

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

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended March 31, 2016**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number **000-22904**

**PARKERVISION, INC.**

(Exact name of registrant as specified in its charter)

**Florida**

(State or other jurisdiction of  
incorporation or organization)

**59-2971472**

(I.R.S. Employer Identification No)

**7915 Baymeadows Way, Suite 400  
Jacksonville, Florida 32256**  
(Address of principal executive offices)

**(904) 732-6100**

(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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  No  .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such file). Yes  No  .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

As of May 9, 2016 11,671,310 shares of the issuer's common stock, \$.01 par value, were outstanding.

---

## TABLE OF CONTENTS

### PART I - FINANCIAL INFORMATION

<u>Item 1. Financial Statements (Unaudited)</u>	3
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	20
<u>Item 4. Controls and Procedures</u>	20

### PART II - OTHER INFORMATION

<u>Item 1. Legal Proceedings</u>	20
<u>Item 1A. Risk Factors</u>	20
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	20
<u>Item 3. Defaults Upon Senior Securities</u>	21
<u>Item 4. Mine Safety Disclosures</u>	21
<u>Item 5. Other Information</u>	21
<u>Item 6. Exhibits</u>	21

<u>SIGNATURES</u>	23
-------------------	----

<u>EXHIBIT INDEX</u>	24
----------------------	----

**PART I - FINANCIAL INFORMATION**

**ITEM 1. Financial Statements**

PARKERVISION, INC.  
BALANCE SHEETS  
(UNAUDITED)

	March 31, 2016	December 31, 2015
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 375,804	\$ 175,401
Restricted cash and cash equivalents	6,843,860	-
Available-for-sale securities	686,771	1,789,947
Accounts receivable, net of allowance for doubtful accounts of \$2,700 and \$0 at March 31, 2016 and December 31, 2015, respectively	19,160	4,119
Inventories	170,461	160,776
Prepaid expenses and other	343,146	222,370
Total current assets	<u>8,439,202</u>	<u>2,352,613</u>
PROPERTY AND EQUIPMENT, net	392,186	445,543
INTANGIBLE ASSETS, net	7,335,885	7,574,933
Total assets	<u>\$ 16,167,273</u>	<u>\$ 10,373,089</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 1,231,342	\$ 2,318,671
Accrued expenses:		
Salaries and wages	207,177	290,169
Professional fees	500,906	1,115,140
Other accrued expenses	83,131	218,962
Deferred rent, current portion	78,433	73,899
Deferred revenue	19,968	20,981
Total current liabilities	<u>2,120,957</u>	<u>4,037,822</u>
<b>LONG-TERM LIABILITIES:</b>		
Capital lease, net of current portion	-	285
Deferred rent, net of current portion	29,360	52,197
Long-term note payable, related party	825,000	-
Secured contingent payment obligation	10,867,044	-
Total long-term liabilities	<u>11,721,404</u>	<u>52,482</u>
Total liabilities	<u>13,842,361</u>	<u>4,090,304</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock, \$.01 par value, 15,000,000 shares authorized, 11,471,310 and 11,015,180 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively*	114,713	110,152
Accumulated other comprehensive loss	(714)	(53)
Warrants outstanding	1,455,625	1,300,000
Additional paid-in capital*	336,546,631	335,527,356
Accumulated deficit	(335,791,343)	(330,654,670)
Total shareholders' equity	<u>2,324,912</u>	<u>6,282,785</u>
Total liabilities and shareholders' equity	<u>\$ 16,167,273</u>	<u>\$ 10,373,089</u>

\*Adjusted to reflect the impact of the 1:10 reverse stock split that became effective on March 30, 2016.

The accompanying notes are an integral part of these unaudited financial statements.

PARKERVISION, INC.  
STATEMENTS OF COMPREHENSIVE LOSS  
(UNAUDITED)

	Three Months Ended	
	March 31,	
	2016	2015
Revenue	\$ 59,420	\$ -
Cost of sales	(37,831)	-
Gross margin	21,589	-
Research and development expenses	952,256	1,757,434
Selling, general and administrative expenses	4,170,028	4,029,611
Total operating expenses	5,122,284	5,787,045
Interest and other income	5,047	12,102
Interest expense	(18,356)	(1,039)
Loss on changes in fair value	(22,669)	-
Total interest and other	(35,978)	11,063
Net loss	(5,136,673)	(5,775,982)
Other comprehensive loss, net of tax:		
Unrealized loss on available-for-sale securities	(661)	-
Other comprehensive loss, net of tax	(661)	-
Comprehensive loss	\$ (5,137,334)	\$ (5,775,982)
Basic and diluted net loss per common share*	\$ (0.45)	\$ (0.59)
Weighted average common shares outstanding*	11,345,040	9,744,017

\*Adjusted to reflect the impact of the 1:10 reverse stock split that became effective on March 30, 2016.

The accompanying notes are an integral part of these unaudited financial statements.

PARKERVISION, INC.  
STATEMENTS OF CASH FLOWS  
(UNAUDITED)

	Three Months Ended	
	March 31,	
	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (5,136,673)	\$ (5,775,982)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	327,625	324,281
Share-based compensation	35,329	519,658
Realized gain on available-for-sale securities	(1,354)	-
Loss on changes in fair value	22,669	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(15,041)	-
Inventories	-	(10,975)
Prepaid expenses and other assets	(120,776)	69,696
Accounts payable and accrued expenses	(1,045,065)	788,038
Deferred rent	(18,303)	(13,907)
Deferred revenue	(1,013)	-
Total adjustments	<u>(815,929)</u>	<u>1,676,791</u>
Net cash used in operating activities	<u>(5,952,602)</u>	<u>(4,099,191)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of available-for-sale investments	(1,701,131)	(937,097)
Proceeds from sale of investments	2,805,000	4,465,000
Payments for patent costs and other intangible assets	(43,217)	(163,473)
Purchases of property and equipment	(1,687)	(37,194)
Increase in restricted cash and cash equivalents	(10,000,000)	-
Decrease in restricted cash and cash equivalents	3,156,140	-
Net cash (used in) provided by investing activities	<u>(5,784,895)</u>	<u>3,327,236</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds from issuance of common stock and warrants in public and private offerings	988,506	1,298,000
Principal payments on capital lease obligation	(50,606)	(15,302)
Proceeds from long-term debt financing	11,000,000	-
Net cash provided by financing activities	<u>11,937,900</u>	<u>1,282,698</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>200,403</b>	<b>510,743</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b><u>175,401</u></b>	<b><u>218,925</u></b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b><u>\$ 375,804</u></b>	<b><u>\$ 729,668</u></b>

The accompanying notes are an integral part of these unaudited financial statements.

PARKERVISION, INC.

CONDENSED NOTES TO FINANCIAL STATEMENTS

(UNAUDITED)

**1. Description of Business**

ParkerVision, Inc. (“we”, the “Company”, or “ParkerVision”) is in the business of innovating fundamental wireless technologies. We design, develop and market our proprietary radio frequency (“RF”) technologies and products for use in semiconductor circuits for wireless communication products. In addition, we offer engineering consulting and design services, for a negotiated fee, to assist customers in developing prototypes and/or products incorporating wireless technologies.

We believe certain patents protecting our proprietary technologies have been broadly infringed by others and therefore our business plan includes enforcement of our intellectual property rights through patent infringement litigation and licensing efforts.

**2. Liquidity and Going Concern**

Our financial statements were prepared assuming we would continue as a going concern, which contemplates that we will continue in operation for the foreseeable future and will be able to realize assets and settle liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that could result should we be unable to continue as a going concern.

In January 2016, we sold unregistered common stock to an accredited investor in a private placement transaction for \$1 million (see Note 10). In addition, in February and March 2016, we received an aggregate of \$11 million in funding from a litigation funding party, \$1 million of which was for general working capital purposes and the remaining \$10 million of which is restricted for payment of legal fees and expenses in connection with our proceedings at the International Trade Commission (“ITC”) and related patent actions (see Note 8). Our arrangements with regard to the ITC and related proceedings provide for fee caps such that our expenses will not exceed the restricted funds received.

At March 31, 2016, we had cash, cash equivalents, and available-for-sale securities of approximately \$1.1 million and restricted cash and cash equivalents of approximately \$6.8 million. We used approximately \$6.0 million of cash for operations during the three months ended March 31, 2016, of which approximately \$3.2 million was funded from restricted cash and cash equivalents for our ITC proceedings. In addition, we used approximately \$1 million of our unrestricted cash to reduce our current liabilities. We further reduced our current liabilities in February 2016 with the conversion of approximately \$0.8 million in accounts payable to a long-term unsecured note (see Note 8). Our unrestricted capital resources at March 31, 2016 are not sufficient to support our liquidity requirements for 2016. This raises substantial doubt about our ability to continue as a going concern.

Our ability to meet our operating costs for 2016 is dependent upon our ability to (i) successfully negotiate licensing agreements and/or settlements for the use of our technologies by others and/or (ii) our ability to develop, market and sell existing and new products. We expect that revenue generated from patent enforcement actions, technology licenses and/or the sale of products in 2016 may not be sufficient to cover our operating expenses and our secured contingent repayment obligations. Revenues generated from patent-related activities will be used first to satisfy our secured contingent payment obligations.

Thereafter, any remaining revenues from patent-related activities will be subject to prorated contingent payments to third-parties, including legal counsel.

We expect to continue to invest in patent prosecution and enforcement, product development, and sales, marketing, and customer support for our technologies and products. The long-term continuation of our business plan is dependent upon the generation of sufficient revenues from our technologies and/or products to offset expenses and contingent payment obligations. In the event that we do not generate sufficient revenues, we will be required to obtain additional funding through public or private debt or equity financing or contingent fee arrangements and/or reduce operating costs. Failure to generate sufficient revenues, raise additional capital through debt or equity financings or contingent fee arrangements, and/or reduce operating costs will have a material adverse effect on our ability to meet our long-term liquidity needs and achieve our intended long-term business objectives.

### **3. Basis of Presentation**

The accompanying unaudited financial statements for the period ended March 31, 2016 were prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Operating results for the three months ended March 31, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016 or future years. Certain reclassifications have been made to prior period amounts to conform to the current period presentation. All prior period references in these unaudited financial statements to number of shares, price per share and weighted average shares of common stock have been adjusted on a retroactive basis to reflect the one-for-ten reverse stock split that went into effect on March 30, 2016. All normal and recurring adjustments which, in the opinion of management, are necessary for a fair statement of the financial condition and results of operations have been included.

The year-end balance sheet data was derived from audited financial statements for the year ended December 31, 2015, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These interim financial statements should be read in conjunction with our latest Annual Report on Form 10-K for the year ended December 31, 2015.

### **4. Accounting Policies**

There have been no changes in accounting policies from those stated in our Annual Report on Form 10-K for the year ended December 31, 2015, except as follows:

#### **Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents represent cash on hand and money market investments that are restricted for specific use in payment of legal fees and expenses related to certain of our patent infringement actions. The restricted money market investments generally have original maturities of three months or less when purchased and are recorded at fair value. We have determined that the fair value of our restricted money market investments fall within Level 1 in the fair value hierarchy (see Note 11).

### **Secured Contingent Payment Obligation**

We have accounted for our secured contingent repayment obligation as long-term debt in accordance with Accounting Standards Codification (“ASC”) 470-10-25, “Sales of Future Revenues or Various other Measures of Income.” Our repayment obligations are contingent upon the receipt of proceeds from patent enforcement and/or patent monetization actions. We have elected to measure our secured contingent payment obligation at its fair value in accordance with ASC 825, “Financial Instruments” based on the variable and contingent nature of the repayment provisions. We have determined that the fair value of our secured contingent payment obligation falls within Level 3 in the fair value hierarchy which involves significant estimates and assumptions including projected future patent-related proceeds and the risk-adjusted rate for discounting future cash flows (see Note 11). Actual results could differ from the estimates made. Changes in fair value, including the component related to imputed interest, is included in the accompanying statements of comprehensive loss under the heading “Loss on changes in fair value”.

### **Recent Accounting Pronouncements**

In March 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-09, “Improvements to Employee Share-Based Payment Accounting.” ASU 2016-09 simplifies several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, classification on the statement of cash flows and forfeiture rate calculations. ASU 2016-09 is effective for interim and annual periods beginning after December 15, 2016. Early adoption is permitted. We do not expect the adoption of ASU 2016-09 to have a material effect on our financial statements.

In February 2016, the FASB issued ASU 2016-02 “Leases,” to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the new guidance, a lessee will be required to recognize assets and liabilities for capital and operating leases with lease terms of more than 12 months. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018. Early adoption is permitted. We are currently assessing the impact of this update on our financial statements.

In July 2015, FASB issued ASU 2015-11, “Simplifying the Measurement of Inventory (Topic 330).” ASU 2015-11 simplifies the accounting for the valuation of all inventory not accounted for using the last-in, first-out (“LIFO”) method by prescribing inventory be valued at the lower of cost and net realizable value. ASU 2015-11 is effective for interim and annual periods beginning after December 15, 2016 on a prospective basis. Early adoption is permitted. We do not expect the adoption of ASU 2015-11 to have a material effect on our financial position, results of operations or cash flows.

In August 2014, the FASB issued ASU 2014-15 “Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern,” to provide guidance on management’s responsibility in evaluating whether there is substantial doubt about a company’s ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 is effective for interim and annual periods beginning after December 15, 2016. Early adoption is permitted. We are currently assessing the impact of this update on future discussions of our liquidity position in our financial statements and have not early adopted ASU 2014-15.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers.” ASU 2014-09 implements a common revenue standard that clarifies the principles for recognizing revenue. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. ASU 2015-14, “Revenue from Contracts with Customers (Topic 606)”, issued in August 2015, defers adoption of ASU 2014-09 to annual reporting periods beginning after December 15, 2017. Early adoption is not permitted. We do not expect the adoption of ASU 2014-09 to have a material effect on our financial statements.

## 5. Loss per Common Share

Basic loss per common share is determined based on the weighted-average number of common shares outstanding during each period. Diluted loss per common share is the same as basic loss per common share as all common share equivalents are excluded from the calculation, as their effect is anti-dilutive.

Options and warrants to purchase 1,472,401 and 1,330,678 shares of common stock were outstanding at March 31, 2016 and 2015, respectively. In addition, unvested restricted stock units (“RSUs”), representing 208 and 206,207 shares of common stock, were outstanding at March 31, 2016 and 2015, respectively. These options, warrants and RSUs were excluded from the computation of diluted loss per common share as their effect would have been anti-dilutive.

## 6. Inventories

Inventories consist of the following

	March 31, 2016	December 31, 2015
Work-in-process	\$ 126,730	\$ 117,045
Finished goods	43,731	43,731
Total inventories	\$ 170,461	\$ 160,776

## 7. Intangible Assets

Intangible assets consist of the following:

	March 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Patents and copyrights	\$ 20,352,847	\$ 13,016,962	\$ 7,335,885
Prepaid licensing fees	574,000	574,000	-
	\$ 20,926,847	\$ 13,590,962	\$ 7,335,885

	December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Patents and copyrights	\$ 20,309,630	\$ 12,734,697	\$ 7,574,933
Prepaid licensing fees	574,000	574,000	-
	\$ 20,883,630	\$ 13,308,697	\$ 7,574,933

## 8. Long-Term Debt

### Note Payable to a Related Party

At March 31, 2016, we had an unsecured promissory note payable to a related party for unpaid legal fees of \$825,000. Interest on the note is payable monthly on the outstanding principal balance at a rate of 8% per annum. The note matures on December 31, 2017 and early prepayment of all or any portion of the principal balance is allowed without penalty. As of March 31, 2016, the estimated fair value of our note payable is approximately \$695,000 based on a risk-adjusted discount rate.

Failure to comply with the payment terms of this note constitutes an event of default which, if uncured, will result in the entire unpaid principal balance of the note and any unpaid, accrued interest to become immediately due and payable. As of March 31, 2016, we are in compliance with the payment terms of the note.

### Secured Contingent Payment Obligation

On February 25, 2016, we entered into a litigation funding arrangement with Brickell Key Investments, LP, (“BKI”), a special purpose fund under the management of Juridica Asset Management Limited. Under the agreement, we received aggregate proceeds of \$11 million in exchange for BKI’s right to reimbursement and compensation from gross proceeds resulting from patent enforcement and other patent monetization actions. In connection with the agreement, we issued BKI a warrant to purchase up to 250,000 shares of our common stock at an exercise price of \$3.50 per share valued at its estimated fair market value of \$155,625 using a discounted Black-Scholes model (see Note 10).

Under the agreement, \$10 million of the proceeds are restricted for use in payment of our legal fees and expenses in connection with the legal proceedings filed against Apple, LG, Samsung and Qualcomm in December 2015 (the “Funded Actions”). These proceeds, net of funds used to pay allowable expenses or funds paid on retainer, are recorded as restricted cash and cash equivalents on our accompanying balance sheet at March 31, 2016.

BKI is entitled to priority payment of 100% of proceeds from all patent-related actions until such time that BKI has been repaid in full. After repayment of the funded amount, BKI is entitled to a portion of remaining proceeds up to a specified minimum return which is determined as a percentage of the funded amount and varies based on the timing of repayment. In addition, BKI is entitled to a pro rata portion of proceeds solely from the Funded Actions to the extent aggregate proceeds from the Funded Actions exceed the specified minimum return.

We granted BKI a senior security interest in our assets until such time as the specified minimum return is paid, in which case, the security interest will be released except with respect to the patents and proceeds directly related to Funded Actions. The security interest is enforceable by BKI in the event that we are in default under the agreement which would occur if (i) we fail, after notice, to pay proceeds to BKI, (ii) we become insolvent or insolvency proceedings are commenced (and not subsequently discharged) with respect to us, (iii) our creditors commence actions against us (which are not subsequently discharged) that affect our material assets, (iv) we, without BKI’s consent, incur indebtedness other than immaterial ordinary course indebtedness, or (v) there is an uncured non-compliance of our obligations or misrepresentations under the agreement. As of March 31, 2016, we are in compliance with our obligations under this agreement.

We have elected to measure our secured contingent payment obligation at fair value. As of March 31, 2016, the fair value of the obligation is estimated to be \$10,867,044 (see Note 11).

## 9. Share-Based Compensation

There has been no material change in the assumptions used to compute the fair value of our equity awards, nor in the method used to account for share-based compensation from those stated in our Annual Report on Form 10-K for the year ended December 31, 2015.

The following table presents share-based compensation expense included in our statements of comprehensive loss for the three months ended March 31, 2016 and 2015, respectively:

	Three Months Ended March 31,	
	2016	2015
Research and development expenses	\$ 26,480	\$ 115,244
Selling, general and administrative expenses	8,849	404,414
Total share-based expense	\$ 35,329	\$ 519,658

As of March 31, 2016, we had approximately \$144,000 in unrecognized compensation cost, net of estimated forfeitures, related to unvested share-based compensation awards. This cost is expected to be recognized over a weighted average period of approximately two years.

## 10. Stock Authorization and Issuance

On January 25, 2016, we sold 454,546 shares of our common stock at a price of \$2.20 per share to an accredited investor in a private placement transaction generating gross proceeds of approximately \$1,000,000. We have no registration obligations with respect to these shares.

On February 25, 2016, we consummated the sale of a warrant to BKI for the purchase of up to 250,000 shares of our common stock in conjunction with their financing arrangement with us (see Note 8). The warrant has an exercise price of \$3.50 per share, is exercisable for five years from the date of issuance, and has piggy-back registration rights of the underlying warrant shares. The fair value of this warrant of \$155,625 is included in shareholders' equity in the accompanying balance sheet at March 31, 2016.

On March 29, 2016, we effected a one-for-ten reverse stock split of our common stock, and our common stock began trading on the NASDAQ capital market on a post-split basis at the open of business on March 30, 2016. As a result of the reverse stock split, every ten shares of our common stock was combined into one share of our common stock. No fractional shares of our common stock were issued in connection with the reverse stock split. Any fractional shares created as a result of the reverse stock split were rounded up to the next largest whole number. The par value and other terms of our common stock were not affected by the reverse stock split. However, the number of shares of common stock that we are authorized to issue was proportionately reduced from 150,000,000 shares to 15,000,000.

## 11. Fair Value Measurements

ASC 820, "Fair Value Measures" establishes a fair value hierarchy based on three levels of inputs:

- Level 1: Quoted prices for identical assets or liabilities in active markets which we can access
- Level 2: Observable inputs other than those described in Level 1
- Level 3: Unobservable inputs

We determine the fair value of our available-for-sale securities and restricted cash equivalents using a market approach based on quoted prices in active markets (Level 1 inputs). We measure our secured contingent payment obligation at its estimated fair value using an income approach based on the estimated present value of projected future cash outflows (Level 3 inputs). Increases or decreases in the unobservable Level 3 inputs would result in higher or lower fair value measurement.

The following table summarizes the fair value of our assets and liabilities measured at fair value on a recurring basis as of March 31, 2016:

	Total Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>March 31, 2016:</b>				
Assets:				
Available-for-sale securities	\$ 686,771	\$ 686,771	\$ -	\$ -
Restricted cash equivalents	6,843,860	6,843,860	-	-
Liabilities:				
Secured contingent payment obligation	10,867,044	-	-	10,867,044

	Total Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2015:</b>				
Assets:				
Available-for-sale securities	\$ 1,789,947	\$ 1,789,947	\$ -	\$ -

Changes in the fair value of our Level 3 secured contingent payment obligation for the three months ended March 31, 2016 were as follows:

	Secured Contingent Payment Obligation
Balance at December 31, 2015	\$ -
Issuance of contingent payment obligation <sup>1</sup>	10,844,375
Fair value adjustment	22,669
Balance at March 31, 2016	\$ 10,867,044

<sup>1</sup> - Recorded net of \$155,625 fair value assigned to the warrants issued in connection with the transaction (see Note 10).

## 12. Commitments and Contingencies

### Legal Proceedings

From time to time, we are subject to legal proceedings and claims which arise in the ordinary course of our business. These proceedings include patent enforcement actions initiated by us against others for the infringement of our technologies, as well as proceedings brought by others against us at the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office (“PTAB”) in an attempt to invalidate certain of our patent claims. These patent-related proceedings are more fully described below. Although there is at least a reasonable possibility of an unfavorable outcome in any one or more of these matters, we believe that any such outcome is not expected to have a material adverse impact on our financial position, results of operation or liquidity.

#### *ParkerVision vs. Qualcomm, Inc.*

On July 20, 2011, we filed a patent infringement action in the United States District Court of the Middle District of Florida (the “Middle District of Florida”) against Qualcomm Incorporated (“Qualcomm”) seeking damages and injunctive relief for infringement of several of our patents related to radio-frequency receivers and the down-conversion of electromagnetic signals. Qualcomm filed a counterclaim against us alleging invalidity and unenforceability of each of our patents. In October 2013, a jury found that all of Qualcomm’s accused products directly and indirectly infringed all eleven claims of the four patents asserted by us and awarded us \$172.7 million in damages. The jury also found that Qualcomm did not prove its claims of invalidity for any of the eleven claims of the four patents in the case, and furthermore found that we did not prove our claims of willfulness, which would have allowed enhancement of the jury-awarded damages. On June 20, 2014, a final district court ruling was issued in which the court overturned the jury’s verdict of infringement thus nullifying the damages award. We appealed this decision to the U.S. Court of Appeals for the Federal Circuit (“CAFC”) and Qualcomm filed a counter-appeal on the issues of validity and damages. On July 31, 2015, the appellate court upheld the district court’s determination of non-infringement and overturned the district court’s decision on validity, ruling that ten of the eleven patent claims in the case were invalid. On October 2, 2015, the CAFC denied our petition for a rehearing with respect to infringement of the one claim that was not invalidated by the CAFC. On February 29, 2016, we filed a petition with the Supreme Court of the United States (“Supreme Court”) in this matter. On March 28, 2016, the Supreme Court denied our petition requesting a review of the appellate court’s decision. We have no further appeals available to us in this action.

*ParkerVision vs. Qualcomm, HTC, and Samsung*

On May 1, 2014, we filed a complaint in the Middle District of Florida against Qualcomm, Qualcomm Atheros, Inc., and HTC (HTC Corporation and HTC America, Inc) (the “Qualcomm Action”) seeking unspecified damages and injunctive relief for infringement of seven of our patents related to RF up-conversion, systems for control of multi-mode, multi-band communications, baseband innovations including control and system calibration, and wireless protocol conversion. On August 21, 2014, we amended our complaint adding Samsung (Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Telecommunications America, LLC ) as a defendant. We also added infringement claims of four additional patents to this case. On November 17, 2014, certain of the defendants filed counterclaims of non-infringement and invalidity for all patents in the case. A claim construction hearing was held on August 12, 2015 but no ruling on claim construction has been issued by the court. In January 2016, the court granted the parties’ joint motion to dismiss claims and counterclaims related to six patents in the case in order to narrow the scope of the litigation. In February, 2016, the court granted the parties’ joint motion to stay these proceedings until resolution of the proceedings at the ITC as discussed below.

*Qualcomm Inc. and Qualcomm Atheros, Inc. vs. ParkerVision*

On August 27, 2015, Qualcomm, Inc. and Qualcomm Atheros, Inc. filed an aggregate of ten petitions for *Inter partes* review (“IPR”) with the PTAB seeking to invalidate certain claims related to three of the eleven patents originally asserted in our Qualcomm Action. We filed preliminary responses to these petitions in December 2015. In March 2016, the PTAB issued decisions denying institution of trial for three of the petitions, all of which relate to our U.S. patent 7,039,372 (“the ‘372 Patent”) and instituting trial for the remaining petitions, all of which relate to our U.S. patent 6,091,940 (the ‘940 Patent”) and U.S. patent 7,966,012 (“the ‘012 Patent”). The ‘372 Patent and the ‘940 Patent are among the patents asserted in the Qualcomm Action. On May 2, 2016, we entered a motion disclaiming the challenged claims of the ‘012 Patent and, on May 5, 2016, the PTAB granted our motion and entered an adverse judgment against us with respect to those claims. Our responses to the remaining petitions that were instituted for trial are due to be filed by May 24, 2016 and replies from Qualcomm are due in August 2016.

*ParkerVision v. Apple, LG, Samsung and Qualcomm*

On December 15, 2015, we filed a complaint with the United States ITC against Apple, Inc., LG (LG Electronics, Inc., LG Electronics U.S.A., Inc., and LG Electronics MobileComm U.S.A., Inc.), Samsung (Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Semiconductor, Inc.) and Qualcomm alleging that these companies have engaged in unfair trade practices by unlawfully importing into the U.S. and selling various products that infringe four of our patents. We also requested that the ITC bar the defendants from continuing to import and sell infringing products in the U.S. We filed a corresponding patent infringement complaint in the Middle District of Florida against these same defendants alleging infringement of four of our patents. In January 2016, the ITC instituted an investigation based on our complaint. In February 2016, the district court proceedings were stayed pending resolution of the proceedings at the ITC. Discovery is ongoing in the ITC action with a hearing currently scheduled for August 2016.

## **ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

### Forward-Looking Statements

We believe that it is important to communicate our future expectations to our shareholders and to the public. This quarterly report contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, including, in particular, statements about our future plans, objectives, and expectations contained in this Item. When used in this quarterly report and in future filings by us with the Securities and Exchange Commission (“SEC”), the words or phrases “expects”, “will likely result”, “will continue”, “is anticipated”, “estimated” or similar expressions are intended to identify “forward-looking statements.” Readers are cautioned not to place undue reliance on such forward-looking statements, each of which speaks only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected, including the risks and uncertainties identified in our annual report on Form 10-K for the fiscal year ended December 31, 2015 (the “Annual Report”) and in this Item 2 of Part I of this quarterly report. Examples of such risks and uncertainties include general economic and business conditions, competition, unexpected changes in technologies and technological advances, the timely development and commercial acceptance of new products and technologies, reliance on key business and sales relationships, reliance on our intellectual property, the outcome of our intellectual property litigation and the ability to obtain adequate financing in the future. We have no obligation to publicly release the results of any revisions which may be made to any forward-looking statements to reflect anticipated events or circumstances occurring after the date of such statements.

### Corporate Website

We webcast our earnings calls and certain events we participate in or host with members of the investment community in the investor relations section of our website. Additionally, we announce investor information, including news and commentary about our business, financial performance and related matters, SEC filings, notices of investor events, and our press and earnings releases, in the investor relations section of our website (<http://ir.parkervision.com>). Investors and others can receive notifications of new information posted in the investor relations section in real time by signing up for email alerts and/or RSS feeds. Further corporate governance information, including our governance guidelines, board committee charters, and code of conduct, is also available in the investor relations section of our website under the heading “Corporate Governance.” The content of our website is not incorporated by reference into this quarterly report or in any other report or document we file with the SEC, and any references to our website are intended to be inactive textual references only.

### Overview

We are in the business of innovating fundamental wireless technologies. We design, develop and market our proprietary radio frequency (“RF”) technologies and products for use in semiconductor circuits for wireless communication products. We have expended significant financial and other resources to research and develop our RF technologies and to obtain patent protection for those technologies in the United States and certain foreign jurisdictions. We believe certain patents protecting our proprietary technologies have been broadly infringed by others and therefore our business plan includes enforcement of our intellectual property rights through patent infringement litigation and licensing efforts.

We have a three-part growth strategy that includes product and component sales and design services, intellectual property licensing and/or product ventures, and intellectual property enforcement. We have made significant investments in developing and protecting our technologies and products, the returns on which are dependent upon the generation of future revenues from product sales and/or licensing for realization.

#### Recent Events

##### *Reverse Stock Split*

On March 29, 2016, we effected a one-for-ten reverse stock split of our common stock and our common stock began trading on the NASDAQ Capital Market on a post-split basis at the open of business on March 30, 2016. As a result of the reverse stock split, every ten shares of our common stock was combined into one share of our common stock. Any fractional shares created as a result of the reverse stock split were rounded up to the next largest whole number. The par value and other terms of our common stock were not affected by the reverse stock split. However, the number of shares of common stock that we are authorized to issue was proportionately reduced from 150,000,000 shares to 15,000,000.

##### *Litigation Funding Arrangement*

In February 2016, we entered into an agreement with Brickell Key Investments LP (“BKI”), a special purpose fund under the management of Juridica Asset Management Limited, to fund our International Trade Commission (“ITC”) and related district court actions (the “Funded Actions”). We received \$11 million from BKI to be used primarily for payment of legal fees and expenses for the Funded Actions. Under the terms of the funding agreement, we will reimburse and compensate BKI from gross proceeds generated from our patent assets, including the Funded Actions and our other patent enforcement actions and patent monetization activities, up to an agreed minimum return. Thereafter, BKI is entitled to a prorated portion of proceeds solely from the Funded Actions and only to the extent the proceeds from Funded Actions exceed the specified minimum return.

We granted BKI a senior security interest in our assets until such time as the specified minimum return is paid, in which case, the security interest will be released except with respect to the patents and proceeds directly related to Funded Actions. The security interest is enforceable by BKI in the event that we are in default under the agreement. As of March 31, 2016, we are in compliance with our obligations under the agreement.

##### Liquidity and Capital Resources

At March 31, 2016, our capital resources consisted of approximately \$1.1 million in cash, cash equivalents and available-for-sale securities and approximately \$6.8 million in restricted cash and cash equivalents. The restricted cash and cash equivalents represents the unused portion of the restricted funds received from BKI (see “Recent Events”). Our arrangements with regard to the ITC and related proceedings provide for fee caps such that our expenses will not exceed the restricted funds received. We used cash for operations of approximately \$6 million for the three months ended March 31, 2016, of which, approximately \$3.2 million was funded from restricted cash and cash equivalents. In addition, we used approximately \$1 million from our unrestricted cash to reduce our current liabilities. We further reduced our current liabilities in February 2016 with the conversion of approximately \$0.8 million in accounts payable to a long-term unsecured note. Our unrestricted capital resources at March 31, 2016 are not sufficient to support our liquidity requirements for 2016 which raises substantial doubt about our ability to continue as a going concern.

Our repayment obligation to BKI is recorded as a long-term liability in our accompanying balance sheets and will be measured at its estimated fair value at the end of each reporting period. As of March 31, 2016, the fair value of the obligation is estimated to be \$10,867,044. In addition, the unsecured promissory note that we converted from current accounts payable matures in December 2017.

Our ability to meet our operating costs for 2016 is dependent upon our ability to (i) successfully negotiate licensing agreements and/or settlements for the use of our technologies by others and/or (ii) our ability to develop, market and sell existing and new products. We expect that revenue generated from patent enforcement actions, technology licenses and/or the sale of products in 2016 may not be sufficient to cover our operating expenses and our secured contingent repayment obligations. Revenues generated from patent-related activities will be used first to satisfy our secured contingent payment obligations. Thereafter, any remaining revenues from patent-related activities will be subject to prorated contingent payments to third-parties, including legal counsel.

We expect to continue to invest in patent prosecution and enforcement, product development, and sales, marketing, and customer support for our technologies and products. The long-term continuation of our business plan is dependent upon the generation of sufficient revenues from our technologies and/or products to offset expenses and contingent payment obligations. In the event that we do not generate sufficient revenues, we will be required to obtain additional funding through public or private debt or equity financing or contingent fee arrangements and/or reduce operating costs. Failure to generate sufficient revenues, raise additional capital through debt or equity financings or contingent fee arrangements, and/or reduce operating costs will have a material adverse effect on our ability to meet our long-term liquidity needs and achieve our intended long-term business objectives.

#### Fair Value Measurements

We have elected to measure our secured contingent payment obligation at fair value which is based on significant unobservable inputs. We estimated the fair value of our secured contingent payment obligation using an income approach based on the estimated present value of projected future cash outflows using a risk-adjusted discount rate. Increases or decreases in the significant unobservable inputs could result in significant increases or decreases in fair value.

#### Results of Operations for Each of the Three Months Ended March 31, 2016 and 2015

##### Revenue and Gross Margin

We reported approximately \$59,400 in revenue for the three months ended March 31, 2016 from engineering services for wireless product testing. Our gross margin for the three months ended March 31, 2016 was approximately \$21,500, or 36%. Our cost of sales includes cost of materials and the cost of labor and overhead incurred under engineering design contracts. At March 31, 2016, we have deferred revenue of approximately \$20,000 representing component product inventory held by a distributor. We reported no revenue for the three months ended March 31, 2015.

### Research and Development Expenses

Research and development expenses consist primarily of engineering and related management and support personnel costs; fees for outside engineering design services which we use from time to time to supplement our internal resources; amortization and depreciation expense related to our patents and other assets used in product development; prototype production and materials costs, which represent the fabrication and packaging costs for prototype integrated circuits, as well as the cost of supporting components for prototype board development; software licensing and support costs, which represent the annual licensing and support maintenance for engineering design and other software tools; and rent and other overhead costs for our engineering design facility. Personnel costs include share-based compensation amounts which have been determined based on the grant date fair value of equity-based awards to our employees and then recorded to expense over the vesting period of the award.

Our research and development expenses decreased approximately \$805,000, or 46%, during the three months ended March 31, 2016 when compared to the same period in 2015. This decrease is primarily due to a reduction in personnel and related expenses of approximately \$552,000 as well as a decrease in share-based compensation expense of approximately \$89,000.

The decrease in personnel and related expenses is primarily the result of our June 2015 reduction in workforce. The decrease in share-based compensation expense is primarily a result of a reduction in share-based awards since 2013 and a decrease in expense attribution for long-term equity incentive awards granted to engineering personnel in prior years that became fully vested by mid-2015.

### Selling, General, and Administrative Expenses

Selling, general and administrative expenses consist primarily of executive, director, sales and marketing, and finance and administrative personnel costs, including our share-based compensation, and costs incurred for insurance, shareholder relations and outside legal and professional services, including litigation expenses.

Our selling, general and administrative expenses increased approximately \$140,000 or 3%, during the three months ended March 31, 2016 when compared to the same period in 2015. This is the result of an increase in litigation fees of approximately \$710,000, partially offset by a decrease in share-based compensation expense of approximately \$396,000 and a decrease in personnel and related expenses of approximately \$173,000.

The increase in litigation related fees and expenses for three months ended March 31, 2016 is the result of increased patent related legal activities to support our ITC case against Apple, LG, Samsung, and Qualcomm. These increased costs are funded from our restricted cash and cash equivalents.

The decrease in share-based compensation expense for the three months ended March 31, 2016 is primarily the result of a reduction in share-based awards to directors and executives along with a decrease in expense attribution related to executive long-term equity incentive awards from prior years that became fully vested in mid-2015. The decrease in personnel and related expenses is primarily the result of our June 2015 reduction in workforce.

### Off-Balance Sheet Transactions, Arrangements and Other Relationships

As of March 31, 2016, we had outstanding warrants to purchase 815,217 shares of our common stock. The estimated grant date fair value of these warrants of \$285,625 is included in shareholders' equity in our balance sheets.

These warrants include three warrants, each for the purchase of up to 188,406 shares of our common stock at exercise prices of \$15, \$25 and \$35, respectively that were purchased by a third-party on January 15, 2015. These warrants are exercisable through January 15, 2018. The remaining warrant is for the purchase of up to 250,000 shares of our common stock at an exercise price of \$3.50 that was issued to BKI in February 2016. This warrant is exercisable through February 24, 2021.

#### Contractual Obligations

There have been no material changes in our contractual obligations as set forth in our Annual Report, except as follows:

In February, 2016, we converted \$825,000 in current liabilities to a related party to an unsecured promissory note. Interest on the note is payable monthly on the outstanding principal balance at a rate of 8% per annum and the note matures on December 31, 2017.

Also in February, 2016, we entered into a litigation funding agreement with BKI whereby we received proceeds of \$11 million in exchange for BKI's right to reimbursement and compensation from gross proceeds resulting from patent enforcement and other patent monetization actions. The amount and timing of our repayment obligation is dependent upon the amount and timing of proceeds received by us for patent-related activities. We have recorded this obligation at its estimated fair market value of approximately \$10.9 million at March 31, 2016.

#### Critical Accounting Policies

There have been no changes in accounting policies from those stated in our Annual Report, except as follows:

##### **Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents represent cash on hand and money market investments that are restricted for specific use in payment of legal fees and expenses related to certain of our patent infringement actions. The restricted money market investments generally have original maturities of three months or less when purchased and are recorded at fair value.

##### **Secured Contingent Payment Obligation**

We have accounted for our secured contingent repayment obligation as long-term debt in accordance with Accounting Standards Codification ("ASC") 470-10-25, "Sales of Future Revenues or Various other Measures of Income." Our repayment obligations are contingent upon the receipt of proceeds from patent enforcement and/or patent monetization actions. We have elected to measure our secured contingent payment obligation at its fair value in accordance with ASC 825, "Financial Instruments" based on the variable and contingent nature of the repayment provisions. We have determined that the fair value of our secured contingent payment obligation falls within Level 3 in the fair value hierarchy which involves significant estimates and assumptions including projected future patent-related proceeds and the risk-adjusted rate for discounting future cash flows. Actual results could differ from the estimates made.

### **ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.**

For the three months ended March 31, 2016, there were no material changes from the market risk information disclosed under Item 7A of Part II of our Annual Report.

### **ITEM 4. Controls and Procedures.**

#### Evaluation of Disclosure Controls and Procedures

As of March 31, 2016, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our “disclosure controls and procedures,” as defined in Rule 13a-15(e) under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”). Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of March 31, 2016.

#### Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) under the Exchange Act that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **ITEM 1. Legal Proceedings.**

Reference is made to the section entitled “Legal Proceedings” in Note 12 to our unaudited financial statements included in this quarterly report for a discussion of current legal proceedings, which discussion is incorporated herein by reference.

### **ITEM 1A. Risk Factors.**

There have been no material changes from the risk factors disclosed in Item 1A of Part I of our Annual Report. In addition to the information in this quarterly report, the risk factors disclosed in our Annual Report should be carefully considered in evaluating our business because such factors may have a significant impact on our business, operating results, liquidity and financial condition.

### **ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

On January 25, 2016, we sold 454,546 shares of our common stock at a price of \$2.20 per share to an accredited investor in a private placement transaction generating gross proceeds of approximately \$1,000,000. We have no registration obligations with respect to these shares. The common stock was offered and sold solely to the accredited investor on a private placement basis under Section 4(a)(2) of the Securities Act of 1933, as amended.

On February 25, 2016, we consummated the sale of a warrant to BKI for the purchase of up to 250,000 shares of our common stock in conjunction with their financing arrangement with us. This warrant has an exercise price of \$3.50 per share, is exercisable for five years from the date of issuance, and has piggy-back registration rights of the underlying warrant shares. The fair value of this warrant of \$155,625 is included in shareholders’ equity in the accompanying balance sheet at March 31, 2016. The warrant was offered and sold solely to BKI on a private placement basis under Section 4(a)(2) of the Securities Act of 1933, as amended.

The proceeds from our unregistered sales of equity securities will be used for general working capital purposes.

**ITEM 3. Defaults Upon Senior Securities.**

None.

**ITEM 4. Mine Safety Disclosures.**

Not applicable.

**ITEM 5. Other Information.**

On May 16, 2016, we issued a press release announcing our results of operations and financial condition for the three months ended March 31, 2016. The press release is attached hereto as Exhibit 99.1.

The foregoing information, including the exhibit related thereto, is furnished in response to Item 2.02 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any disclosure document of the Registrant, except as shall be expressly set forth by specific reference in such document.

**ITEM 6. Exhibits.**

- 3.1 Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed March 29, 2016)
- 3.2 Bylaws, as amended (incorporated by reference from Exhibit 3.2 of Annual Report on Form 10-K for the year ended December 31, 1998)
- 3.3 Certificate of Designations of the Preferences, Limitations, and Relative Rights of Series E Preferred Stock, dated November 21, 2005 (incorporated by reference from Exhibit 4.02 of Form 8-K filed November 21, 2005)
- 3.4 Amended and Restated Bylaws (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed August 14, 2007)
- 10.1 Form of Securities Purchase Agreement dated January 21, 2016 (incorporated by reference from Exhibit 10.1 of Current Report of Form 8-K filed January 21, 2016)
- 10.2 Claims Proceeds Investment Agreement between Registrant and Brickell Key Investments LLP\*\*
- 10.3 Warrant Agreement between Registrant and Brickell Key Investments LLP\*
- 31.1 Section 302 Certification of Jeffrey L. Parker, CEO\*
- 31.2 Section 302 Certification of Cynthia Poehlman, CFO\*
- 32.1 Section 906 Certification\*
- 99.1 Earnings Press Release\*

101.INS XBRL Instance Document\*  
101.SCH XBRL Taxonomy Extension Schema\*  
101.CAL XBRL Taxonomy Extension Calculation Linkbase\*  
101.DEF XBRL Taxonomy Extension Definition Linkbase\*  
101.LAB XBRL Taxonomy Extension Label Linkbase\*  
101.PRE XBRL Taxonomy Extension Presentation Linkbase\*

\*Filed herewith

\*\*Portions of these exhibits have been omitted pursuant to a request for confidential treatment filed separately with the SEC

## 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, thereunto duly authorized.

ParkerVision, Inc.  
Registrant

May 16, 2016

By: /s/ Jeffrey L. Parker  
Jeffrey L. Parker  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

May 16, 2016

By: /s/ Cynthia L. Poehlman  
Cynthia L. Poehlman  
Chief Financial Officer  
(Principal Financial Officer and Principal  
Accounting Officer)

## EXHIBIT INDEX

10.2	Claims Proceeds Investment Agreement between Registrant and Brickell Key Investments LLP**
10.3	Warrant Agreement between Registrant and Brickell Key Investments LLP
31.1	Section 302 Certification of Jeffrey L. Parker, CEO
31.2	Section 302 Certification of Cynthia Poehlman, CFO
32.1	Section 906 Certification
99.1	Earnings Press Release
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

\*\* Portions of these exhibits have been omitted pursuant to a request for confidential treatment filed separately with the SEC.

**\* CERTAIN INFORMATION IN THIS EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED PORTIONS.**

**CLAIMS PROCEEDS INVESTMENT AGREEMENT**

**Dated as of 24 February 2016**

**by and between**

**PARKERVISION, INC.**

**and**

**BRICKELL KEY INVESTMENTS LP**

---

This CLAIMS PROCEEDS INVESTMENT AGREEMENT, dated as of 24 February 2016 (this “**Agreement**”), between:

- **ParkerVision, Inc.**, a Florida corporation, with its principal place of business at 7915 Baymeadows Way, Suite 400, Jacksonville, Florida 32256 (“**PARKERVISION**”); and
- **Brickell key investments lp**, a Delaware limited partnership, with its principal place of business at 11 New Street, St. Peter Port, Guernsey GY1 2PF (“**INVESTOR**”)

(each of PARKERVISION and INVESTOR is referred to herein individually, as a “**Party**” and, collectively, as the “**Parties**”).

#### **Preamble**

A. PARKERVISION is seeking a total of \$11,000,000 (Eleven Million Dollars) comprised of an initial commitment of \$10,000,000 (Ten Million Dollars)(the “**Initial Commitment**”) and a contingent commitment in the amount of \$1,000,000 (One Million Dollars) (the “**Contingent Commitment**” and, together with the Initial Commitment, the “**Commitment**”) to fund certain Claims relating to one or more Scheduled Patents as more fully described in Schedule A;

B. INVESTOR invests directly and indirectly in [\*];

C. INVESTOR is prepared to make the Investment (as hereinafter defined) and, in consideration therefore, PARKERVISION is prepared to assign to INVESTOR the Patent Assets Proceeds (as hereinafter defined) subject to the terms and conditions set forth herein.

D. The Parties do not intend to waive any attorney-client privilege or any immunities from discoverability of attorney work product or other privileged materials or communications. The Parties believe they have common interests in the pursuit of the Claims.

NOW THEREFORE, for good and valuable consideration, it is agreed as follows:

#### **1. DEFINITIONS AND INTERPRETATION**

1.1 Definitions. In this Agreement the following terms shall have the meanings given below:

“**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person.

“**Assigned Rights**” has the meaning set forth in Section 3.1.

“**Attorney Engagement Agreement**” means the Engagement Agreement between an Attorney and PARKERVISION related to the Claims.

“**Attorneys**” means McKool, Mintz and all other attorneys retained by PARKERVISION for prosecuting the Claims.

“**Authorization**” means an authorization, consent, approval, resolution, license, exemption, filing, notarization or registration.

“**Authorized**” means authorized by any and all action or Authorization required to make the action contemplated thereby legally binding on a Party.

“**Business Day**” means any day, excluding Saturday, Sunday, any day which is a legal holiday in New York, New York or a day on which banking institutions in such jurisdiction is authorized or required by law or other governmental action to close.

“**Claims Costs and Expenses**” as used in this Agreement means costs, expenses and disbursements directly related to the Claims, including (without limitation) [\*].

“**Claims**” means the cases and claims referenced in Schedule A asserted or to be asserted by PARKERVISION, or any of its affiliates or by special purpose vehicle(s) against alleged infringers including, but not limited to, [\*].

“**Claims Proceeds Account**” means the client trust account in the name of PARKERVISION under the control of an Attorney designated for the purposes of receiving and holding the Scheduled Patents Proceeds and the Patent Asset Proceeds pursuant to Section 3.2 and to be operated in accordance with such section.

“**Closing**” means the closing of the transactions contemplated hereby pursuant to Section 5.2.

“**Closing Date**” means the date on which each of the conditions set forth in Sections 5.1 and 5.2 of this Agreement is satisfied or waived by the applicable Party.

“**Commitment**” has the meaning set forth in Preamble A.

“**Contingent Commitment**” has the meaning set forth in Preamble A. [\*]

“**Default**” means any event or circumstance specified in Section 8 (Events of Default) that would (with the expiration of a grace period or the giving of notice) become an Event of Default. A Default is “continuing” if it has not been remedied or waived.

“**Defendant**” means any of the defendants that is the subject of the Claims.

“**Disputes**” has the meaning set forth in Section 9.3.

“**Dollar**” or “**\$**” means United States Dollars.

“**Funding Documents**” means, collectively, this Agreement, the Perfection Documents, the Subordination Agreement and any other document contemplated by this Agreement.

“**Initial Commitment**” has the meaning set forth in Preamble A.

“**INVESTOR**” mean Brickell Key Investments LP, as set forth in the Preamble.

[\*]

“**Investment**” has the meaning set forth in Section 2.1.

[\*]

“**Material Adverse Effect**” means (a) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business or properties of the Party in question and its Subsidiaries, taken as a whole, (b) a material impairment of the ability of the Party in question to perform any of its obligations under any material provision of any Funding Document, or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Party in question of any material provision of any Funding Document.

“**McKool**” means McKool Smith, a professional corporation.

“**Minimum Return**” has the meaning set forth in Section 3.3(a).

“**Mintz**” means Mintz Levin Cohn Ferris Glovsky and Popeo PC.

[\*]

“**Party**” and “**Parties**” have the respective meanings set forth in the third introductory paragraph of this Agreement.

“**Patent Assets**” means those patents and Pending Patent Applications set forth in Schedule B.

“**Patent Assets Proceeds**” means [\*]. For the avoidance of doubt, Patent Assets Proceeds shall be payable to INVESTOR only when received by PARKERVISION or any of its Affiliates or Attorneys.

“**Pending Patent Applications**” means any patent application, U.S. or foreign, that has been filed but not yet issued as a patent, including but not limited to, any provisional or nonprovisional (utility) application, including any continuations, continuations-in-part, divisionals, reissues, refilings, PCTs, or equivalent applications.

“**Perfection Documents**” means those documents required to perfect the security interests provided for in Section 4 of this Agreement under the laws of Florida and all other jurisdictions in which PARKERVISION has property or assets including, but not limited, those Perfection Documents listed in Annex E.

“**Person**” means any individual, firm, company, corporation, partnership, limited liability company, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality).

“**Proceeds**” means any or all of the Scheduled Patents Proceeds and the Patent Assets Proceeds.

**“Scheduled Patents Proceeds”** means [\*]. For the avoidance of doubt, Scheduled Patents Proceeds shall be payable to INVESTOR only when received by PARKERVISION or any of its Affiliates or Attorneys.

**"Scheduled Patents"** means those patents and Pending Patent Applications set forth in Schedule A.

**“Rights”** means, with respect to any Person, such Person’s rights, titles, claims, options, powers, privileges and interests.

**“Security”** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect.

**"Security Interest"** has the meaning set forth in Section 4.1.

**"Subordination Agreement"** mean that certain Subordination Agreement entered into between PARKERVISION and [\*] of even date herewith.

**“Taxes”** means any foreign, federal, state, local, municipal or other governmental taxes, duties, levies, fees, excises or tariffs, arising as a result of or in connection with any amounts or property received or paid under this Agreement, including, without limitation: (i) any state or local sales or use taxes; (ii) any import, value-added or consumption tax; (iii) any business transfer tax; (iv) any taxes imposed or based on or with respect to or measured by any net or gross income or receipts of any of the Parties; (v) any withholding or franchise taxes, taxes on doing business, gross receipts taxes or capital stock or property taxes; or (vi) any other tax now or hereafter imposed by any governmental or taxing authority on any aspect of this Agreement, the Proceeds, the Investment or the Assigned Rights, and “pre-Tax” shall mean before the deduction of any of the foregoing. Taxes shall also include any interest or penalties imposed on or with respect to the foregoing.

**"Warrants"** mean those warrants to be issued in conjunction with the Investment substantially in the form attached hereto as Annex F

1.2 Construction. Unless a contrary indication appears, the following shall apply in this Agreement:

(a) A reference to this “Agreement” or to any other agreement or document refers to this Agreement or such other agreement or document, together with all annexes, exhibits and schedules hereto or thereto and all documents expressly incorporated herein or therein by reference, and such shall be a reference to this Agreement or such other agreement or document as amended, extended, modified, novated, restated or supplemented from time to time.

(b) A term used in any other agreement or document referred to herein or in any notice given under or in connection with this Agreement or any other agreement or document has the same meaning in such other agreement, document or notice as defined in this Agreement.

(c) Article, Section and Exhibit headings are for ease of reference only.

(d) A provision of law is a reference to that provision as amended or re-enacted;

(e) A "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization;

(f) A document expressed to be "on the approved terms" means a document, the terms, conditions and form of which have been agreed by the Parties and a copy of which has been identified as such and initialled by or on behalf of each of the Parties; and

(g) A reference to Proceeds being "received" by PARKERVISION or any of its Affiliates or special purpose vehicles or the "receipt" by PARKERVISION or any of its Affiliates or special purpose vehicles of Proceeds, includes in each case the relevant amount being paid to or to the order of PARKERVISION or any of its Affiliates or special purpose vehicles, or being set off against or otherwise reducing any obligation of PARKERVISION or any of its Affiliates or special purpose vehicles.

## 2. THE INVESTMENT

2.1 Investment. INVESTOR agrees, subject to the terms and conditions of this Agreement, to provide at the Closing the Initial Commitment and, in the discretion of INVESTOR, the Contingent Commitment, which, individually and collectively, shall be considered an investment in the Scheduled Patents Proceeds of the Claims (the "**Investment**"),  
[\*]

[\*]

2.4 Matter Monitoring. PARKERVISION agrees to provide to INVESTOR, and PARKERVISION agrees to direct Attorneys to provide to INVESTOR, [\*]; *provided, however,* that notwithstanding anything to the contrary contained herein, or in any other related agreement or document, in no event shall PARKERVISION be obligated to disclose any privileged information or information subject to a judicially determined protective order at any time or for any purpose.

[\*]

## 3. PROCEEDS

3.1 Assignment of an Interest in the Proceeds. In consideration for the Investment and subject to the terms of this Agreement, PARKERVISION hereby irrevocably assigns to INVESTOR its Rights in and to the Patent Assets Proceeds and the Scheduled Patents Proceeds equal to the Minimum Return and, thereafter, its Rights in and to the Scheduled Patents Proceeds equal to the Additional Return as hereinafter defined (the "**Assigned Rights**").

[\*]

[\*]

[\*]

#### 4. SECURITY INTEREST

4.1 Security Interest. (a) Subject to Section 4.1(b), PARKERVISION grants and assigns to INVESTOR a senior security interest in all of PARKERVISION's assets including, but not limited to, the Scheduled Patents Proceeds, the Scheduled Patents, the Claims, the Patent Assets and the Patent Assets Proceeds equal to the INVESTOR's Minimum Return, and PARKERVISION shall execute and deliver to INVESTOR at the Closing, and INVESTOR may file with necessary filing offices, the Perfection Documents for the purpose of perfecting INVESTOR's Rights in and to the Scheduled Patents Proceeds, Scheduled Patents, Claims, Patent Assets and Patent Assets Proceeds as set forth above, and as notice to third parties that PARKERVISION has conveyed any interest it may have in or to such Scheduled Patents Proceeds, Scheduled Patents, Claims, Patent Assets and Patent Assets Proceeds (the "**Security Interest**").

(b) Upon INVESTOR receiving its Minimum Return, INVESTOR's Security Interest shall be released as to the Patent Assets and Patents Assets Proceeds. For clarity, INVESTOR shall continue to have a Security Interest over the Claims, the Scheduled Patents and Scheduled Patents Proceeds until receipt in full of its Additional Return.

#### 5. CLOSING

5.1 Conditions Precedent to the Investment. INVESTOR shall only be obligated to make the Investment if on the Closing Date:

(a) The representations and warranties of PARKERVISION contained in Section 6.1 of this Agreement shall be true and accurate in all material respects; and

(b) No Default shall have occurred and be continuing or would result from the transactions to be consummated at such time.

5.2 Closing. The obligations of the Parties hereunder shall become effective when and only when each of the following conditions is satisfied (or waived in writing by the appropriate Party):

(a) PARKERVISION shall have authorized in writing the contents and filing of the Perfection Documents;

(b) PARKERVISION and [\*] shall have executed and delivered to each other the Subordination Agreement; and

(c) PARKERVISION shall have demonstrated to INVESTOR that it has contingent arrangements in place, acceptable to INVESTOR, to assure that any and all necessary fees, costs, and expenses for prosecuting the Claims can be met by PARKERVISION either through the Investment, arrangements with Attorneys or otherwise.

5.3 Delivery of Investment. Subject to the satisfaction of the conditions to Closing set forth in Sections 5.1 and 5.2 and, in the case of the Contingent Commitment, the

INVESTOR's discretion, INVESTOR shall deliver the Investment to PARKERVISION as set forth in Annex C.

6. REPRESENTATIONS, WARRANTIES AND INVESTMENT-RELATED DISCLOSURES

6.1 PARKERVISION's Representations, Warranties and Investment-Related Disclosures. PARKERVISION makes the representations and warranties set out in this Section 6.1 to INVESTOR as of (i) the date of this Agreement and (ii) the Closing Date:

(a) Organization and Good Standing. PARKERVISION is a corporation organized, validly existing and in good standing under the laws of Florida, and is Authorized to conduct business in Florida and all other jurisdictions in which it conducts business or operations.

(b) Authorization and Enforceability. PARKERVISION has the requisite power and authority to execute and deliver this Agreement and the other Funding Documents, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by PARKERVISION of this Agreement and the other Funding Documents and the consummation of the transactions contemplated hereby and thereby have been duly Authorized by all required action on the part of PARKERVISION.

(c) Due Execution. This Agreement and the other Funding Documents have been duly executed and delivered by PARKERVISION, and, assuming the due authorization, execution and delivery hereof and thereof by INVESTOR, and as to the Subordination Agreement, [\*], they constitute the valid and legally binding obligations of PARKERVISION and [\*] enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally and by general principles of equity.

(d) Litigation. Except as is not expected to result in a Material Adverse Effect, other than the Claims, there is no claim, action, suit, proceeding, arbitration, investigation or inquiry pending before any governmental entity, or to the knowledge of PARKERVISION, threatened against PARKERVISION or any of its assets. Except as is not expected to result in a Material Adverse Effect, there is not in existence at present and, except in connection with the Claims, PARKERVISION is not aware of the potential for any order, judgment or decree of any court or other tribunal or any agency enjoining or requiring PARKERVISION to take any action of any kind or to which PARKERVISION or its assets are subject or bound.

(e) Title to Property; Absence of Liens and Encumbrances. As of the date of this Agreement and the Closing Date, PARKERVISION is solvent, and owns or will own and has or will have good and marketable title to the Proceeds, Claims, Scheduled Patents and Patent Assets free and clear of all liens and encumbrances or Security in favor of any Person other than INVESTOR or Attorneys pursuant to Attorney Engagement Agreements that are in form and substance reasonably acceptable to INVESTOR. PARKERVISION owns and has good and marketable title to its other assets, free and clear of all liens and encumbrances or Security in favor of any Person other than INVESTOR.

(f) No Conflicts. The execution, delivery and performance by PARKERVISION of this Agreement and the other Funding Documents in accordance with their respective terms do not and will not, after the giving of notice, or the lapse of time or both, or otherwise (i) conflict with, result in a breach of, or constitute a default under the charter or corporate documents of PARKERVISION or, except as is not expected to result in a Material Adverse Effect, any law, statute, ordinance, rule or regulation, or any court or administrative order or process or any contract, agreement, arrangement, commitment or plan to which PARKERVISION is a party or by which PARKERVISION or its assets are bound, (ii) require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any court or public agency or other public authority, or (iii) except as is not expected to result in a Material Adverse Effect, require the consent of any Person under any material agreement, arrangement, or commitment of any nature.

(g) [\*]

(h) Attorney Engagement Agreements. As of the date of this Agreement and the Closing Date, each Attorney Engagement Agreement to which PARKERVISION is a party (a) is enforceable against the parties thereto in accordance with its terms, (b) has not been challenged, repudiated, terminated, cancelled or annulled by a person or party thereto and (c) as to INVESTOR, does not prohibit, inhibit or give a priority in payment of Proceeds to any person.

(i) Other than the Scheduled Patents, Schedule B is a true, correct and complete listing of all patents and Pending Patent Applications held in the name of PARKERVISION, its Affiliates or any special purpose vehicle(s) owned directly or indirectly by PARKERVISION or any of its Affiliates.

6 . 2 INVESTOR's Representations and Warranties. INVESTOR makes the representations and warranties set out in this Section 6.2 to PARKERVISION as of the date of this Agreement and the Closing Date:

(a) Organization and Good Standing. INVESTOR is duly organized in its jurisdiction as set forth in the Preamble.

(b) Authorization and Enforceability. INVESTOR has the requisite power and authority to execute and deliver this Agreement and the other Funding Documents, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by INVESTOR of this Agreement and the other Funding Documents and the consummation of the transactions contemplated hereby and thereby have been duly Authorized by all required action on the part of INVESTOR.

(c) Due Execution. This Agreement and the other Funding Documents have been duly executed and delivered by INVESTOR, as appropriate, and, assuming the due authorization, execution and delivery hereof and thereof by PARKERVISION or any other third party thereto, they constitute the valid and legally binding obligations of INVESTOR enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally and by general principles of equity.

(d) No Conflicts. The execution, delivery and performance by INVESTOR of this Agreement and the other Funding Documents in accordance with their respective terms do not and will not, after the giving of notice, or the lapse of time or both, or otherwise (i) conflict with, result in a breach of, or constitute a default under INVESTOR's constitutive documents or any law, statute, ordinance, rule or regulation, or any court or administrative order or process or, except as is not expected to result in an Material Adverse Effect, any contract, agreement, arrangement, commitment or plan to which INVESTOR is a party or by which INVESTOR or its assets is bound, (ii) require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any court or public agency or other public authority, or (iii) except as is not expected to result in an Material Adverse Effect, require the consent of any Person under any material agreement, arrangement, or commitment of any nature.

(e) Litigation. There is no claim, action, suit, proceeding, arbitration, investigation or inquiry pending before any governmental entity, or to the knowledge of INVESTOR, threatened against INVESTOR, or one of its related entities, that would impact or restrict INVESTOR's ability to comply with the terms of this Agreement. Except as is not expected to result in a Material Adverse Effect, INVESTOR is not aware of the potential for an order, judgment or decree of any court or other tribunal or any agency enjoining or requiring INVESTOR to take any action of any kind or to which INVESTOR or its assets are subject or bound.

## 7. COVENANTS AND TAXES

7.1 Covenants. For so long as any amount is outstanding or obligation of PARKERVISION is remaining under this Agreement or the other Funding Documents, PARKERVISION will (unless it has obtained prior written consent from INVESTOR to the contrary), at its sole cost and expense:

(a) obtain, comply with and use commercially reasonable efforts to do all that is necessary to remain solvent and to maintain PARKERVISION as a legal entity with all requisite Authorizations under all applicable law or jurisdictions to carry on its respective businesses in connection with the Scheduled Patents and Claims (except where the failure to maintain any such Authorization could not reasonably be expected to result in a Material Adverse Effect);

(b) prosecute, and take all necessary actions to ensure that it prosecutes (and where reasonable settlement offers are received, settles), the Scheduled Patents and Claims with all due skill and care including, without limitation, maintaining the appointment of appropriate Attorneys to act on the behalf of PARKERVISION with respect to the Claims; in this regard, PARKERVISION acknowledges and agrees that INVESTOR will not (i) direct the activities of any Attorneys or the Claims, (ii) provide any legal professional services to PARKERVISION, (iii) appear on pleadings or participate in decisions or settlement negotiations for the Claims, (iv) have an attorney-client relationship with PARKERVISION or (v) charge for any consultancy services either during the course of prosecution of the Claims or upon settlement or other Claims resolution;

(c) without the prior written consent of INVESTOR, except as set forth in Sections 2.5, not accept or agree to deploy the capital of any third party lender or capital source in

connection with the Claims, *provided, however*; that PARKERVISION may raise additional equity capital in PARKERVISION for this purpose;

(d) subject to Section 4.1(b), not allow any other Person to hold any Security or payment priority over the Claims, Proceeds, Scheduled Patents and Patent Assets or any rights thereto, without the prior written consent of INVESTOR, which consent may be withheld in the sole and absolute discretion of INVESTOR;

(e) not transfer, sell, assign or otherwise dispose of any of its Rights in or under any of the contracts or agreements relating to the Claims, Scheduled Patents or the Proceeds; or

(f) directly or through Attorneys, keep INVESTOR timely informed of material developments in the Scheduled Patents and Claims and all facts and circumstances that may affect the value of Claims, Scheduled Patents and / or Proceeds related thereto.

7.2 Taxes. (a) All Taxes shall be the financial responsibility of the Party obligated to pay such Taxes as determined by the applicable law and neither Party is or shall be liable at any time for any of the other Party's Taxes incurred in connection with or related to amounts paid under this Agreement. Each Party shall indemnify, defend and hold the other Party harmless from and against any Taxes owed by or assessed against the other Party that are the obligation of such Party and from any claims, causes of action, costs, expenses, reasonable attorneys' fees, penalties, assessments and any other liabilities of any nature whatsoever related to such Taxes.

(b) No tax shall be withheld on any Proceeds payable to the INVESTOR hereunder, provided that the INVESTOR has furnished to PARKERVISION a properly executed Internal Revenue Form W-9.

(c) The Parties agree that, for United States federal income tax purposes, this Agreement, and any related agreement, shall not be construed to create or constitute (i) a partnership, joint venture, or any other agency or employment relationship between the INVESTOR and PARKERVISION or (ii) a debt instrument.

7.3 Successor or Replacement Attorneys. In the event that an Attorney withdraws from prosecuting the Claims or otherwise ceases to act as an Attorney, then PARKERVISION shall appoint successor Attorneys to act as its counsel for the Claims, *provided, however*; that PARKERVISION shall give INVESTOR [\*] Business Days' prior written notice of the Attorneys it proposes to appoint as successors. PARKERVISION shall retain exclusive control to select counsel and to direct the activities of counsel. Should such successor or replacement Attorneys be so appointed, all references to the original Attorney(s) for the Claim(s) shall, where appropriate and effective as of the date of their appointment, be deemed to be a reference to such successor or replacement Attorneys.

## 8. EVENTS OF DEFAULT

8.1 Events of Default. Each of the events or circumstances set out below is an Event of Default:

(a) Non-payment. PARKERVISION fails to pay or distribute when due any amount payable or distributable pursuant to this Agreement at the place and in the currency in which it is expressed to be payable, and such failure to pay or distribute is not remedied within 15 (fifteen) days of INVESTOR giving written notice to PARKERVISION.

(b) Other Obligations. PARKERVISION fails to comply with any provision of the Funding Documents (other than those referred to in subsection (a) above), and such failure to comply is not remedied within twenty (20) Business Days of INVESTOR giving written notice to PARKERVISION.

(c) Misrepresentation. Any representation, warranty or statement made by PARKERVISION in this Agreement, in the other Funding Documents or any other document delivered by or on behalf of PARKERVISION under or in connection herewith or therewith is or proves to have been incorrect, incomplete or misleading in any material respect, and such representation, warranty or statement is not remedied by PARKERVISION within fifteen (15) days of PARKERVISION becoming aware that it is incorrect, incomplete or misleading.

(d) Insolvency.

(i) PARKERVISION is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its material financial obligations or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

(ii) The value of the assets of PARKERVISION (after taking into account the Investment) is less than its liabilities (after taking into account contingent and prospective liabilities); and

(iii) A moratorium is declared in respect of any indebtedness of PARKERVISION. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

(e) Insolvency Proceedings. Any legal proceedings are taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, liquidation, administration or reorganization (by way of voluntary arrangement, scheme of arrangement, or otherwise) of PARKERVISION;

(ii) the filing of a voluntary petition for relief under the bankruptcy provisions of any jurisdiction by PARKERVISION or the filing of an involuntary petition for relief against PARKERVISION which is not dismissed within 45 days of such filing;

(iii) a composition, compromise, assignment or arrangement with any creditor of PARKERVISION, other than in the ordinary course of business;

(iv) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of PARKERVISION or substantially all of the assets of PARKERVISION; or

(v) enforcement of any Security having a value of at least [\*] over any assets of PARKERVISION,

or any analogous procedure or step is taken in any jurisdiction.

(f) Creditors process. Any expropriation, attachment, sequestration, distress or execution or any analogous process with respect to PARKERVISION in any jurisdiction affects any material asset of PARKERVISION and is not discharged within five (5) Business Days.

(g) Incurrence of Indebtedness. PARKERVISION shall not, directly or indirectly, incur or guarantee any indebtedness, other than ordinary course indebtedness up to [\*], except as may be consented to in writing by INVESTOR, such consent not to be unreasonably withheld.

8.2 Rights and Remedies. During the continuance of an Event of Default, INVESTOR may, in its sole and absolute discretion, upon at least fifteen (15) Business Days' written notice to PARKERVISION, do any one or more of the following:

(a) require PARKERVISION to remit to INVESTOR any balance of the Investment remaining, whether held in PARKERVISION bank accounts or in an attorney client escrow account.

(b) except as otherwise provided herein, without notice to or demand upon PARKERVISION, make such payments and do such acts, on behalf of PARKERVISION, as INVESTOR reasonably considers necessary or reasonable to protect its rights under this Agreement;

(c) except as otherwise provided herein, in addition to the foregoing, INVESTOR shall have all rights and remedies provided by law and any rights and remedies contained in any Funding Document (including without limitation enforcing its security interest in the Proceeds Claims, Scheduled Patents and Patent Assets).

8.3 Special Power of Attorney. PARKERVISION hereby appoints INVESTOR (or its respective representatives), effective upon the occurrence and during the continuance of any Event of Default referred to in Section 8.1(d) or 8.1(e), as its attorney-in-fact, with full power of substitution, to do all things and take all actions, in its own name and as attorney-in-fact for PARKERVISION, to pursue any of PARKERVISION's Rights with respect to and/or in the Claims and to engage such legal counsel for the account of PARKERVISION, but at the cost of INVESTOR that INVESTOR shall, in its good faith judgment, deem to be in the best interests of INVESTOR and PARKERVISION. This Special Power of Attorney shall at all times be coupled with an interest and shall survive the dissolution, insolvency or bankruptcy (as the Claims may be under the laws of any jurisdiction) of PARKERVISION. Notwithstanding any provision in this Agreement or the other Funding Documents to the contrary, any and all Proceeds received by or on behalf of PARKERVISION on or after INVESTOR's exercise of its rights in accordance with this Section 8.3 shall be distributed to INVESTOR up to the amount of the INVESTOR's Return. Any costs incurred by INVESTOR pursuant to the exercise of its rights under this Section 8.3 shall be treated as part of the Investment and subject to recovery as part of the INVESTOR's

Return. INVESTOR shall have the right to delegate the powers provided for in this Section 8.3 to a third party.

9. GOVERNING LAW; WAIVER OF SPECIFIC DEFENSES; DISPUTES

9.1 **GOVERNING LAW.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH [\*].

9.2 Specific Waivers. PARKERVISION irrevocably waives and forever and unconditionally releases, discharges and quitclaims, any claims, counterclaims, defenses, causes of action, remedies and/or rights it or its successors in interest has or may in the future have arising from any doctrine, rule or principle of law or equity that this Agreement, or the relationships or transactions contemplated by this Agreement, (i) are against the public policy of any jurisdiction with which PARKERVISION has a connection, or (ii) are unconscionable, or (iii) constitute champerty, maintenance or any impermissible transfers or assignments of property, fees or choses in action, or (iv) violate the rules of professional ethics applicable to PARKERVISION, INVESTOR or any of their lawyers or professional advisers.

9.3 Arbitrable Claims. All actions, disputes, claims and controversies under common law, statutory law, rules of professional ethics, or in equity of any type or nature whatsoever, whether arising before or after the date of this Agreement, and directly relating to: (a) this Agreement and/or any amendments and addenda hereto, or the breach, invalidity or termination hereof; (b) any previous or subsequent agreement between INVESTOR and PARKERVISION related to the subject matter hereof; (c) any act or omission committed by INVESTOR or by any Person affiliated with INVESTOR, or by any member, employee, agent, or lawyer of INVESTOR, whether or not arising within the scope and course of employment or other contractual representation of INVESTOR (provided that such act arises under a relationship, transaction or dealing between INVESTOR and PARKERVISION); and/or (d) any act or omission committed by PARKERVISION, or by any employee, agent, partner or lawyer of PARKERVISION whether or not arising within the scope and course of employment or other contractual representation of PARKERVISION (provided that such act arises under a relationship, transaction or dealing between INVESTOR and PARKERVISION) (collectively, the “**Disputes**”), will be subject to and resolved by binding arbitration under these Sections 9.3 – 9.8. The Parties agree that the arbitrators have exclusive jurisdiction, to the exclusion of any court (except as specifically provided with regard to prejudgment, provisional, or enforcement proceedings in Section 9.5), to decide all Disputes.

9.4 Administrative Body. Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under [\*]. All arbitrator(s) selected will be lawyers with at least ten (10) years’ experience and be licensed to practice law in [\*]. A panel of three arbitrators shall hear all claims exceeding [\*], exclusive of interest, costs and lawyers’ fees. The arbitrator(s) will decide if any inconsistency exists between the rules of the applicable arbitral forum and the arbitration provisions contained herein. If such inconsistency exists, the arbitration provisions contained herein will control and supersede such rules. The arbitrator shall follow the terms of

this Agreement and the applicable law, including without limitation, the attorney-client privilege and the attorney work-product doctrine. [\*].

9.5 Prejudgment and Provisional Remedies. Prior to appointment of the arbitrator, either Party may commence judicial proceedings only for the purpose(s) of: (i) enforcement of the arbitration provisions; (ii) obtaining appointment of arbitrator(s); (iii) preserving the status quo of the Parties pending arbitration as contemplated herein; (iv) preventing the disbursement by any Person of disputed funds; and/or (v) preserving and protecting the rights of either Party pending the outcome of the arbitration. Any such action or remedy will not waive a Party's right to compel arbitration of any Dispute, and any Party may also file court proceedings to have judgment entered on the arbitration award. In any action for prejudgment or provisional relief, any court in which such relief is sought shall determine the availability of such relief without regard to any defenses that may be asserted by the other Party, and any such defenses shall be referred to the exclusive jurisdiction of the arbitrators under Section 9.3. The Parties further agree that a court shall not defer or delay granting prejudgment or provisional relief while any such arbitration takes place.

9.6 Attorneys' Fees. If either PARKERVISION or INVESTOR brings any other action for judicial relief with respect to any Dispute (other than those precisely described in Section 9.5), the Party bringing such action will be liable for and immediately pay all of the other Party's costs and expenses (including attorneys' fees) incurred to stay or dismiss such action and remove or refer such Dispute to arbitration. If either PARKERVISION or INVESTOR brings or appeals an action to vacate or modify an arbitration award and such Party does not prevail, such Party will pay all costs and expenses, including attorneys' fees, incurred by the other Party in defending such action.

9.7 Enforcement. Any award rendered under this Section shall not be subject to appeal and may be enforced under any and all applicable treaties and internal laws of the jurisdiction where the award-debtor is located, including without limitation under the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention).

9.8 Confidentiality of Awards. All arbitration proceedings, including testimony or evidence at hearings, will be kept confidential, although any award or order rendered by the arbitrator(s) pursuant to the terms of this Agreement may be confirmed as a judgment or order in any state or federal or other national court of competent jurisdiction where proceedings are necessary or appropriate to enforce any award or order. This Agreement concerns transactions involving commerce among the several states and foreign countries.

9.9 Survival After Termination. The provisions of this Section 9 will survive the termination of this Agreement.

## 10. MISCELLANEOUS

10.1 Entire Agreement and Amendments. This Agreement and the other Funding Documents constitute the entire agreement between the Parties with respect to the matters covered herein and supersede all prior agreements, promises, representations, warranties, statements, and understandings with respect to the subject matter hereof as between PARKERVISION and

INVESTOR. Each of this Agreement and the Funding Documents are fully enforceable in accordance with their terms. This Agreement may not be amended, altered, or modified except by an amendment or supplement to this Agreement executed by all Parties hereto.

10.2 Partial Invalidity; Severability. If, at any time, any provision of this Agreement or of the other Funding Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction will in any way be affected or impaired.

10.3 Remedies and Waivers. No failure to exercise, nor any delay in exercising, on the part of INVESTOR or PARKERVISION, of any right or remedy under this Agreement or the other Funding Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law. No provision of this Agreement may be waived except in a writing signed by the party granting such waiver.

10.4 Assignment. This Agreement shall inure to the benefit of, and be binding upon the respective successors and assigns of the Parties. Neither PARKERVISION nor INVESTOR shall assign or delegate its rights or obligations under this Agreement or the other Funding Documents without the prior written consent of the other Party; *provided, however*, that, in connection with an eventual syndication by INVESTOR of its rights to potential proceeds from its portfolio of claims, including the Proceeds hereunder, INVESTOR may assign or transfer to a third party all or part of its interest in (i) the Proceeds under this Agreement, (ii) its share of any and all recoveries associated with the Scheduled Patents and / or Claims and / or Patent Assets and (iii) any other rights, licenses or obligations hereunder; *provided, further however*, that the third party assignee or transferee shall not be deemed a client of the Attorneys, shall not have any control over the Claims, shall not become a party to the Claims and shall not have any access to information in respect of the Claims that is privileged or otherwise judicially protected. Notwithstanding the above, INVESTOR may assign, in whole or in part and without the consent of PARKERVISION or any other Person, the rights, benefits and obligations of this Agreement to another pooled investment vehicle managed by Juridica Asset Management Limited, a Guernsey company.

10.5 Confidentiality.

(a) INVESTOR hereby agrees that, without the prior written consent of PARKERVISION, INVESTOR will not disclose, and will direct INVESTOR's representatives (including, without limitation, INVESTOR's outside counsel) not to disclose, to any person either the fact that this Agreement has been made, or any of the parties, terms, conditions or other facts with respect to this Agreement, or any of the information provided by PARKERVISION or any Attorney to INVESTOR pursuant to this Agreement (collectively, the "Confidential Information").

(b) INVESTOR further agrees that none of the Confidential Information shall be disclosed to any person or entity; *provided, however*, that any of such information may be

disclosed by INVESTOR and / or PARKERVISION (A) to INVESTOR's representatives so long as such representatives are informed of the nature of this Agreement and agree to abide by the terms of the same; (B) to the extent INVESTOR and / or PARKERVISION is legally required to do so, to government agencies, regulatory bodies or representatives thereof, courts, arbitral tribunals or pursuant to legal process, *provided that* (I) the non-disclosing Party is provided prior notice as soon as reasonably practical upon disclosing Party's learning of any request and opportunity to contest such request, (II) PARKERVISION or INVESTORS, as the case may be, is provided an opportunity to seek a protective order or other remedy with respect to the disclosure, including without limitation, to ensure that such Confidential Information as is required to be disclosed is afforded confidential treatment, (III) the disclosing Party shall use commercially reasonable efforts to cooperate with the non-disclosing Party in obtaining a protective order or other remedy with respect to such disclosure, and (IV) in the event a protective order or other remedy is not obtained, INVESTOR or PARKERVISION, as the case may be, shall use commercially reasonable efforts to assure the non-disclosing Party that the disclosing Party or its representatives will only furnish that portion of the Confidential Information that is legally required to be disclosed, or (C) if the non-disclosing Party consents in writing to such disclosure before any such disclosure has taken place.

(c) Notwithstanding anything in this Agreement to the contrary, including the provisions of Sections 10.5(a) and 10.5(b), the Parties agree that PARKERVISION may make such filings and disclosures of Confidential Information as it determines, upon advice of counsel, are required by federal and state securities laws and stock exchange rules applicable to PARKERVISION, including without limitation, the United States Securities Exchange Act of 1934, as amended (collectively, "Securities Laws"), provided that PARKERVISION will use reasonable efforts to seek confidential treatment for Confidential Information that PARKERVISION determines, upon advice of counsel, is permitted to be obtained under the Securities Laws. The Parties agree that promptly following the execution of this Agreement PARKERVISION will issue a press release and within four (4) business days following the execution of this Agreement, PARKERVISION will file with the United States Securities and Exchange Commission a Current Report on Form 8-K ("Form 8-K") disclosing the execution of this Agreement and other disclosures required by the Securities Laws. PARKERVISION will provide copies of the press release and the Form 8-K to INVESTOR for INVESTOR's review in advance of PARKERVISION's issuance of the press release and filing of the Form 8-K.

#### 10.6 Notices.

(a) All notices, reports and other communications required or permitted under this Agreement shall be in writing. They shall be delivered by hand or sent by regular mail, courier, fax, email or other reliable means of electronic communication to the Parties at their addresses indicated below or at such other address as may be specified hereafter in writing by any of the Parties to the other Party in accordance with this Section 10.6.

If to PARKERVISION:

ParkerVision, Inc.  
7915 Baymeadows Way  
Suite 400  
Jacksonville, Florida 32256  
Attention: CFO  
Email: cpoehlman@parkervision.com  
jparker@parkervision.com

With a copy to:

Graubard Miller  
The Chrysler Building  
405 Lexington Avenue, 11th Floor  
New York, New York 10174-1901  
Attention: David Miller  
Email: plucido@graubard.com  
dmiller@graubard.com

If to BKI:

Brickell Key Investments LP  
11 New Street  
St. Peter Port  
Guernsey GY1 2PF  
[\*]

With a copy to:

Juridica Asset Management Limited  
11 New Street  
St. Peter Port  
Guernsey GY1 2PF  
[\*]

and

Juridica Asset Management (US) Inc.  
18 Broad Street  
Suite 201D  
Charleston, SC 29401  
U.S.A.  
[\*]

and

Akerman LLP  
750 9th Street, N.W.  
Suite 750  
Washington, D.C. 20001  
U.S.A.  
[\*]

(b) Any notice, report or other communication hereunder shall be deemed to have been delivered and received (i) on the date delivered, if delivered personally by hand or sent by courier, (ii) on the date sent, if sent by fax, email or other form of electronic communication, and (iii) five (5) Business Days after mailing, if placed in the US mail or Guernsey mail, as the Claims may be, by registered or certified mail, first class postage prepaid, with a request for a confirmation of delivery.

(c) Any notice, report or other communication sent under Sections 8 or 9 that is sent by fax, email or other electronic communication must be confirmed by sending a hard paper copy thereof to the recipient in accordance with subsection (a) above, provided, the effective date of such notice, report or other communication shall be as specified in subsection (b) above. If the recipient actually received the fax, email or other electronic form of a notice, report or other communication, then the notice, report or other communication shall be deemed to have been given and delivered even if sender fails to send a hard copy as called for in this subsection.

10.7 Counterparts. This Agreement may be executed in counterparts which, when read together, shall constitute a single instrument, and this has the same effect as if the signatures on the counterparts were on a single copy hereof. A composite copy of this Agreement may be compiled comprising a single copy of the text of this Agreement and one or more copies of the signature pages containing collectively the signatures of all Parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have caused their duly Authorized representatives to execute this Agreement effective as of the date first set forth above.

PARKERVISION, INC.

By: \_\_\_\_\_  
Name: Cynthia L. Poehlman  
Title: Chief Financial Officer

BRICKELL KEY INVESTMENTS LP

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Director for and on behalf of Brickell Key Partners GP Limited,  
as General Partner of Brickell Key Investments LP

THIS WARRANT HAS BEEN ACQUIRED FOR INVESTMENT. NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

## COMMON STOCK PURCHASE WARRANT

### PARKERVISION, INC.

Warrant No.: 20160212-01  
2016

Issue Date: February 24,

Warrant Shares: 2,500,000

This COMMON STOCK PURCHASE WARRANT (this "Warrant") certifies that, for good and valuable consideration, the receipt of which is hereby acknowledged, Brickell Key Investments LP, a Delaware limited liability company (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time or times on or prior to the close of business on the five (5) year anniversary of the Issue Date (the "Termination Date") but not thereafter, to subscribe for and purchase from ParkerVision, Inc., a Florida corporation (the "Company"), up to 2,500,000 shares of Common Stock (the "Warrant Shares").

1. Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings set forth in this Section 1.

(a) "Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act.

(b) "Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

(c) "Commission" means the United States Securities and Exchange Commission.

(d) "Common Stock" means the common stock of the Company, par value \$0.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

---

(e) “Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

(f) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(g) “Person” means an individual, corporation, limited liability company, partnership, association, joint venture, trust, unincorporated organization, other entity or group (as defined in the Exchange Act).

(h) “Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

(i) “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(j) “Trading Day” means a day on which the Trading Market is open for trading.

(k) “Trading Market” means the principal market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

(l) “Transfer Agent” means American Stock Transfer & Trust Company, LLC, the current transfer agent of the Company and any successor transfer agent of the Company.

2. Exercise.

(a) General. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise Form annexed hereto (“Notice of Exercise”). Within three (3) Trading Days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price (defined below) for the shares specified in the applicable Notice of Exercise by wire transfer or cashier’s check drawn on a United States bank. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder

shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.** Under no circumstances will the Company be required to net cash settle this Warrant upon its exercise.

(b) Optional Cashless Exercise. Notwithstanding anything contained herein to the contrary, if a registration statement covering the Warrant Shares that are the subject of the Notice of Exercise (the “Unavailable Warrant Shares”) is not available for the resale of such Unavailable Warrant Shares to the public, the registered holder may, in its sole discretion, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the aggregate Exercise Price, elect instead to receive upon such exercise the “Net Number” of shares of Common Stock determined according to the following formula:

$$\text{Net Number} = [(A \times B) - (A \times C)] / B$$

For purposes of the foregoing formula:

A= the total number of shares with respect to which the Warrant is then being exercised.

B= the arithmetic average of the Closing Sale Prices of the shares of Common Stock for the five (5) consecutive Trading Days ending on the date immediately preceding the date of the Notice of Exercise.

C= the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

(c) Exercise Price. The exercise price per share of the Warrant Shares shall be \$0.35, subject to adjustment hereunder (the “Exercise Price”).

(d) Mechanics of Exercise.

(i) Delivery of Certificates Upon Exercise. Shares of Common Stock purchased hereunder shall be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder’s prime broker with the Depository Trust Company (“DTC”) through its Deposit Withdrawal Agent Commission (“DWAC”) system if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale without volume or manner of sale limitations pursuant to Rule 144, and otherwise by physical delivery of a certificate to the address specified by the Holder in the Notice of Exercise by the date that is three (3) Trading Days after the latest of (x) the delivery to the Company of the Notice of

Exercise Form, (y) surrender of this Warrant (if required) and (z) payment of (A) if this Warrant is exercised on a cash basis, the aggregate Exercise Price as set forth above and (B) all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such shares (such date, the “Warrant Share Delivery Date”). This Warrant shall be deemed to have been exercised on the first date on which all of the foregoing have been delivered to the Company. The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such shares, having been paid.

(ii) Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of the certificate for this Warrant, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to Holder a new Warrant evidencing the rights of Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then, the Holder will have the right to rescind such exercise.

(iv) Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise. If (1) the Company fails to transmit to the Holder (directly or through the Transfer Agent) a certificate or the certificates representing the Warrant Shares pursuant to an exercise (or to credit the account of the Holder’s prime broker at DTC through a DWAC system transaction) on or before the Warrant Share Delivery Date and (2) prior to the time such certificate is received by the registered holder (or such account is credited through a DWAC system transaction), the registered holder, or any third party on behalf of the registered holder or for the registered holder’s account, purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the registered holder of shares represented by such certificate (or such DWAC system transaction) (a “Buy-In”), then the Company shall pay in cash to the registered holder (for costs incurred either directly by such registered holder or on behalf of a third party) the amount by which the total purchase price paid for Common Stock as a result of the Buy-In (including brokerage commissions, if any) exceeds the proceeds received by such registered holder as a result of the sale to which such Buy-In relates. The registered holder shall provide the Company written notice indicating the amounts payable to the registered holder in respect of the Buy-In.

(v) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi) Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

(vii) Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

(e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in

(A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.999% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation of this Section 2(e) or may waive the application of this Section 2(e). Any such increase or decrease or waiver will not be effective until the 61<sup>st</sup> day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

3. Certain Adjustments.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) Fundamental Transactions. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii)

any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the “Successor Entity”) to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of this Warrant, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of

protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

(c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(d) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register (defined below) of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the

Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

4. Limitation on Sales of Warrant Shares. The Holder acknowledges that the Warrant Shares have not been registered under the Securities Act, and agrees that it shall not sell, pledge, distribute, offer for sale, transfer or otherwise dispose of any Warrant Shares, in the absence of (i) an effective registration statement under the Securities Act as to such Warrant Shares and registration or qualification of such Warrant Shares under any applicable “blue sky” or state securities law then in effect or (ii) an opinion of counsel, satisfactory to the Company, that such registration and qualification are not required. Without limiting the generality of the foregoing, unless the resale of the Warrant Shares shall have been effectively registered under the Securities Act, the Warrant Shares issued upon exercise of this Warrant shall be imprinted with a legend in substantially the following form:

This security has been acquired for investment and has not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or applicable state securities laws. This security may not be sold, pledged or otherwise transferred in the absence of such registration or pursuant to an exemption therefrom under the Securities Act and such laws, supported by an opinion of counsel, reasonably satisfactory to the Company and its counsel, that such registration is not required.

5. Transfer of Warrant.

(a) Transfer. Subject to compliance with any applicable state and federal securities laws and the provisions of this Warrant, this Warrant and all rights hereunder may be transferred, in whole or in part, by surrendering this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

(b) New Warrants. This Warrant may be divided upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 5(a), as to any transfer which may be involved in such division, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the “Warrant Register”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

6. Registration Rights. If, at any time during the five (5) year period commencing on February 24, 2016, the Company proposes to file a registration statement under the Securities Act with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into, equity securities, by the Company for its own account or for shareholders of the Company for their account, other than a registration statement (i) filed in connection with any employee stock option or other benefit plan, (ii) for an exchange offer or offering of securities solely to the Company’s existing shareholders, (iii) for an offering of debt that is convertible into equity securities of the Company or (iv) for a dividend reinvestment plan, then the Company shall (x) give written notice of such proposed filing to the holder(s) of this Warrant and any Warrant Shares as soon as practicable but in no event less than ten (10) days before the anticipated filing date, which notice shall describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing underwriter or underwriters, if any, of the offering, and (y) offer to the holder(s) of this Warrant and any Warrant Shares in such notice the opportunity to register the sale of such number of Warrant Shares (the “Registrable Securities”) as such holders may request in writing within five (5) days following receipt of such notice (a “Piggy-Back Registration”). The Company shall cause such Registrable Securities to be included in such registration statement and shall cause the managing underwriter or underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration on the same terms and conditions as any similar securities of the Company and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. All holders of Registrable Securities proposing to distribute their securities through a Piggy-Back Registration that involves an underwriter or underwriters shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such Piggy-Back Registration. If the managing underwriter or underwriters for a Piggy-Back Registration that is to be an underwritten offering advises the Company in writing that the dollar amount or number of shares of Registrable Securities which the holder(s) thereof desire to sell, taken together with all other securities which the Company desires to sell and all other securities, if any, as to which registration has been requested pursuant to written contractual piggy-back registration rights which the holders thereof desire to sell, exceeds the maximum dollar amount or maximum number of shares that can be sold in such offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering, then the Company may remove from such registration statement any Registrable Securities that the managing underwriters shall reasonably request. Any holder of Registrable Securities may elect to withdraw such holder’s request for inclusion of Registrable Securities in any Piggy-Back Registration by giving written notice to the Company of such request to withdraw prior to the effectiveness of the registration statement. The Company (whether on its own determination or as the result of a withdrawal by persons making a demand pursuant to written contractual obligations) may withdraw a registration statement at any time prior to the effectiveness of the registration statement. The Company shall bear all fees

and expenses attendant to registering the Registrable Securities, including the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities, but the Holders shall pay any and all underwriting commissions related to the Registrable Securities.

7. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all

such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding.

(f) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder's rights, powers or remedies.

(g) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. Except as otherwise provided of in this Warrant, the address for such notices and communications shall be as follows: if to (A) the Company, 7915 Baymeadows Way, Suite 400, Jacksonville, Florida 32256, Attention: Chief Financial Officer, and (B) the Holder, Brickell Key Investments LP, 11 New Street, St. Peter Port, Guernsey GY1 2PF, Attention: Corporate Secretary, with copies to Juridica Asset Management Limited, 11 New Street, St. Peter Port, Guernsey GY1 2PF,

Attention: Corporate Secretary and Juridica Asset Management (US) Inc., 18 Broad Street, Suite 201D, Charleston, SC 29401, Attention: William Yuen.

(h) Limitation of Liability. No provision hereof, in the absence of any affirmative action by Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of Holder, shall give rise to any liability of Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(i) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(j) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder.

(k) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(l) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(m) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

\*\*\*\*\*

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

PARKERVISION, INC.

By:

Name: Cynthia L. Poehlman  
Title: Chief Financial Officer

## NOTICE OF EXERCISE

To: ParkerVision, Inc.

(1) The undersigned hereby elects to exercise Warrant No. (the "Warrant") with respect to \_\_\_\_\_ shares of common stock of the Company (the "Warrant Shares"), pursuant to the terms of the Warrant, and tenders herewith or will tender within the time period specified in the Warrant payment of the exercise price in full (or has elected below to exercise the Warrant on a cashless basis), together with all applicable transfer taxes, if any. If the Warrant is being exercised in full, the Warrant is attached hereto or will be delivered within the time period specified in the Warrant.

(2) Payment of Exercise Price:

- Payment shall take the form of lawful money of the United States in accordance with the terms of the Warrant.
- Payment shall take the form of a cashless exercise in accordance with the terms of the Warrant.

(3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

[SIGNATURE OF HOLDER]

Name of Holder:

Signature:

Name of Signatory (if entity):

Title of Signatory (if entity):

Date:

---

**ASSIGNMENT FORM**

(To assign the foregoing warrant, execute this form and supply required information.  
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [ ] all of or [ ] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to:

whose address is:

Dated: \_\_\_\_\_, \_\_\_\_\_

Name of Holder

Signature

Name of Signatory (if entity)

Title of Signatory (if entity)

Address of Holder:

Signature Guaranteed: \_\_\_\_\_

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

---

## SECTION 302 CERTIFICATION

I, Jeffrey L. Parker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ParkerVision, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons fulfilling the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 16, 2016

Name: /s/ Jeffrey L. Parker  
Title: Chief Executive Officer (Principal Executive Officer)

---

## SECTION 302 CERTIFICATION

I, Cynthia L. Poehlman certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ParkerVision, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons fulfilling the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 16, 2016

Name: /s/Cynthia L. Poehlman  
Title: Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

---

SECTION 906 CERTIFICATION  
CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ParkerVision, Inc. (the "Company") on Form 10-Q, for the period ended March 31, 2016 as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: May 16, 2016

Name: /s/ Jeffrey L. Parker  
Title: Chief Executive Officer (Principal  
Executive Officer)

Dated: May 16, 2016

Name: /s/ Cynthia L. Poehlman  
Title: Chief Financial Officer (Principal  
Financial Officer and Principal  
Accounting Officer)

---

# ParkerVision®

## PARKERVISION REPORTS FIRST QUARTER 2016 RESULTS

### *Management to Host Conference Call and Webcast Today at 4:30 p.m. ET*

**JACKSONVILLE, Fla., May 16, 2016** – ParkerVision, Inc. (NASDAQ:PRKR), a developer and marketer of semiconductor technology solutions for wireless applications, today announced results for the three-months ended March 31, 2016.

### ***First Quarter 2016 Financial Results***

- Received \$11 million in proceeds from Brickell Key Investments (“BKI”) in the first quarter of 2016 to be used primarily for funding of legal fees and related expenses in connection with the Company’s patent infringement proceedings at the International Trade Commission.
  - The Company’s repayment obligation to BKI is recorded as a long-term liability at its estimated fair market value of approximately \$10.9 million at March 31, 2016.
  - At March 31, 2016, restricted cash and cash equivalents of \$6.8 million represents the remaining portion of the funds received from BKI that are restricted for a specific use.
- Net loss for the first quarter of 2016 was \$5.1 million, or \$0.45 per common share, representing an 11% decrease from the net loss for the first quarter of 2015 of \$5.8 million, or \$0.59 per share, after adjustment for the 1:10 reverse stock split that became effective on March 30, 2016.
  - Approximately half of operating expenses for the first quarter of 2016 were related to the ITC proceedings, and therefore, those expenses were funded from restricted cash and cash equivalents provided by BKI.

Jeffrey Parker, Chairman and Chief Executive Officer, commented, “Over the past six weeks, our ITC action has moved along at a rapid pace with the hearing scheduled approximately three months away. We believe our goals for 2016 remain on course – to achieve the launch of a successful international licensing program complemented by ongoing internal product development and an exciting new product introduction.”

### **Conference Call**

The Company will host a conference call and webcast on May 16, 2016 at 4:30 p.m. Eastern to review its first quarter 2016 financial results. The conference call will be accessible by telephone at **1-877-561-2750**, at least five minutes before the scheduled start time. International callers should dial **763-416-8565**. The conference call may also be accessed by means of a live

---

webcast on our website at <http://ir.parkervision.com/events.cfm>. The conference webcast will also be archived and available for replay on our website at [www.parkervision.com](http://www.parkervision.com) for a period of 90 days.

**About ParkerVision**

ParkerVision, Inc. designs, develops and markets its proprietary radio-frequency (RF) technologies that enable advanced wireless solutions for current and next generation communications networks. Protected by a highly-regarded, worldwide patent portfolio, the Company's solutions for wireless transfer of RF waveforms address the needs of a broad range of wirelessly connected devices for high levels of RF performance coupled with best-in-class power consumption. For more information please visit [www.parkervision.com](http://www.parkervision.com). (PRKR-I)

**Safe Harbor Statement**

*This press release contains forward-looking information. Readers are cautioned not to place undue reliance on any such forward-looking statements, each of which speaks only as of the date made. Such statements are subject to certain risks and uncertainties which are disclosed in the Company's SEC reports, including the Form 10-K for the year ended December 31, 2015 and the Form 10-Q for the quarter ended March 31, 2016. These risks and uncertainties could cause actual results to differ materially from those currently anticipated or projected.*

**Contact:**

Cindy Poehlman  
Chief Financial Officer  
ParkerVision, Inc

or Don Markley  
The Piacente Group  
212-481-2050, [parkervision@tpg-ir.com](mailto:parkervision@tpg-ir.com)

904-732-6100,  
[cpoehlman@parkervision.com](mailto:cpoehlman@parkervision.com)

**(TABLES FOLLOW)**

---

**ParkerVision, Inc.**  
**Summary of Results of Operations (unaudited)**

(in thousands, except per share amounts)	Three Months Ended March 31,	
	2016	2015
Revenue	\$ 59	\$ -
Cost of sales	(38)	-
Gross margin	21	-
Research and development expenses	952	1,757
Selling, general and administrative expenses	4,170	4,030
Total operating expenses	5,122	5,787
Interest and other	(36)	11
Net loss	\$ (5,137)	\$ (5,776)
Basic and diluted net loss per common share*	\$ (0.45)	\$ (0.59)
Weighted average shares outstanding*	11,345	9,744

**Balance Sheet Highlights (in thousands)**

	March 31, 2016 (unaudited)	December 31, 2015
Cash and available-for-sale securities	\$ 1,063	\$ 1,965
Restricted cash and cash equivalents	6,844	-
Inventories, net	171	161
Prepaid and other assets	361	226
Property and equipment, net	392	446
Intangible assets, net	7,336	7,575
Total assets	16,167	10,373
Current liabilities	2,121	4,038
Long-term liabilities	11,721	52
Shareholders' equity	2,325	6,283
Total liabilities and shareholders' equity	\$ 16,167	\$ 10,373

###

