

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): January 14, 1999

MICROVISION, INC.
(Exact name of registrant as specified in its charter)

Washington (State or other jurisdiction of incorporation)	0-21221 (Commission File Number)	91-1600822 (IRS Employer Identification No.)
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2203 Airport Way South, Suite 100 Seattle, Washington (Address of Principal Executive Office)	98134 (Zip Code)
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Registrant's telephone number, including area code:	(206) 623-7055
Registrant's facsimile number, including area code:	(206) 623-5961

Item 5. Other Events

On January 14, 1999, Microvision, Inc. (the "Company") raised \$5,000,000 through the sale of 5,000 shares of its Series B Convertible Preferred Stock, Class 1 (the "Series B-1 Stock") to Margaret Elardi, an accredited investor. The Series B-1 Stock will be convertible from time to time into shares of common stock at an initial conversion price of \$12.50 per share, subject to adjustment under certain conditions. The Company also granted Mrs. Elardi an option to purchase 1,600 shares of Series B Convertible Preferred Stock, Class 2 (the "Series B-2 Stock") at \$1,000 per share at any time prior to July 14, 1999, and an option to purchase 1,920 shares of Series B Convertible Preferred Stock, Class 3 (the "Series B-3 Stock") at \$1,000 per share at any time prior to October 14, 1999. The initial conversion price for the Series B-2 Stock is \$16.00 per share and for the Series B-3 Stock is \$19.20 per share. The Company expects to file a registration statement covering the resale of the shares of common stock underlying the Series B Convertible Preferred Stock after July 14, 1999.

Upon closing of the financing, the Board of Directors of the Company elected Mrs. Elardi as a director. Mrs. Elardi will serve as a director of the Company until the next annual meeting of the shareholders of the Company and until her successor is duly qualified and elected.

Item 7. Financial Statements and Exhibits

A. Financial Statements

None.

B. Exhibits

The following are filed as exhibits to this Current Report:

- 3.1 Amended and Restated Articles of Incorporation of Microvision, Inc.(1)
- 3.1.1 Articles of Amendment of Articles of Incorporation Containing the Statement of Rights and Preferences of the Series B Convertible Preferred Stock of Microvision, Inc., dated January 13, 1999
- 4.1 Form of specimen certificate for the Series B-1 Stock
- 4.2 Form of specimen certificate for the Series B-2 Stock
- 4.3 Form of specimen certificate for the Series B-3 Stock
- 4.4 Registration Rights Agreement, dated as of January 14, 1999,

between Microvision, Inc. and Margaret Elardi

- 10.1 Series B Convertible Preferred Stock Purchase Agreement, dated as of January 14, 1999, between Microvision, Inc. and Margaret Elardi

(1) Incorporated by reference to the Company's Form SB-2 Registration Statement, Registration No. 333-5276-LA.
SIGNATURES

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

MICROVISION, INC.

By: /s/ RICHARD F. RUTKOWSKI

Richard F. Rutkowski
President and Chief Executive Officer

Date: January 28, 1999

EXHIBIT INDEX

Exhibit Number	Description
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(1) Incorporated by reference to the Company's Form SB-2 Registration Statement, Registration No. 333-5276-LA.

ARTICLES OF AMENDMENT
OF ARTICLES OF INCORPORATION
CONTAINING THE
STATEMENT OF RIGHTS AND PREFERENCES OF THE
SERIES B CONVERTIBLE PREFERRED STOCK OF
MICROVISION, INC.

These Articles of Amendment containing the Statement of Rights and Preferences of the Series B Convertible Preferred Stock of Microvision, Inc., a Washington corporation (the "Corporation") are herein executed by the Corporation, pursuant to the provisions of RCW 23B.06.020 and RCW 23B.10.060 as follows:

1. The name of the Corporation is Microvision, Inc.
2. A copy of the resolution of the Board of Directors of the Corporation amending the Articles of Incorporation of the Corporation to establish and designate the rights and preferences of the Series B Convertible Preferred Stock of the Corporation is attached hereto as Attachment A and is incorporated herein by this reference.
3. The date of the adoption of the amendments by the Board of Directors of the Corporation was January 13, 1999.
4. The amendments to the Articles of Incorporation were duly approved by the Board of Directors of the Corporation.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Amendment in an official and authorized capacity under penalty of perjury this 13th day of January, 1999.

MICROVISION, INC.

By: /s/ CASEY TEGREENE

Casey Tegreene, Attorney-in-fact
for Richard F. Rutkowski,
President and Chief Executive Officer

ATTACHMENT A

RESOLVED, that, pursuant to Article II of the Corporation's Articles of Incorporation, the Board of Directors hereby establishes a series of the Corporation's preferred stock to be designated as the "Series B Convertible Preferred Stock," no par value, consisting of 8,520 shares, of which 5,000 shares shall be Series B Convertible Preferred Stock, Class 1, 1,600 shares shall be Series B Convertible Preferred Stock, Class 2, and 1,920 shares shall be Series B Convertible Preferred Stock, Class 3, and that the preferences, limitations and relative rights of the shares of the Series B Stock shall be as set forth in the Statement of Rights and Preferences of Series B Preferred Stock, attached hereto as Exhibit A;

Exhibit A

MICROVISION, INC.

8,520 Shares
Series B Convertible Preferred Stock, No Par Value

Stated Value \$1,000.00 Per Share

Statement of Rights and Preferences

1. Designation and Amount. The rights, preferences, privileges, and limitations granted to and imposed on the Series B Convertible Preferred Stock, no par value ("Series B Stock") of Microvision, Inc. (the "Corporation"), which series shall consist of 8,520 shares of which 5,000 shares shall be designated Series B Convertible Preferred Stock, Class 1 ("Series B-1 Stock"), 1,600 shares shall be designated Series B Convertible Preferred Stock, Class 2 ("Series B-2 Stock"), and 1,920 shares shall be designated Series B Convertible Preferred Stock, Class 3 ("Series B-3 Stock"), are as set forth below.

2. Dividends. The holders of the Series B Stock shall be entitled to receive, when, as, and if declared by the Board of Directors, cumulative dividends at the rate of \$40.00 per share (as adjusted for any stock dividends, combinations or splits) per annum payable out of funds legally available therefor or in duly authorized shares of Common Stock.

3. Voting Rights. Except as otherwise required by law, the Series B Stock shall not be entitled to vote on any matter submitted to a vote of the shareholders of

the Corporation.

4. Liquidation.

4.1 Liquidation Value. Upon any liquidation, dissolution or winding up of the Corporation, the holders of the Series B Stock shall be entitled before any distribution or payment is made upon any Common Stock, to be paid an amount equal to \$1000.00 per share, plus any accrued but unpaid dividends to the date of such payment (the "Liquidation Value"). If upon such liquidation, dissolution or winding up of the Corporation, the assets to be distributed among the holders of Series B Stock shall be insufficient to permit payment to the holders of Series B Stock of the amount distributable to them as provided herein, then

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the entire assets of the Corporation legally permitted to be distributed shall be distributed ratably among the holders of Series B Stock. Upon any such liquidation, dissolution or winding up of the Corporation, after the holders of the Series B Stock shall have been paid in full the amounts to which they shall be entitled, the remaining net assets of the Corporation may be distributed to the holders of Common Stock.

4.2 Liquidation Events. The sale of all or substantially all of the assets of the Corporation, or the acquisition of the Corporation by another entity by means of merger, consolidation, share exchange, reorganization or otherwise pursuant to which shares of capital stock of the Corporation are converted into cash, securities or other property of the acquiring entity or any of its affiliates (other than any merger, share exchange, or similar transaction effected exclusively for the purpose of changing the domicile of the Corporation) shall be regarded as a liquidation within the meaning of this Section 4; provided, however, that each holder of Series B Stock shall have the right to elect to convert such holder's Series B Stock pursuant to Section 6 in lieu of receiving payment in liquidation, dissolution or winding up of the Corporation; provided, further, that this provision shall not apply if the holders of voting securities of the Corporation immediately prior to such merger, consolidation, share exchange, reorganization or sale of assets beneficially own, directly or indirectly, a majority of the combined voting power of the surviving entity resulting from such merger, consolidation, share exchange, reorganization or sale of assets.

4.3 Notice of Liquidation. The Corporation shall provide written notice of such liquidation to each record holder of Series B Stock not less than 20 days prior to the payment date stated therein.

5. Redemption.

5.1 Mandatory Redemption.

5.1.1 The Corporation shall redeem all shares of Series B Stock at any time after January 14, 2004 (the "Redemption Date") into a number of shares of Conversion Stock (as defined in Section 6.3 below) computed by (i) multiplying the number of shares of Series B Stock to be redeemed by the Liquidation Value thereof and (ii) dividing the result by the applicable Conversion Price (as defined in Section 6.4 below) then in effect (the "Redemption Shares").

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5.1.2 If the Market Price of the Common Stock (as defined in Section 5.3 below) has been not less than 150% of the Series B-1 Conversion Price (as defined in Section 6.4.1 below) for a period of ten or more consecutive trading days, then the Corporation may, at its option, redeem all or any portion of the outstanding shares of Series B-1 Stock into the applicable number of Redemption Shares.

5.1.3 If the Market Price of the Common Stock has been not less than 150% of the Series B-2 Conversion Price (as defined in Section 6.4.2 below) for a period of ten or more consecutive trading days, then the Corporation may, at its option, redeem all or any portion of the outstanding shares of Series B-2 Stock into the applicable number of Redemption Shares.

5.1.4 If the Market Price of the Common Stock has been not less than 150% of the Series B-3 Conversion Price (as defined in Section 6.4.3 below) for a period of ten or more consecutive trading days, then the Corporation may, at its option, redeem all or any portion of the outstanding shares of Series B-3 Stock into the applicable number of Redemption Shares.

5.2 Status of Series B Stock After Redemption Date. No share of Series B Stock is entitled to any dividends accruing after the Redemption Date, and all rights of the holder of such share shall cease, and such share shall not be deemed to be outstanding, as of the Redemption Date. Any shares of Series B Stock that are redeemed or otherwise acquired by the Corporation shall be canceled and shall not be reissued, sold or transferred.

5.3 Market Price. "Market Price" means the closing price of the Common Stock on the Nasdaq National Market or on any securities exchange on which the Common Stock may at the time be listed, or, if there have been no sales on any such market or exchange on any day, the average of the highest bid and lowest asked prices on such market or exchange at the end of such day, or, if on any day the Common Stock is not so listed, the average of the highest bid and lowest asked prices on such day on the OTC Bulletin Board market.

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6. Conversion.

6.1 Voluntary Conversion. At any time and from time to time, any holder of Series B Stock may convert all or any portion thereof (including any fraction of a share) held by such holder into a number of shares of Conversion Stock computed by (i) multiplying (x) the number of shares to be converted by (y) the sum of \$1000.00 plus any accrued but unpaid dividends on such shares, and (ii) dividing the result by the Conversion Price then in effect.

6.2 Conversion Procedure.

6.2.1 Each conversion of Series B Stock shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the Series B Stock to be converted shall have been surrendered at the principal office of the Corporation. At such time as such conversion has been effected, the rights of the holder of such Series B Stock as such holder shall cease and the person or persons in whose name or names any certificate or certificates for shares of Conversion Stock are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the shares of Conversion Stock represented thereby.

(a) The conversion rights of the Series B Stock shall terminate three days prior to the Redemption Date.

(b) As soon as possible after a conversion has been effected (but in any event within ten business days in the case of subparagraph (i) below), the Corporation shall deliver to the converting holder:

(i) a certificate or certificates representing the number of shares of Conversion Stock issuable by reason of such conversion in such name or names and such denomination or denominations as the converting holder has specified;

(ii) a certificate representing any shares of Series B Stock that were represented by the certificate or certificates delivered to the Corporation in connection with such conversion but which were not converted;

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(iii) The issuance of certificates for shares of Conversion Stock upon conversion of Series B Stock shall be made without charge to the holders of such Series B Stock for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Conversion Stock. Upon conversion of each share of Series B Stock, the Corporation shall take all such actions as are necessary in order to insure that the Conversion Stock issuable with respect to such conversion shall be validly issued, fully paid, and nonassessable.

(iv) The Corporation shall assist and cooperate with any holder of shares required to make any governmental filings or obtain any governmental approval prior to or in connection with any conversion of shares hereunder (including, without limitation, making any filings required to be made by the Corporation).

(v) If any fractional interest in a share of Conversion Stock would, except for the provisions of this subparagraph, be deliverable upon any conversion of the Series B Preferred, the Corporation, in lieu of delivering the fractional share therefor, shall pay an amount to the holder thereof equal to the Market Price of such fractional interest as of the date of conversion.

(vi) If the shares of Conversion Stock issuable by reason of such conversion of Series B Stock are convertible into or exchangeable for any other stock or securities of the Corporation, the Corporation shall, at the converting holder's option, upon surrender of the shares to be converted by such holder as provided above together with any notice, statement or payment required to effect such conversion or exchange of Conversion Stock, deliver to such holder or as otherwise specified by such holder a certificate or certificates representing the stock or securities into which the shares of Conversion Stock issuable by reason of such conversion are so

convertible or exchangeable, registered in such name or names and in such denomination or denominations as such holder has specified.

6.3 Conversion Stock. As used herein, the term "Conversion Stock" means the Common Stock of the Corporation; provided that if there is a change such that the securities issuable upon conversion of the Series B Stock are issued by an entity other than the

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Corporation or there is a change in the class of securities so issuable, then the term "Conversion Stock" shall mean the security issuable upon conversion of such Series B Stock.

6.4 Conversion Price.

6.4.1 Subject to adjustment as set forth in Section 6.5, the initial conversion price for the Series B-1 Stock (the "Series B-1 Conversion Price") shall be \$12.50.

6.4.2 Subject to adjustment as set forth in Section 6.5, the initial conversion price for the Series B-2 Stock (the "Series B-2 Conversion Price") shall be \$16.00.

6.4.3 Subject to adjustment as set forth in Section 6.5, the initial conversion price for the Series B-3 Stock (the "Series B-3 Conversion Price") shall be \$19.20.

6.5 Adjustments to Conversion Price. In order to prevent dilution of the conversion rights granted hereunder, the applicable Conversion Price of the Series B Stock shall be subject to adjustment from time to time as set forth below:

6.5.1 In the event the Company at any time or from time to time declares or pays any dividend on the Common Stock payable in shares of Common Stock, or shall effect a subdivision or combination or consolidation of the outstanding Common Stock (by stock split, reclassification or otherwise than by payment of a share dividend) into a greater or lesser number of shares of Common Stock, as the case may be, then the Conversion Price in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate, based on the ratio of (i) the number of shares of Common Stock outstanding immediately after such event to (ii) the number of shares of Common Stock outstanding immediately prior to such event.

6.5.2 If at any time or from time to time the shares of Common Stock issuable upon conversion of the Series B Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by recapitalization, reorganization, reclassification or otherwise (other than a subdivision, combination or consolidation of shares, as provided above), the Conversion Price then in effect shall, concurrently with the effectiveness of such event, be proportionately adjusted such that the Series B Stock shall be convertible into, in lieu of the number of shares of Common Stock to

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which the holders otherwise would have been entitled to receive, a number of shares of such other class or classes of shares equivalent to the number of shares of Common Stock to which the holders would have been entitled to receive upon conversion of the Series B Stock immediately before the event. In addition, to the extent applicable in any recapitalization, reorganization or reclassification, provision shall be made so that the holders of the Series B Stock shall thereafter be entitled to receive upon conversion of the Series B Stock the number of shares or property of the Company or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization, reorganization or reclassification.

6.5.3 Promptly after any adjustment of the Conversion Price, the Corporation shall give written notice thereof to all holders of Series B Stock, setting forth in reasonable detail and certifying the calculation of such adjustment.

7. Amendment and Waiver. No amendment, modification or waiver shall be binding or effective with respect to any provision of this Statement of Rights and Preferences without the written consent of the holders of at least a majority of the Series B Stock outstanding at the time such action is taken.

8. Amendment Upon Conversion or Redemption of Outstanding Shares.

When, as a result of the conversion or redemption of the Series B Stock no shares thereof remain outstanding, the Board of Directors may, at its discretion and without a vote of the shareholders of the Corporation, withdraw this designation in its entirety by providing for the filing of an applicable

amendment or restatement of the Corporation's Restated Articles of Incorporation, and the Series B Stock designated hereby shall thereby return to the status of authorized but unissued and undesignated shares of Preferred Stock of the Corporation.

SPECIMEN
Series B Convertible Preferred Stock, Class 2

See Restrictions on Other Side:
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Number	Shares
PB2-1	--

MICROVISION, INC.
 Organized under the Laws of the State of Washington
 Authorized Capital: 31,250,000 Common Stock, No Par Value
 31,250,000 Preferred Stock, No Par Value

This Certifies that: SPECIMEN is the registered holder of _____ Shares

of the Series B Convertible Preferred Stock, Class 2, No Par Value of MICROVISION, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed

this _____ day of _____, A.D. _____

President

Secretary

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THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, THE WASHINGTON STATE SECURITIES ACT OR ANY OTHER APPLICABLE SECURITIES ACT (THE "ACTS"), AND NEITHER THE OFFERING OF THE SECURITIES NOR ANY OFFERING MATERIALS HAVE BEEN REVIEWED BY ANY ADMINISTRATOR UNDER THE ACTS. THE SECURITIES WERE ACQUIRED BY THE REGISTERED HOLDER PURSUANT TO A REPRESENTATION THAT THE HOLDER WAS ACQUIRING THE SECURITIES FOR THE HOLDER'S OWN ACCOUNT, FOR INVESTMENT. THESE SECURITIES MAY NOT BE PLEDGED, HYPOTHECATED, SOLD, TRANSFERRED OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER THE ACTS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT.

THE CORPORATION WILL FURNISH TO ANY SHAREHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE DESIGNATIONS, PREFERENCES, LIMITATIONS, AND RELATIVE RIGHTS OF THE SHARES OF EACH CLASS AUTHORIZED TO BE ISSUED BY THE CORPORATION, AND OF THE VARIATIONS IN THE RELATIVE RIGHTS AND PREFERENCES BETWEEN THE SHARES OF EACH SERIES OF EACH CLASS SO AUTHORIZED, SO FAR AS THE SAME HAVE BEEN FIXED AND DETERMINED AND THE AUTHORITY OF THE BOARD OF DIRECTORS OF THE CORPORATION TO FIX AND DETERMINE THE RELATIVE RIGHTS AND PREFERENCES OF SUBSEQUENT SERIES.

FOR VALUE RECEIVED, _____ HEREBY SELL, ASSIGN AND TRANSFER UNTO _____ SHARES REPRESENTED BY THE WITHIN CERTIFICATE, AND DO HEREBY IRREVOCABLY CONSTITUTE AND APPOINT _____ ATTORNEY TO TRANSFER THE SAID SHARES ON THE BOOKS OF THE WITHIN NAMED CORPORATION, WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.

DATED: _____

IN THE PRESENCE OF:

SPECIMEN
Series B Convertible Preferred Stock, Class 3

See Restrictions on Other Side:
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Number	Shares
PB3-1	--

MICROVISION, INC.
Organized under the Laws of the State of Washington
Authorized Capital: 31,250,000 Common Stock, No Par Value
31,250,000 Preferred Stock, No Par Value

This Certifies that: SPECIMEN is the registered holder of _____ Shares

of the Series B Convertible Preferred Stock, Class 3, No Par Value of MICROVISION, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed

this _____ day of _____, A.D. _____

President

Secretary

=====
THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, THE WASHINGTON STATE SECURITIES ACT OR ANY OTHER APPLICABLE SECURITIES ACT (THE "ACTS"), AND NEITHER THE OFFERING OF THE SECURITIES NOR ANY OFFERING MATERIALS HAVE BEEN REVIEWED BY ANY ADMINISTRATOR UNDER THE ACTS. THE SECURITIES WERE ACQUIRED BY THE REGISTERED HOLDER PURSUANT TO A REPRESENTATION THAT THE HOLDER WAS ACQUIRING THE SECURITIES FOR THE HOLDER'S OWN ACCOUNT, FOR INVESTMENT. THESE SECURITIES MAY NOT BE PLEDGED, HYPOTHECATED, SOLD, TRANSFERRED OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER THE ACTS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT.

THE CORPORATION WILL FURNISH TO ANY SHAREHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE DESIGNATIONS, PREFERENCES, LIMITATIONS, AND RELATIVE RIGHTS OF THE SHARES OF EACH CLASS AUTHORIZED TO BE ISSUED BY THE CORPORATION, AND OF THE VARIATIONS IN THE RELATIVE RIGHTS AND PREFERENCES BETWEEN THE SHARES OF EACH SERIES OF EACH CLASS SO AUTHORIZED, SO FAR AS THE SAME HAVE BEEN FIXED AND DETERMINED AND THE AUTHORITY OF THE BOARD OF DIRECTORS OF THE CORPORATION TO FIX AND DETERMINE THE RELATIVE RIGHTS AND PREFERENCES OF SUBSEQUENT SERIES.

FOR VALUE RECEIVED, _____ HEREBY SELL, ASSIGN AND TRANSFER UNTO _____ SHARES REPRESENTED BY THE WITHIN CERTIFICATE, AND DO HEREBY IRREVOCABLY CONSTITUTE AND APPOINT _____ ATTORNEY TO TRANSFER THE SAID SHARES ON THE BOOKS OF THE WITHIN NAMED CORPORATION, WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.

DATED: _____

IN THE PRESENCE OF:

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is entered into as of January 14, 1999, by and between MICROVISION, INC. a Washington corporation (the "Company"), and MARGARET ELARDI (the "Investor").

RECITAL

WHEREAS, the Investor is purchasing 5,000 shares of the Company's Series B Convertible Preferred Stock, Class 1, no par value (the "Series B-1 Stock") and has been granted options to purchase 1,600 shares of the Company's Series B Convertible Preferred Stock, Class 2, no par value ("Series B-2 Stock") and 1,920 shares of the Company's Series B Convertible Preferred Stock, Class 3, no par value ("Series B-3 Stock" and, collectively with the Series B-1 Stock and the Series B-2 Stock, the "Series B Stock"), pursuant to that certain Series B Convertible Preferred Stock Purchase Agreement, dated the date hereof (the "Purchase Agreement").

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions

For purposes of this Agreement:

(a) The term "register," "registered" and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act of 1933, as amended (the "Act"), and the declaration or ordering of effectiveness of such registration statement or document;

(b) The term "Registrable Securities" means (i) the Common Stock issuable or issued upon conversion of the Series B Stock and (ii) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the Series B Stock, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which its rights under this Agreement are not assigned;

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(c) The number of shares of "Registrable Securities then outstanding" shall be determined by the number of shares of Common Stock outstanding which are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities which are, Registrable Securities;

(d) The term "Holder" means any person owning or having the right to acquire Registrable Securities who is a party to this Agreement as of the date hereof or who may be added as a party hereto pursuant to the terms of this Agreement, and any assignee thereof in accordance with Section 3; and

(e) The term "Form S-3" means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the Securities and Exchange Commission (the "SEC") that similarly permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

2. Form S-3 Registration

(a) If, at any time after the expiration of 180 days after the closing of the transactions contemplated by the Purchase Agreement, the Holder(s) of at least 80% of the Registrable Securities then outstanding requests that the Company file a registration statement of Form S-3 covering the resale of the Registrable Securities, and the Company is a registrant entitled to use Form S-3 to register the Registrable Securities for such resale, the Company shall use its reasonable best efforts to cause such Registrable Securities to be registered for resale on such form. Upon receipt of such a request for registration, the Company will:

i. promptly give written notice of the proposed registration and any related qualification or compliance to all other Holders;

ii. file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practical after receipt of the request or requests of the Holders, and effect such all such other qualifications and compliances as may be so required to permit or facilitate the sale and distribution of all or such portion of such Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holders joining in such request as are specified in a written request given within 15 days after receipt of written notice from the Company given in accordance with clause (a) (i).

(b) Notwithstanding the foregoing: (i) the Company shall not be obliged to effect a registration pursuant to this Section 2 in the period starting 60 days before the Company's good faith estimated date of filing of, and ending 90 days after the effective date of, a registration statement pertaining to an underwritten public offering of securities for the account of the Company (other than a registration relating solely to the sale of securities to participants in a Company stock option or stock purchase plan, or a registration on any form

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that does not include substantially the same information that would be required to be included in a registration statement covering the sale of the Registrable Shares, or a registration on Form S-4), if the Company is at all times during such period diligently and in good faith pursuing such registration, provided, however, that the Company shall promptly notify the Holders of any decision to abandon or significantly delay such public offering; (ii) the Company shall not be obliged to register for any Holder such number of Registrable Shares as such Holder may sell freely in a broker's transaction pursuant to Rule 144 under the Securities Act within three months of the date of the request for registration; (iii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than one million dollars (\$1.0); (iv) if the Company shall furnish to the Holders a certificate signed by the President of the Company stating that, in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than 90 days after receipt of the request of the Holders under this Section 2; provided, however, that the Company shall not exercise this right more than once in any 12-month period; (v) if the Company has, within the six-month period preceding the date of such request, already effected one such registration on Form S-3 for the Holders pursuant to this Section 2; or (vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration qualification or compliance.

(c) All reasonable expenses incurred in connection with the registrations requested pursuant to this Section 2, including, without limitation, all registration, filing, qualification, printing and accounting fees and the reasonable fees and disbursements of one counsel for the selling Holders and counsel for the Company, shall be borne by the Company.

3. Obligations of the Company.

Subject to the terms and conditions set forth in Section 2, when required by this Agreement to register any Registrable Shares, the Company shall, as promptly as reasonably possible:

(a) Prepare and file with the SEC a registration statement covering such Registrable Shares and use its best efforts to cause such registration statement to become effective, and, at the request of the Holders holding a majority of the Registrable Shares registered thereunder, keep such registration statement continuously effective for up to 180 days or such shorter period as will terminate when all the Registrable Shares covered by the registration statement have been sold.

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(b) Prepare and file with the SEC any amendments and supplements to the registration statement and the prospectus used in connection with it needed to comply with the Securities Act with respect to the sale of all Registrable Shares covered by such registration statement.

(c) Give the Holders the number of copies of preliminary and final prospectuses, in conformity with the requirements of the Securities Act, and other documents that they reasonably request to facilitate the sale of their Registrable Shares.

(d) Use its best efforts to register and qualify the Registrable Shares covered by such registration statement under securities or Blue Sky laws of such jurisdictions that the Holders request, provided that the Company shall not be required in connection therewith to qualify to do business or to file a general consent to service of process in any such jurisdictions.

(e) Notify each Holder of Registrable Shares covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(f) Cause all Registrable Shares registered hereunder to be listed on each

securities exchange or market on which similar securities issued by The Company are then listed.

4. Shareholders' Information.

The Company is obliged to take actions to register Registrable Shares under this Agreement only if the Holders requesting registration provide the Company on a timely basis all information regarding themselves, their Registrable Shares, and their intended method of disposition of such securities as shall be reasonably required to effect the registration of their Registrable Shares.

5. Assignment of Registration Rights

The rights to cause the Company to register Registrable Securities pursuant to this Agreement may be assigned by a Holder to a transferee or assignee of such securities who shall, upon such transfer or assignment, be deemed a "Holder" under this Agreement, provided that (i) the Company is, within a reasonable period of time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (ii) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Act; and

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(iii) the transferee or assignee executes an endorsement to this Agreement agreeing to be bound by all the terms and conditions hereof as Holder.

6. "Market Stand-Off" Agreement.

(a) If requested by the Company and an underwriter managing an underwritten offering of the Company's securities, each Holder agrees that such Holder shall not sell or otherwise transfer or dispose of any Registrable Shares held by such Holder (other than those included in the registration and underwriting) without the prior written consent of the Company or such underwriter for a period not to exceed one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act (the "Lock-up Period"); provided, that all officers and directors of The Company and all shareholders holding at least five percent (5%) of the shares of the Company and other persons with registration rights also enter into similar agreements.

(b) Such agreement shall only apply to the first such registration statement of the Company, including securities to be sold on its behalf to the public in an underwritten offering.

(c) The obligations described in this Section 6 shall not apply to a registration relating solely to the sale of securities to participants in a stock option or stock purchase plan, a registration on any form that does not include substantially the same information that would be required to be included in a registration statement covering the sale of the Registrable Shares, or a registration on Form S-4. The Company may impose stop-transfer instructions with respect to the Registrable Shares subject to the foregoing restriction until the end of the Lock-up Period. The Company may not waive or terminate its rights under any market stand-off agreement with any employee, director, Holder, or other shareholder unless each Holder is granted a similar waiver on a pro rata basis or unless the Holders of a majority of the Registrable Shares consent to such waiver or termination.

7. Notices

Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified or upon deposit with the United States Post Office, postage prepaid, registered or certified with return receipt requested and addressed to the party to be notified at the address indicated for such party on the signature page hereof or on Schedule A hereto, or at such other address as such party may designate by ten days' advance written notice to the other parties given in the foregoing manner.

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8. Amendments and Waivers

Any term of this Agreement may be amended and the observance of any term may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holders of not less than 80% of the shares of the Company that are Registrable Securities themselves or upon which Registrable Securities are based. Additional Holders may be added to this Agreement with such consent by adding a Schedule A hereto listing each such Holder's name and address and adding a signature page executed by such additional Holder.

9. Severability

If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement, and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

10. Governing Law

This Agreement shall be governed by and construed under the laws of the State of Washington as applied to agreements among Washington residents entered into and to be performed entirely within the State of Washington.

11. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12. Entire Agreement

This Agreement constitutes the full and entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements with respect to the subject matter hereof.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day first above written.

COMPANY:

MICROVISION, INC.

By: /s/ CLARENCE TEGREENE

Its: Attorney-in-Fact/IP Counsel

INVESTOR:

MARGARET ELARDI

/s/ MARGARET ELARDI

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SERIES B CONVERTIBLE PREFERRED STOCK
PURCHASE AGREEMENT

THIS PREFERRED STOCK PURCHASE AGREEMENT (this "Agreement") is dated as of January 14, 1999, by and among MICROVISION, INC., a Washington corporation (the "Company"), and MARGARET ELARDI ("Purchaser").

W I T N E S S E T H

WHEREAS, the Company proposes to issue and sell, and Purchaser desires to purchase from the Company, 5,000 shares of the Company's Series B Convertible Preferred Stock, Class 1, no par value ("Series B-1 Stock"), and to grant Purchaser an option to purchase 1,600 shares of the Company's Series B Convertible Preferred Stock, Class 2, no par value ("Series B-2 Stock") and an option to purchase 1,920 shares of the Company's Series B Convertible Preferred Stock, Class 3, no par value ("Series B-3 Stock"), on the terms and subject to the conditions set forth herein; and

WHEREAS, the Company and Purchaser desire to enter into an registration rights agreement of even date herewith, pursuant to which Purchaser shall have certain registration rights.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

SECTION 1.

Definitions

1.1 Defined Terms. Except as otherwise defined herein, capitalized terms uses in this Agreement shall have the following meanings:

"Common Stock" means the Company's Common Stock, no par value.

"Director Plan" means the Microvision, Inc. 1996 Independent Director Stock Plan, as amended.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Knowledge" or derivations thereof shall mean the knowledge of the officers of the Company.

"Lien" means any lien, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, right of first refusal, easement, servitude, transfer restriction under any shareholder or similar agreement, encumbrance or any other restriction or limitation whatsoever.

"Material Adverse Effect" means any materially adverse effect on the business, assets, liabilities, condition (financial or otherwise), results of operations or prospects of the Company.

"1996 Stock Plan" means the Microvision, Inc. 1996 Stock Option Plan, as amended.

"Permits" means any approvals, authorizations, consents, licenses, permits or certificates.

"Person" means an individual, partnership, limited liability company, corporation, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Preferred Stock" means any of the Series A Stock, Series B-1 Stock, Series B-2 Stock or Series B-3 Stock.

"Prior Plans" means the Company's 1993 Stock Option Plan, 1994 Combined Incentive and Nonqualified Stock Option Plan and 1995 Combined Incentive and Nonqualified Stock Option Plan.

"Registration Rights Agreement" means the Registration Rights Agreement of even date herewith by and between the Company and the Purchaser in the form attached hereto as Exhibit A.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Series A Stock" means the Series A Convertible Preferred Stock of the Company, no par value.

"Series B-1 Stock" means the Series B Convertible Preferred Stock, Class 1

of the Company, no par value.

"Series B-2 Stock" means the Series B Convertible Preferred Stock, Class 2 of the Company, no par value.

"Series B-3 Stock" means the Series B Convertible Preferred Stock, Class 3 of the Company, no par value.

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SECTION 2.

Sale and Purchase; Grant of Purchase Options

2.1 Sale and Purchase of Series B-1 Stock. In reliance on the representations and warranties of the Company and of Purchaser contained herein and subject to the terms and conditions hereof, Purchaser agrees to purchase from the Company, and the Company agrees to sell and issue to Purchaser, 5,000 shares of Series B-1 Stock at a purchase price of One Thousand Dollars (\$1,000.00) per share (the "Initial Purchase"), for an aggregate purchase price of Five Million Dollars (\$5,000,000).

2.2 Option to Purchase Series B-2 Stock. At any time prior to July 14, 1999, Purchaser shall have the option to purchase up to 1,600 shares of Series B-2 Stock on the same terms as the Initial Purchase.

2.3 Option to Purchase Series B-3 Stock. At any time prior to October 14, 1999, Purchaser shall have the option to purchase up to 1,920 shares of Series B-3 Stock on the same terms as the Initial Purchase.

SECTION 3.

Closings; Delivery

3.1 Closing Dates. The first closing of the purchase and sale of the 5,000 shares of Series B Stock (the "First Closing") shall be held at the offices of Stoel Rives LLP, 600 University Street, Suite 3600, Seattle, Washington 98101 on January 14, 1999, or on such other date or at such other place as Purchaser and the Company shall mutually agree. Any other closings that occur pursuant to the terms hereof ("Additional Closings") shall be held at such dates and times as the parties shall mutually agree. Any of the date of the First Closing and any Additional Closing is referred to herein as the "Closing Date."

3.2 Delivery. At the closings the Company shall: (a) deliver to Purchaser a certificate evidencing the Shares being purchased by her and (b) make such other deliveries as may be required under the terms of this Agreement.

SECTION 4.

Representations and Warranties of the Company

The Company hereby represents and warrants to, and agrees with, Purchaser as follows:

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4.1 Organization, Good Standing and Qualification. The Company (i) is an entity duly organized, validly existing and in good standing under the laws of Washington, (ii) has all requisite power and authority to carry on its business, (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not be material to the Company. The Company has the corporate power and authority and is in possession of all material franchises, grants, authorizations, licenses, permits, easements, consents, certificates, approvals and orders (a) to own, lease and operate its properties and to carry on its business as now being conducted and (b) to execute and deliver this Agreement and the documents and instruments contemplated hereby and to consummate the transactions contemplated hereby.

4.2 Capitalization.

4.2.1 The authorized capital stock of the Company is 62,500,000 shares, consisting of 31,250,000 shares of common stock, no par value ("Common Stock") of which 6,063,626 shares were issued and outstanding as of December 31, 1998, and 31,250,000 shares of Preferred Stock. Of the authorized shares of Preferred Stock, 1,875,000 shares have been designated as Series A Stock, of which no shares are issued and outstanding; 5,000 shares have been designated Series B-1 Stock, of which no shares are issued and outstanding; 1,600 shares

have been designated Series B-2 Stock, of which no shares are issued and outstanding; and 1,920 shares have been designated Series B-3 Stock, of which no shares are issued and outstanding. The Company has duly and validly reserved for issuance 3,000,000 shares of Common Stock upon exercise of options currently outstanding or issued under the 1996 Plan; 75,000 shares of Common Stock for issuance under the Director Plan; 1,288,938 shares of Common Stock upon exercise of options issued under the Prior Plans; and 2,273,926 shares of Common Stock for issuance upon exercise of publicly traded common stock purchase warrants outstanding as of December 31, 1998.. All outstanding options, rights and warrants have been duly and validly issued and are in full force and effect. All shares of capital stock subject to issuance upon exercise of any options, rights or warrants or otherwise, upon issuance pursuant to the instruments under which they are issuable, shall be duly authorized, validly issued, fully paid for and non-assessable and free of all preemptive rights.

4.2.2 The issued and outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and non-assessable. The shares of Series B Stock to be issued pursuant to this Agreement, upon delivery to Purchaser of certificates therefor against payment in accordance with the terms of this Agreement, (i) will be validly issued, fully paid and non-assessable, (ii) will be free and clear of all Liens, and (iii) assuming that the representations of Purchaser in Section 5 hereof are true and correct, will be issued in compliance with all applicable federal and state securities laws.

4.3 Authorization. The Company has all requisite corporate power and authority to execute and deliver this Agreement and each agreement, document or instrument adopted, entered into or delivered by it as contemplated herein (the "Transaction Documents") and to

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perform its obligations hereunder and thereunder. The execution, delivery, and performance of the Agreement and the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. Each Transaction Document to which it is a party has been duly and validly executed and delivered by the Company and constitutes the legal, valid, and binding obligation of the Company, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

4.4 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state, or local governmental authority on the part of the Company is required in connection with the valid execution and delivery by the Company of the Transaction Documents to which it is a party, or the consummation by the Company of the transactions contemplated by the Transaction Documents to which it is a party, except for (i) filings pursuant to federal or state securities laws and (ii) the filing of registration statements with the SEC and any applicable state securities commission.

4.5 Company SEC Reports and Financial Statements.

4.5.1 The Company has made available to Purchaser true and complete copies of all periodic reports, statements and other documents that the Company has filed with the SEC under the Exchange Act since August 30, 1996 (collectively, the "Company SEC Reports"), each in the form (including exhibits and any amendments thereto) required to be filed with the SEC. As of their respective dates, each of the Company's SEC Reports (i) complied in all respects with all applicable requirements of the Exchange Act, and the rules and regulations promulgated thereunder, respectively, (ii) were filed in a timely manner, and (iii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.5.2 Each of the audited financial statements of the Company (including any related notes and schedules thereto) included (or incorporated by reference) in its Annual Report on Form 10-KSB for the fiscal year ended December 31, 1997, is accurate and complete and fairly presents, in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved (except as may be noted therein), and in conformity with the SEC's Regulation S-X, the financial position of the Company as of its date and the results of operations and changes in financial position for the period then ended. Each of the unaudited financial statements of the Company (including any related notes and schedules thereto) included (or incorporated by reference) in its Quarterly Report on Form 10-QSB for the quarter and nine-month period ended September 30, 1998, is accurate and complete and fairly presents, in conformity with GAAP applied on a consistent basis throughout the periods involved

(except as may be noted therein), and in conformity with the SEC's Regulation S-X, the financial position of the Company as of its date and the results of operations and changes in financial position for the periods then ended.

4.5.3 Except as and to the extent set forth (or incorporated by reference) in the Company's Quarterly Report on Form 10-QSB for the quarter ended September 30, 1998 (the "Balance Sheet Date"), the Company has not incurred any liability or obligation of any nature whatsoever (whether due or to become due, accrued, fixed, contingent, liquidated, unliquidated or otherwise) that would be required by GAAP to be accrued on, reflected on, or reserved against it on, a balance sheet (the "Balance Sheet") (or in the applicable notes thereto) of the Company prepared in accordance with GAAP consistently applied as of the date and for the period required.

4.6 Changes. Since the Balance Sheet Date, there has not been:

4.6.1 any change in the assets, liabilities, financial condition or operating results of the Company, except changes in the ordinary course of business;

4.6.2 any damage, destruction or loss to real or personal property, whether or not covered by insurance;

4.6.3 any waiver by the Company of a legal or contractual valuable right or of a debt owed to it outside of the ordinary course of business;

4.6.4 any satisfaction or discharge of any Lien or payment of any obligation by the Company;

4.6.5 any change or amendment to a contract or arrangement by which the Company or any of its respective assets or properties is bound or subject;

4.6.6 other than in the ordinary course of business, any material increase in excess of \$5,000 annually in any compensation arrangement or agreement with any employee of the Company receiving compensation;

4.6.7 any events or circumstances that otherwise could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and

4.6.8 the Company has not (i) declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock or equity interests, (ii) incurred any indebtedness for money borrowed other than capital leases in the ordinary course of business, (iii) made any loans or advances to any Person, other than ordinary advances for travel expenses not exceeding \$5,000, or (iv) sold, exchanged or otherwise disposed of any of its assets or rights for consideration in excess of \$35,000 in any one transaction or series of related transactions.

SECTION 5.

Representations and Warranties of the Purchaser

Purchaser hereby represents and warrants to and agrees with the Company, as follows:

5.1 Accredited Investor; Experience; Risk.

5.1.1 Purchaser is an accredited investor and has been advised and understands that the Series B Stock has not been registered under the Securities Act, on the basis that no distribution or public offering of the Series B Stock is to be effected, except in compliance with the applicable securities laws and regulations or pursuant to an exemption therefrom.

5.1.2 Purchaser is purchasing the Series B Stock for investment purposes, for her own account and not with a view to, or for sale in connection with, any distribution thereof in violation of federal or state securities laws.

5.1.3 Purchaser has such knowledge and experience in financial and business matters that she is capable of evaluating the merits and risks of the purchase of the Series B Stock pursuant to this Agreement.

5.1.4 The certificates representing the Series B Stock shall bear a legend evidencing such restriction on transfer substantially in the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF

1933, AS AMENDED (THE "ACT") OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO REGISTRATION UNDER THE ACT OR AN EXEMPTION THEREFROM."

5.2 Authorization. Purchaser has all requisite power and authority to execute and deliver this Agreement and each of the Transaction Documents and to perform her obligations hereunder and thereunder. Each Transaction Document to which she is a party has been duly and validly executed and delivered by Purchaser and constitutes the legal, valid, and binding obligation of Purchaser, enforceable against her in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

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5.3 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state, or local governmental authority on the part of Purchaser is required in connection with the valid execution and delivery by Purchaser of the Transaction Documents to which she is a party, or the consummation by such Purchaser of the transactions contemplated by the Transaction Documents to which she is a party, except for such filings as have been made prior to the Closing.

SECTION 6.

Miscellaneous

6.1 Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified, supplemented or waived, except by a written instrument executed by the Company and the Purchaser.

6.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in Person, transmitted by facsimile transmission (fax) or sent by registered or certified mail (return receipt requested) or recognized overnight delivery service, postage pre-paid, addressed as follows, or to such other address as such party may notify to the other parties in writing:

6.2.1 if to the Company:

Microvision, Inc.
2203 Airport Way South, Suite 100
Seattle, WA 98134
Attn: Richard A. Raisig
Telephone No.: (206) 623-7055
Facsimile No.: (206) 623-5961

with a copy to:

Stoel Rives, LLP
600 University Street, Suite 3600
Seattle, Washington 98101
Attn: Christopher J. Voss
Telephone No.: 206-386-7505
Facsimile No.: 206-386-7500

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6.2.2 if to the Purchaser:

Margaret Elardi
3411 Las Vegas Blvd. S.
Las Vegas, NV 89109
Telephone No.: (702) 650-4734
Facsimile No.: (702) 650-4708

with a copy to:

Cohen, Johnson, Day & Clayson
4475 S. Pecos
Las Vegas, NV 89121
Attn: Steven Cohen
Telephone No.: (702) 454-2111
Facsimile No.: (702) 454-3333

A notice or communication will be effective (i) if delivered in Person or by overnight courier, on the business day it is delivered, (ii) if transmitted by telecopier or E-mail, on the business day of actual confirmed receipt by the addressee thereof, and (iii) if sent by registered or certified mail, three (3) business days after dispatch.

6.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

6.4 Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto.

6.5 Survival of Representations, Warranties and Covenants. All representations and warranties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, any investigation at any time made by or on behalf of any Purchaser, and the sale and purchase of the Series B Stock and payment therefor for a period of two (2) years.

6.6 Entire Agreement. This Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings,

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contracts and communications, whether verbal or written, among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

6.7 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, without regard to principles of conflict of laws.

6.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument.

6.9 Fees and Expenses. Each party shall bear its own fees and expenses in connection with the negotiation and execution of this Agreement and the Transaction Documents.

6.10 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any Person or entity that is not a party to this Agreement.

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STOCK PURCHASE AGREEMENT SIGNATURE PAGE

IN WITNESS WHEREOF, the Company and Purchaser have caused this Agreement to be executed effective as of the date first above written.

MICROVISION, INC.

By: /s/ CLARENCE TEGREENE

Its: Attorney-in-Fact/IP Counsel

MARGARET ELARDI

/s/ MARGARET ELARDI
