has been executed by an authorized officer on behalf of the Company as of the date first written above.

PARKERVISION, INC., a Florida Corporation ("Company")

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By:   /s/ Stacie Wilf
      Stacie Wilf, Secretary
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