As filed with the Securities and Exchange Commission on August 5, 1999
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-3 Registration Statement
Under the Securities Act of 1933

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

WASHINGTON	91-1600822
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

19910 North Creek Parkway
Bothell, WA 98011-3008
(425) 415-6847 (telephone)
(425) 415-0066 (facsimile)
(Address, including zip code, and telephone and facsimile numbers, including area code, of principal executive offices)

Richard A. Raisig, Chief Financial Officer
19910 North Creek Parkway
Bothell, WA 98011-3008
(425) 415-6614 (telephone)
(425) 481-1625 (facsimile)
(Name, address, including zip code, and telephone and facsimile numbers, including area code, of agent for service)

Copy to:
Christopher J. Voss
Stoel Rives LLP
One Union Square, 36th Floor
Seattle, WA 98101-3197
(206) 624-0900 (telephone)
(206) 386-7500 (facsimile)

Approximate date of commencement of proposed sale to the public:
From time to time after this registration statement becomes effective

If the only securities being registered on this Form are to be offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with a dividend or interest reinvestment plan, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

<TABLE>
<CAPTION>

Title of Each Class of Securities Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
<S>	<C>	<C>	<C>	<C>
Common Stock, no par value	268,600 shares	$20.6875 (1)	$5,556,663 (1)	$1,545

<FN>

(1) The proposed maximum offering price per share and maximum aggregate offering price are calculated in accordance with Rule 457(c) under the Securities Act.
</FN>
</TABLE>

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS, Subject to Completion, dated August 5, 1999

MICROVISION, INC.

268,600 shares of Common Stock

These shares of common stock are being offered and sold from time to time by one of our current shareholders. We issued the shares to the selling shareholder in connection with an investment that the selling shareholder made in the Company in May 1999.

The selling shareholder may sell the shares from time to time at fixed prices, market prices, prices computed with formulas based on market prices, or at negotiated prices, and may engage a broker or dealer to sell the shares. For additional information on the selling shareholder's possible methods of sale, you should refer to the section of this prospectus entitled "Plan of Distribution" on page 12. We will not receive any proceeds from the sale of the shares, but will bear the costs relating to the registration of the shares.

Our common stock is traded on the Nasdaq National Market under the symbol "MVIS." On July 30, 1999, the closing price for our common stock was $19.875 per share.

This shares offered in this prospectus involve a high degree of risk. You should carefully consider the "Risk Factors" beginning on page 4 in determining whether to purchase shares of our common stock or the common stock purchase warrants.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the shares, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is _____, 1999.

TABLE OF CONTENTS

You should rely only on information contained or incorporated by reference in this prospectus. See "Information Incorporated by Reference" on page 14. Neither Microvision nor the selling shareholder has authorized any other person to provide you with information different from that contained in this prospectus.

The shares of common stock are not being offered in any jurisdiction where the offering is not permitted.

The information contained in this prospectus is correct only as of the date

on the cover, regardless of the date this prospectus was delivered to you or the date on which you acquired any of the shares.

OUR BUSINESS

Microvision develops information display technologies that allow electronically generated images and information to be projected to the retina of the viewer's eye. We have developed prototype Virtual Retinal DisplayTM ("VRDTM") devices, including portable color and monochrome versions, and currently are refining, developing and marketing our VRD technology for commercial applications. We expect to commercialize our technology through the development of products and as a supplier of personal display technology to original equipment manufacturers. We believe the VRD technology will be useful in a variety of applications, including portable communications and visual simulation for defense, medical, industrial and consumer markets that may include superimposing images on the user's field of vision. We expect that our technology will allow for the production of highly miniaturized, lightweight, battery-operated displays that can be held or worn comfortably. Microvision's scanning technology also may be applied to the capturing of images, in such possible applications as a digital camera or a bar code reader.

Our objective is to be a leading provider of personal display products and imaging technology in a broad range of professional and consumer applications. We intend to achieve this objective and to generate revenues by licensing our technology to original equipment manufacturers of consumer electronics products; providing engineering services associated with cooperative development arrangements and research contracts; and manufacturing and selling high-performance personal display products to professional users, directly or through joint ventures.

Microvision was incorporated in 1993. Our principal executive offices are located at 19910 North Creek Parkway, Bothell, WA 98011-3008, and our telephone number is (425) 415-6847.

RISK FACTORS

You should carefully consider the following factors and other information in this prospectus before deciding to invest in Microvision's common stock. You should not purchase any of the shares of common stock unless you can afford a complete loss of your investment.

Our Technology May Not Be Commercially Acceptable. Our success will depend on the successful development and commercial acceptance of the VRD technology. To achieve commercial success, this technology and products incorporating this technology must be accepted by original equipment manufacturers and end users, and must meet the expectations of our potential customer base. We cannot be certain that the VRD technology or products incorporating this technology will achieve market acceptance.

We Have Not Completed Development of a Commercial Product. Although we have developed prototype VRD displays, we must undertake significant additional research, development and testing before we are able to produce any products for commercial sale. We cannot be certain that we will be successful in further refining the VRD technology to produce marketable products. In addition, product development delays or the inability to enter into relationships with potential product development partners may delay the introduction of, or prevent us from introducing, commercial products. Any delay in developing and producing, or the failure to develop and produce, commercially viable products would have a material adverse effect on our business, operating results, and financial condition.

We Have Experienced Net Losses in Each Year of Operations and Do Not Expect to Have Earnings At Least Through 2000. We have experienced net losses in each year of operations and, as of December 31, 1998, had an accumulated deficit since inception of $22.8 million. We incurred net losses of $3.5 million in 1996, $4.9 million in 1997, and $7.3 million in 1998. Our revenues to date have been generated from development contracts. We do not expect to generate significant revenues from product sales in the near future. The likelihood of our success must be considered in light of the expenses, difficulties, and delays frequently encountered by businesses formed to develop new technologies. In particular, our operations to date have focused primarily on research and development of the VRD technology and prototypes, and we have developed marketing capabilities only during the past year. We are unable to estimate future operating expenses and revenues based upon historical performance. Our operating results will depend, in part, on matters over which we have no control, including, without limitation:

- our ability to achieve market acceptance of the VRD technology and products incorporating that technology;

- our ability to develop and manufacture commercially viable products incorporating the VRD technology;

- the level of contract revenues in any given period;
- our expense levels and manufacturing costs; and
- technological and other developments in the electronics, computing, information display and imaging industries.

We cannot be certain that we will be successful in obtaining additional development contracts, or that we will be able to generate purchase orders for products incorporating the VRD technology. In light of these factors, we expect to continue to incur substantial losses and negative cash flow at least through 2000 and possibly thereafter. We cannot be certain that the Company will become profitable or cash flow positive at any time in the future.

We Rely on Our Patents and Other Proprietary Technology and May Be Unable to Protect Them Adequately. Our success will depend in part on the ability of the Company, the University of Washington, and the Company's other licensors to maintain the proprietary nature of the VRD and related technologies. Although our licensors have patented various aspects of the VRD technology and we continue to file our own patent applications covering VRD features and related technologies, we cannot be certain as to the degree of protection offered by these patents or as to the likelihood that patents will be issued from the pending patent applications. Moreover, these patents may have limited commercial value or may lack sufficient breadth to protect adequately the aspects of our technology to which the patents relate.

We cannot be certain that our competitors, many of which have substantially greater resources than us and have made substantial investments in competing technologies, will not apply for and obtain patents that will prevent, limit or interfere with our ability to make and sell our products. In addition, we are aware of several patents held by third parties that relate to certain aspects of retinal scanning devices. These patents could be used as a basis to challenge the validity of the University of Washington's patent rights, to limit the scope of the University's patent rights or to limit the University's ability to obtain additional or broader patent rights. A successful challenge to the validity of the University's patents could limit our ability to commercialize the VRD technology and, consequently, materially and adversely effect our business, operating results, and financial condition.

Moreover, we cannot be certain that such patent holders or other third parties will not claim infringement by the Company or by the University with respect to current and future technology. Because U.S. patent applications are held and examined in secrecy, it is also possible that presently pending U.S. applications will eventually issue with claims that will be infringed by the Company's products or the VRD technology. The defense and prosecution of a patent suit would be costly and time-consuming, even if the outcome were ultimately favorable to us. An adverse outcome in the defense of a patent suit could subject us to significant liabilities, require the Company and others to cease selling products that incorporate VRD technology or cease licensing the VRD technology, or require disputed rights to be licensed from third parties. Such

licenses may not be available on satisfactory terms, or at all. Moreover, if claims of infringement are asserted against future co-development partners or customers of the Company, those partners or customers may seek indemnification from us for damages or expenses they incur.

We also rely on unpatented proprietary technology. Third parties could develop the same or similar technology or otherwise obtain access to our proprietary technology. We cannot be certain that we will be able to adequately protect our trade secrets, know-how or other proprietary information or to prevent the unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information.

Our Rights to the VRD Technology Are Subject to Our License Agreement with the University of Washington. Our success depends on technology that we have licensed from the University of Washington. If the University of Washington were to violate the terms of our license agreement, our business, operations, and prospects could be materially and adversely affected. In addition, we could lose the exclusivity under the UW License Agreement if we fail to respond timely to claims of infringement with respect to the VRD technology. The loss of exclusivity under the UW License Agreement could have a materially adverse effect on the Company's business, operating results, and financial condition.

Our Future Success Depends on Collaboration with Third Parties. Our strategy for developing, testing, manufacturing and commercializing the VRD

technology and products incorporating the VRD technology includes entering into cooperative development and sales and marketing arrangements with corporate partners, original equipment manufacturers, and other third parties. We cannot be certain that we will be able to negotiate such arrangements on acceptable terms, if at all, or that such arrangements will be successful in yielding commercially viable products. If we are unable to establish such arrangements, we would require additional working capital to undertake such activities on our own and would require extensive manufacturing, sales and marketing expertise that we do not currently possess. In addition, we could encounter significant delays in introducing the VRD technology into certain markets or find that the development, manufacture or sale of products incorporating the VRD technology in such markets would not be feasible without, or would be adversely affected by the absence of, such arrangements. To the extent that we enter into cooperative development, sales and marketing or other joint venture arrangements, our revenues will depend upon the efforts of third parties. We cannot be certain that any such arrangements will be successful.

The Information Display Industry Is Highly Competitive and We May Not Be Able to Keep Up With Rapid Technological Change. Our products and the VRD technology will compete with established manufacturers of miniaturized CRT and flat panel display devices, many of which have substantially greater financial, technical and other resources than us and many of which are developing alternative miniature display technologies. We also will compete with other developers of miniaturized display devices.

The electronic information display industry has been characterized by rapidly changing technology, accelerated product obsolescence, and continuously evolving industry standards. Our

success will depend upon our ability to further develop the VRD technology and to introduce new products and features in a timely manner to meet evolving customer requirements. We may not succeed in these efforts. Our business and results of operations will be materially and adversely affected if we incur delays in developing our products or if such products do not gain broad market acceptance. In addition, our competitors may develop information display technologies and products that would render the VRD technology or our proposed products commercially infeasible or technologically obsolete. We cannot be certain that the VRD technology or our proposed products will remain competitive with such advances or that we will have sufficient funds to invest in new technologies or processes.

We Lack Manufacturing Capability. Our success depends in part on our ability to manufacture our components and future products to meet high quality standards in commercial quantities at competitive prices. To date, we only have produced prototype products for research, development and demonstration purposes, and currently lack the capability to manufacture products in commercial quantities. Accordingly, we will be required to obtain access through our partners or contract manufacturers to manufacturing capacity and processes for the commercial production of our future products. We cannot be certain that the Company will successfully obtain access to these manufacturing resources or, if it does, that these resources will be able to manufacture components to our design and quality specifications. Future manufacturing difficulties or limitations of our suppliers could result in:

- a limitation on the number of products incorporating the VRD technology that can be produced;
- unacceptably high prices for components, with a resulting loss of profitability and loss of competitiveness for our products; and
- increased demands on our financial resources, possibly requiring additional equity and/or debt financings to sustain our business operations.

We Are Substantially Dependent on Partners in the Defense and Aerospace Industries. Our revenues to date have been derived principally from product development research relating to defense and aerospace applications of the VRD technology. The Company believes that development programs and sales of potential products in these markets will represent a significant portion of our future revenues. Developments that adversely affect the defense and aerospace sectors, including delays in government funding and a general economic downturn, could, in turn, materially and adversely affect the Company's business and operating results.

We May Require Additional Capital to Continue Implementing Our Business Plan. The Company believes that its current cash and investment balances will satisfy its budgeted capital and operating requirements for at least the next 12 months, based on our current operating plan. Actual expenses, however, may exceed budgeted amounts and we may require additional capital to fund long-term operations and business development. Our capital requirements will depend on many factors, including, but not limited to, the rate at which we can develop the VRD

technology, our ability to attract partners for product development and licensing arrangements, and the market acceptance and competitive position of products that incorporate the VRD technology. We cannot be certain that we will be able to obtain financing when needed or that we will be able to obtain financing on satisfactory terms. If additional funds are raised through the issuance of equity, convertible debt or similar securities, shareholders may experience additional dilution and such securities may have rights or preferences senior to those of the Common Stock. Moreover, if adequate funds were not available to satisfy our short-term or long-term capital requirements, we would be required to limit our operations significantly.

A Substantial Number of Our Shares Are Eligible for Future Sale and Could Depress Market Prices. The sale of a substantial number of shares of our common stock in the public market or the prospect of such sales could materially and adversely affect the market price of the common stock. As of July 31, 1999, we had outstanding:

- 9,843,905 shares of common stock;
- 1,600 shares of Series B Convertible Preferred Stock convertible into 100,000 shares of common stock, subject to adjustment for stock splits, stock dividends, recapitalizations, reclassifications, and similar events, and excluding unpaid and accrued dividends payable in shares of common stock;
- privately placed warrants to purchase 688,813 shares of common stock; and
- "representative warrants" to purchase 186,250 shares of common stock.

Almost all of our outstanding shares of common stock may be sold without substantial restrictions. In addition, as of July 31, 1999, we had granted options under our option plans to purchase an aggregate of 2,370,164 shares of common stock. All of the shares purchased under the option plans are available for sale in the public market, subject in some cases to volume and other limitations. We also have granted the holder of our Series B Stock options to purchase 1,920 additional shares of Series B Stock convertible into 100,000 shares of common stock.

Sales in the public market of substantial amounts of common stock, including sales of common stock issuable upon conversion of the Series B Stock or the exercise of the outstanding warrants, could depress prevailing market prices for the common stock. Even the perception that such sales could occur may adversely impact market prices.

Continued Development Funding is Uncertain; Our Quarterly Performance May Vary Significantly. Our revenues to date have been generated from a limited number of development contracts with U.S. government agencies and commercial partners. If the U.S. government or our current and prospective commercial partners were to reduce or delay funding of development programs involving new information display technologies, our business, operating results, and financial condition could be materially and adversely affected. In addition, our quarterly operating results may vary significantly based on the status of particular development

programs and the timing of deliverables under specific development agreements. Because of these factors, revenue, net income or loss and cash flow may fluctuate significantly from quarter to quarter.

We Rely on Our Key Personnel. Our success depends on our officers and other key personnel and on the ability to attract and retain qualified new personnel. Achievement of our business objectives will require substantial additional expertise in the areas of sales and marketing, technology and product development, and manufacturing. Competition for qualified personnel in these fields is intense, and the inability to attract and retain additional highly skilled personnel, or the loss of key personnel, could have a material adverse effect on our business, operating results and financial condition.

We Face Potential Year 2000-Related Risks. The effect on the Company of an internal Y2K failure, a third party Y2K failure or a combination of internal and external Y2K failures could range from a minor disruption in our purchases to an extended interruption in the information technology ("IT") and non-IT systems of third parties whose operations materially impact our operations. Such an interruption could result in a material adverse effect on the Company's business, operating results, and financial position.

Our Products May Be Subject to Future Health and Safety Regulation. Except for regulations related to the labeling of devices that emit electro-magnetic radiation, we are not aware of any health or safety regulations applicable to products incorporating the VRD technology. We cannot be certain, however, that new health and safety regulations will not be promulgated that might materially and adversely affect the Company's ability to commercialize the VRD technology. Any such regulation could have a material and adverse effect on our business, operating results, and financial condition.

Our Stock Price May Be Volatile. The trading price of our common stock could be subject to significant fluctuations in response to, among other factors:

- variations in quarterly operating results;
- changes in analysts' estimates;
- announcements of technological innovations by us or our competitors; and
- general conditions in the information display and electronics industries.

In addition, the stock market is subject to price and volume fluctuations that particularly affect the market prices for small capitalization, high technology companies. These fluctuations are often unrelated to the operating performance of these companies.

Certain Provisions of our Articles Could Make a Proposed Acquisition That is Not Approved by Our Board of Directors More Difficult. Our Amended and Restated Articles of

Incorporation give our Board of Directors the authority to issue, and to fix the rights and preferences of, shares of our preferred stock without shareholder action, which may have the effect of delaying, deterring or preventing a change in control of the Company. Furthermore, the Articles of Incorporation provide that the written demand of at least 25% of the outstanding shares is required to call a special meeting of the shareholders. In addition, certain provisions of Washington law could have the effect of delaying, deterring or preventing a change in control of the Company.

We Do Not Anticipate Declaring Any Dividends. We have not previously paid any dividends on our common stock and for the foreseeable future expect to retain any earnings to finance the development and expansion of our business.

Special Note Regarding Forward-Looking Statements

Some of the statements contained in this prospectus discuss future expectations, contain projections or results of operations or financial condition or state other "forward-looking" information. These statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ from those contemplated by the statements and, therefore, these statements are not guarantees of our future performance.

SELLING SHAREHOLDER

On May 6, 1999, Cree Research, Inc. (the "selling shareholder") acquired 268,600 shares of our common stock. The material terms of this transaction are described in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1999, which is incorporated by reference in this prospectus. We are registering the selling shareholder's shares in the registration statement of which this prospectus is a part.

The following table sets forth certain information as of July 30, 1999, regarding the ownership of the common stock by the selling shareholder and as adjusted to give effect to the sale of the shares offered hereby.

<TABLE>
<CAPTION>

Selling Shareholder	Shares Beneficially Owned Prior to Offering	Shares Being Offered	Ownership After Offering if All Shares Offered Hereby Are Sold	
			Shares	Percent
<S>	<C>	<C>	<C>	<C>

Cree Research, Inc.	268,600	268,600	-0-	-

</TABLE>

The selling shareholder and its officers and directors have not held any positions or office or had any other material relationship with us or any of our affiliates within the past three years.

In recognition of the fact that the selling shareholder may wish to be legally permitted to sell its shares when it deems appropriate, we agreed with the selling shareholder to file with the Securities and Exchange Commission, under the Securities Act, a registration statement on Form S-3, of which this prospectus forms a part, with respect to the resale of the shares, and to prepare and file such amendments and supplements to the registration statement as may be necessary to keep the registration statement effective until the shares are no longer required to be registered for sale by the selling shareholder.

PLAN OF DISTRIBUTION

We are registering the shares covered by this prospectus for the selling shareholder. As used in this prospectus, "selling shareholder" includes the pledgees, donees, transferees or others who may later hold the selling shareholder's interest. We will pay the costs and fees of registering the shares, but the selling shareholder will pay any brokerage commissions, discounts or other expenses relating to the sale of the shares. Microvision and the selling shareholder each have agreed to indemnify the other against certain liabilities, including liabilities arising under the Securities Act, that relate to statements or omissions in the registration statement of which this prospectus forms a part.

The selling shareholder may sell the shares in the over-the-counter market or otherwise, at market prices prevailing at the time of sale, at prices related to prevailing market prices, or at negotiated prices. In addition, the selling shareholder may sell some or all of their shares through:

- a block trade in which a broker-dealer may resell a portion of the block, as principal, in order to facilitate the transaction;
- purchases by a broker-dealer, as principal, and resale by the broker-dealer for its account; or
- ordinary brokerage transactions and transactions in which a broker solicits purchases.

When selling the shares, the selling shareholder may enter into hedging transactions. For example, the selling shareholder may:

- enter into transactions involving short sales of the shares by broker-dealers;
- sell shares short themselves and redeliver such shares to close out their short positions;
- enter into option or other types of transactions that require the selling shareholder to deliver shares to a broker-dealer, who will then resell or transfer the shares under this prospectus; or
- loan or pledge the shares to a broker-dealer, who may sell the loaned shares or, in the event of default, sell the pledged shares.

The selling shareholder may negotiate and pay broker-dealers commissions, discounts or concessions for their services. Broker-dealers engaged by the selling shareholder may allow other broker-dealers to participate in resales. However, the selling shareholder and any broker-dealers involved in the sale or resale of the shares may qualify as "underwriters" within the meaning of

the Section 2(a)(11) of the Securities Act. In addition, the broker-dealers' commissions, discounts or concessions may qualify as underwriters' compensation under the Securities Act. If the selling shareholder qualifies as an "underwriter," it will be subject to the prospectus delivery requirements of Section 5(b)(2) of the Securities Act.

In addition to selling its shares under this prospectus, the selling shareholder may:

- agree to indemnify any broker-dealer or agent against certain liabilities related to the selling of the shares, including liabilities arising under the Securities Act;

- transfer its shares in other ways not involving market makers or established trading markets, including directly by gift, distribution, or other transfer; or

- sell its shares under Rule 144 of the Securities Act rather than under this prospectus, if the transaction meets the requirements of Rule 144.

EXPERTS

The financial statements incorporated in this prospectus by reference to the Annual Report on Form 10-K of Microvision, Inc., for the year ended December 31, 1998, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

LIMITATION OF LIABILITY AND INDEMNIFICATION

Our Amended and Restated Articles of Incorporation provide that, to the fullest extent permitted by the Washington Business Corporation Act, our directors will not be liable for monetary damages to us or our shareholders, excluding, however, liability for acts or omissions involving intentional misconduct or knowing violations of law, illegal distributions or transactions from which the director receives benefits to which the director is not legally entitled. Our Amended and Restated Bylaws authorize us to indemnify our directors, officers, employees and agents to the fullest extent permitted by applicable law, except for any legal proceeding that is initiated by such directors, officers, employees or agents without authorization of the Board of Directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the SEC's opinion, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" our public filings into this prospectus, which means that information included in those documents is considered part of this prospectus. Information that we file with the SEC subsequent to the date of this prospectus will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until the selling shareholder has sold all the shares.

The following documents filed with the SEC are incorporated by reference in this prospectus:

(1) Annual Report on Form 10-K for the year ended December 31, 1998;

(2) Current Report on Form 8-K for the event of January 14, 1999, as filed with the SEC on January 28, 1999;

(3) Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1999;

(4) Definitive proxy statement for the 1999 Annual Meeting of Shareholders, as filed on April 30, 1999; and

(5) The description of our common stock set forth in Amendment No. 1 to our Registration Statement on Form SB-2 (Registration No. 33-5276-LA), including any amendment or report filed for the purpose of updating such description, as incorporated by reference in our Registration Statement on Form 8-A (Registration No. 0-21221).

We will furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference, other than exhibits to such documents. You should direct any requests for documents to Investor Relations, Microvision, Inc., 19910 North Creek Parkway, Bothell, WA 98011-3008, telephone (425) 415-6847.

The information relating to the Company contained in this prospectus is not comprehensive and should be read together with the information contained in the incorporated documents.

AVAILABLE INFORMATION

This prospectus is part of a Registration Statement on Form S-3 that we filed with the SEC. Certain information in the Registration Statement has been omitted from this prospectus in accordance with SEC rules.

We file annual, quarterly and special reports and other information with the SEC. You may read and copy the Registration Statement and any other document that we file at the SEC's public reference rooms located at Room 1024, Judiciary Plaza, 450 Fifth Street N.W., Washington, D.C. 20549; 7 World Trade Center, Suite 1300, New York, New York 10048; and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to you free of charge at the SEC's web site at http://www.sec.gov.

Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance you should refer to the copy of such contract or other document filed as an exhibit to the Registration Statement.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

All expenses in connection with the issuance and distribution of the securities being registered will be paid by the Company. The following is an itemized statement of these expenses (all amounts are estimated except for the SEC and Nasdaq listing fees):

SEC Registration fee.....	$ 1,545
Nasdaq listing fee.....	$ 5,372
Legal fees.....	$ 5,000
Accountant's Fees.....	$ 2,500
Printing Fees.....	$ 0
Miscellaneous.....	$ 583
Total.....	$ 15,000

Item 15. Indemnification of Officers and Directors.

Article 7 of the Company's Amended and Restated Articles of Incorporation and Section 10 of the Company's Restated Bylaws authorize the Company to indemnify its directors, officers, employees and agents to the fullest extent permitted by the Washington Business Corporation Act (the "Act"). Sections 23B.08.500 through 23B.08.000 of the Act authorize a court to award, or a corporation's board of directors to grant, indemnification to directors and officers on terms sufficiently broad to permit indemnification under certain circumstances for liabilities arising under the Securities Act.

Section 23B.08.320 of the Act authorizes a corporation to limit a director's liability to the corporation or its shareholders for monetary damages for acts or omissions as a director, except in certain circumstances involving intentional misconduct, self-dealing or illegal corporate loans or distributions, or any transaction from which the director personally receives a benefit in money, property or services to which the director is not legally entitled. Article 6 of the Company's Amended and Restated Articles of Incorporation contains provisions implementing, to the fullest extent permitted by Washington law, such limitations on a director's liability to the Company and its shareholders.

Item 16. Exhibits.

3.1 Amended and Restated Articles of Incorporation of the Company (1)

3.1.1 Articles of Amendment Containing the Statement of Rights and Preferences of the Series B Convertible Preferred Stock of the Company (2)

3.2 Amended and Restated Bylaws of the Company (3)

4.1 Stock Purchase Agreement dated May 5, 1999, by and between the Company and Cree Research, Inc.

4.2 Registration Rights Agreement dated May 5, 1999, by and between the Company and Cree Research, Inc.

5 Opinion on Legality

23.1 Consent of PricewaterhouseCoopers LLP

23.2 Consent of Stoel Rives LLP (included in Exhibit 5)

24 Power of Attorney (included on the signature page hereof)

1/ Incorporated by reference to the Registration Statement on Form SB-2, Registration No. 33-5276-LA.

2/ Incorporated by reference to the Current Report on Form 8-K for the event of January 14, 1999, as filed on January 28, 1999

3/ Incorporated by reference to the Quarterly Report on Form 10-QSB for the quarterly period ending June 30, 1998

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration statement

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration statement (or the most recent post-effective amendment thereof) that, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the

offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the

Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question, whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Bothell, State of Washington, on July 30, 1999.

MICROVISION, INC.

By: /s/ RICHARD F. RUTOWSKI

Richard F. Rutkowski
President and Chief Executive Officer

KNOW ALL BY THESE PRESENTS that each person whose signature appears below hereby authorizes and appoints Richard F. Rutkowski and Richard A. Raisig, and each of them, with full power of substitution and full power to act without the other, as his true and lawful attorney-in-fact and agent to act in his name, place and stead and to execute in the name and on behalf of each file, any and all amendments to this Registration Statement, including any and all post-effective amendments.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated below on the 30th day of July, 1999:

Signature and Title

/s/ RICHARD F. RUTKOWSKI	/s/ ROBERT A. RATLIFFE
Richard F. Rutkowski President, Chief Executive Officer and Director	Robert A. Ratliffe Director
/s/ STEPHEN R. WILLEY	/s/ JACOB BROUWER
Stephen R. Willey Director	Jacob Brouwer Director
/s/ RICHARD A. RAISIG	
Richard A. Raisig Chief Financial Officer (Principal financial and accounting officer) and Director	Richard A. Cowell Director
/s/ WALTER J. LACK	/s/ DOUGLAS TRUMBULL
Walter J. Lack Director	Douglas Trumbull Director

/s/ WILLIAM A. OWEN	/s/ MARGARET ELARDI
William A. Owen	Margaret Elardi
Director	Director

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is dated as of May 5, 1999, by and among MICROVISION, INC., a Washington corporation (the "Company"), and CREE RESEARCH, INC., a North Carolina corporation ("Purchaser").

W I T N E S S E T H

WHEREAS, the Company proposes to issue and sell to the Purchaser, and the Purchaser desires to purchase from the Company, shares of the Company's common stock on the terms and subject to the conditions set forth herein; and

WHEREAS, the Company and Purchaser desire to enter into a Registration Rights Agreement of even date herewith in the form attached hereto as Exhibit A, pursuant to which the 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.

"Development Agreement" means the Development Agreement between the Company and Purchaser dated the date hereof.

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

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

"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.

"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 the Company's Series A Convertible Preferred Stock, no par value and Series B Convertible Preferred Stock, no par value.

"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 between the Company and Purchaser dated the date hereof.

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

SECTION 2.

Sale and Purchase of Common 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 issue and sell to Purchaser, 268,600 shares (the "Shares") of Common Stock at a purchase price of $16.7535 per share, for an aggregate purchase price of Four Million Five Hundred Thousand Dollars ($4,500,000) (the "Purchase Price").

SECTION 3.

Closing; Deliveries

3.1 Closing Date. The closing of the purchase and sale of the Shares (the "Closing") shall be held at the offices of Stoel Rives LLP, 600 University Street, Suite 3600, Seattle, Washington 98101 on May 6, 1999 (the "Closing Date"), or on such other date or at such other place as Purchaser and the Company shall mutually agree.

3.2 Deliveries. At the Closing, the Purchaser shall pay the Purchase Price to the Company by wire transfer, in accordance with the Company's written instructions, and the Company shall deliver to Purchaser a certificate evidencing the Shares.

SECTION 4.

Representations and Warranties of the Company

The Company hereby represents and warrants to, and agrees with Purchaser that, as of each of the date of this Agreement and the Closing Date, as follows:

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 no subsidiaries. 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 capitalization of the Company as of the date hereof is set forth on Schedule 4.2, including the authorized capital stock, the number of shares issued and outstanding, the number of shares issuable and reserved for issuance pursuant to the Company's stock option plans, the number of shares issuable and reserved for issuance pursuant to securities exercisable for, or convertible into or exchangeable for any shares of capital stock, except for additional shares outstanding from the exercise of various employee stock options subsequent to March 31, 1999 for which the reserve is reflected on Schedule 4.2. All of such outstanding shares of capital stock have been, or upon issuance will be, validly issued, fully paid and nonassessable. Except as set forth on Schedule 4.2, no shares of capital stock of the Company (including the Shares) are subject to preemptive rights or any other similar rights of the shareholders of the Company or any liens or encumbrances. Except for the Shares and as disclosed in Schedule 4.2 and as described in the first sentence of this Section 4.2.1, as of the date of this Agreement, (i) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exercisable or exchangeable for, any shares of capital stock of the Company, or arrangements by which the Company is or may become bound to issue additional shares of capital stock of the Company, and (ii) there are no agreements or arrangements under which the Company is obligated to register the sale of any of its or their securities under the Securities Act (except the Registration Rights Agreement). There are no securities or instruments

containing antidilution or similar provisions that may be triggered by the issuance of the Shares in accordance with the terms of this Agreement.

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 Common 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, (iii) will not be subject to preemptive rights or other similar rights of shareholders, and (iv) 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, including but not limited to the Development Agreement and the Registration Rights Agreement (the "Transaction Documents") and to 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. This Agreement and each Transaction Document to which the Company 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. To the Company's knowledge, the execution, delivery and performance of this Agreement and each of the Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) conflict with or result in a violation of the Articles of Incorporation or Bylaws or (ii) conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument to which the Company is a party, or result in a violation of any law, rule, regulation, order, judgment or decree (including United States federal and state securities laws and regulations) applicable to the Company or by which any property or asset of the Company is bound or affected (except, with respect to clause (ii), for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect). The Company is in compliance with its Articles of Incorporation, Bylaws and other organizational documents and is not in default (and no event has occurred which, with notice or lapse of time or both, would put the Company in default) under, nor has there occurred any event giving others (with notice or lapse of time or both) any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to

which the Company is a party, except for actual or possible violations, defaults or rights as would not, individually or in the aggregate, have a Material Adverse Effect. To the Company's knowledge, the business of the Company is not being conducted in violation of any law, ordinance or regulation of any governmental entity, except for actual or possible violations, if any, the sanctions for which either singly or in the aggregate would not have a Material Adverse Effect. As of the date of this Agreement, the Company is not in violation of the listing requirements of the Nasdaq National Market ("NASDAQ") and does not reasonably anticipate that the Common Stock will be delisted by NASDAQ in the foreseeable future based on its rules (and interpretations thereof) as currently in effect. 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 this Agreement and the Transaction Documents to which it is a party, or the consummation by the Company of the transactions contemplated by this Agreement and 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 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-K for the fiscal year ended December 31, 1998, are accurate and complete and fairly present, in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the period 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 December 31, 1998, and the results of operations and changes in financial position for the period then ended.

4.5.3 Except as and to the extent set forth (or incorporated by reference) in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 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 (or in the applicable notes thereto) of the Company prepared in accordance with GAAP consistently applied as of the date thereof and for the period then ended.

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 $10,000 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 $50,000 in any one transaction or series of related transactions.

4.7 Absence of Litigation. Except as disclosed in the Company SEC Reports, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the Company's knowledge, threatened against or affecting the Company, or any of its directors or officers in their capacities as such which would have a Material Adverse Effect or which would adversely affect the validity, enforceability of, or the authority or ability of the Company to perform its obligations under this Agreement (including the issuance of the Shares) or the Transaction Documents.

4.8 Intellectual Property. To the Company's knowledge, the Company owns or is licensed to use all patents, patent applications, trademarks, trademark applications, trade names, service marks, copyrights, copyright applications, licenses, permits, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and other similar rights and proprietary knowledge (collectively, "Intangibles") necessary for the conduct of its business as now being conducted. To the Company's knowledge, the Company is not infringing or in conflict with any other person with respect to any Intangibles which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect. The Company has complied, in all material respects, with its contractual obligations relating to the protection of the Intangibles used pursuant to licenses.

4.9 Foreign Corrupt Practices. Neither the Company, nor any director, officer, agent, employee or other person acting on behalf of the Company has, in the course of such person's actions for, or on behalf of, the Company, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the United States Foreign Corrupt Practices Act of 1977; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

4.10 Environment. Except as disclosed in the Company SEC Reports, to the Company's knowledge (i) there is no environmental liability, nor factors likely to give rise to any environmental liability, affecting any of the properties of the Company that, individually or in the aggregate, would have a Material Adverse Effect and (ii) the Company has not violated or infringed any environmental law applicable to it now or previously in effect, other than such violations or infringements that, individually or in the aggregate, have not had and will not have a Material Adverse Effect.

4.11 Title. The Company has good title in fee simple to all real property and good title to all personal property owned by it which is material to the business of the Company, in each case free and clear of all liens, encumbrances and defects except for such defects in title that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Any real property and facilities held under lease by the Company are held by it under valid, subsisting and enforceable leases with such exceptions which have not had and will not have a Material Adverse Effect.

4.12 Insurance. The Company has its assets insured against loss or damage as is appropriate to its business and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets, and such insurance coverages will be continued in full force and effect to and including the Closing Date other than those insurance coverages in respect of which the failure to continue in full force and effect could not reasonably be expected to have a Material Adverse Effect.

4.13 Acknowledgment Regarding the Purchaser's Purchase of the Shares. The Company acknowledges and agrees that the Purchaser is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement or the transactions contemplated hereby, and the relationship between the Company and the Purchaser is "arms length" and that any statement made by the Purchaser or any of its representatives or agents in connection with this Agreement and the transactions contemplated hereby is not advice or a recommendation and is merely incidental to the Purchaser's purchase of Shares and has not been relied upon by the Company, its officers or directors in any way. The Company further represents to the Purchaser that the Company's decision to enter into this Agreement has been based solely on an independent evaluation by the Company and its representatives.

4.14 No General Solicitation. Neither the Company nor any person participating on the Company's behalf in the transactions contemplated hereby has conducted any "general solicitation," as such term is defined in Regulation D, with respect to any of the Shares being offered hereby.

4.15 Private Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security under circumstances that would require registration of the Shares being offered hereby under the Securities Act.

4.16 Brokers. Except to Marion Bass Securities Corporation, the Company is not obligated to pay a brokerage fee.

SECTION 5.

Representations and Warranties of the Purchaser

Purchaser hereby represents and warrants to and agrees with the Company that, as of each of the date of this Agreement and the Closing Date, as follows:

5.1 Accredited Investor; Information; Legend.

5.1.1 Accredited Investor. Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D. The Purchaser is not registered as a broker or dealer under Section 15(a) of the Exchange Act, or a member of the National Association of Securities Dealers.

5.1.2 Information. The Purchaser has been furnished all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Shares which have been requested by the Purchaser. The Purchaser has been afforded the opportunity to ask questions of the Company and has received what the Purchaser believes to be satisfactory answers to any such inquiries.

5.1.3 Purchase for Own Account. The Purchaser is purchasing the Shares for the Purchaser's own account and not with a present view towards the distribution thereof in violation of federal or state securities laws.

5.1.4 Legend. The certificates representing the Shares 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; Enforcement. The Purchaser has the requisite power and authority to enter into and perform its obligations under this Agreement and each of the Transaction Documents. This Agreement and each Transaction Document has been duly and validly authorized, executed and delivered on behalf of the Purchaser and is a valid and binding agreement of the Purchaser enforceable against the Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other laws affecting creditors' rights and remedies generally and 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).

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 Purchaser is a party, or the consummation by such Purchaser of the transactions contemplated by the Transaction Documents to which Purchaser is a party, except for such filings as have been made prior to the Closing.

SECTION 6.

Disposition Restriction

6.1 Lock-up. Purchaser agrees not to make any disposition of all or any portion of the Shares until January 6, 2000.

SECTION 7.

Miscellaneous

7.1 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.

7.2 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 has such party may notify to the other parties in writing:

7.2.1 if to the Company:

Microvision, Inc.
19910 North Creek Parkway
Bothell, WA 98011
Attn: Richard A. Raisig
Telephone No.: (425) 415-6847
Facsimile No.: (425) 481-1625

with a copy to:

Stoel Rives, LLP
600 University Street, Suite 3600
Seattle, Washington 98101
Attn: John J. Halle
Telephone No.: 206-386-7656
Facsimile No.: 206-386-7500

7.2.2 if to the Purchaser:

Cree Research, Inc.
4600 Silicon Drive
Durham, North Carolina 27703
Attn: Adam Broome
Telephone No.: (919) 333-5339
Facsimile No.: (919) 313-5456

with a copy to:

Smith, Anderson, Blount, Dorsett,
Mitchell & Jernigan, L.L.P.
2500 First Union Capitol Center
Raleigh, North Carolina 27601
Attn: Gerald Roach
Telephone No.: (919) 821-1220
Facsimile No.: (919) 821-6800

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.

7.3 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.

7.4 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.

7.5 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 and the sale and purchase of the Shares and payment therefor for a period of two (2) years and thereafter shall terminate, except that all representations and warranties shall survive indefinitely with respect to claims based upon the assertion that either the Company or Purchaser had actual knowledge that a representation or warranty made by either of them was materially false when made. The Company agrees to indemnify and hold harmless Purchaser and Purchaser's officers, directors, employees, agents and affiliates for loss or damage relating to the shares purchased hereunder arising as a result of or related to any material breach by the Company of any of its representations set forth herein, including advancement of expenses as they are incurred.

7.6 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, 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.

7.7 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.

7.8 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.

7.9 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.

7.10 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.

7.11 Press Releases. The Company and the Purchaser shall consult with each other before issuing any press releases or making any public statement with respect to the transactions contemplated by this Agreement and the Transaction Documents and shall not issue any such press release or such public statement prior to such consultation and without the approval of the other (which approval shall not unreasonably be withheld), except as may be required by applicable law or obligations pursuant to any listing agreement with any national securities exchange.

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:_____

Its:_____

CREE RESEARCH, INC.

By:_____
Its:_____

Exhibit A

Registration Rights Agreement

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is entered into as of May 5, 1999, by and between MICROVISION, INC. a Washington corporation (the "Company"), and CREE RESEARCH, INC., a North Carolina corporation (the "Investor").

RECITAL

WHEREAS, the Investor is purchasing shares of the Company's common stock, no par value per share ("Common Stock") pursuant to that certain 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 "Securities Act"), and the declaration or ordering of effectiveness of such registration statement or document;

(b) The term "Registrable Securities" means the shares of Common Stock purchased by Investor pursuant to the Purchase Agreement;

(c) The term "Closing" means the closing of the transactions contemplated by the Purchase Agreement;

(d) The term "Closing Date" means May 6, 1999.

(e) The term "Holder" means any person owning 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

(f) The term "Form S-3" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities 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) The Company shall file a registration statement on Form S-3 covering the resale of the Registrable Securities within ninety (90) days of the Closing Date, provided that the Company is a registrant entitled to use Form S-3 to register the Registrable Securities for such resale. The Company shall cause such Form S-3 to become effective as soon as practicable thereafter and to remain effective until the second anniversary of the Closing, subject to Section 2(b) below.

(b) If, at a time at which the Company would otherwise be obligated to register Registrable Securities or to maintain the effectiveness of any such registration, there shall occur one or more events that, in the reasonable judgment of the Board of Directors of the Company, (A) would be required to be publicly disclosed in order to cause such registration statement to contain the required disclosure; and (B) cannot be so disclosed without material adverse consequences to the Company, (i) the Company shall furnish to the Investor a certificate to that effect signed by the President of the Company; and (ii) the Company may defer filing of such registration statement or, if such registration statement is effective, may require any Holder of Registrable Securities to refrain from making any offers or sales in reliance on such registration statement for a period reasonably required in the circumstances but not to exceed 90 days; provided, however, that the Company shall require any Holder to refrain from such offers and sales for any such period not more than once in the twelve-month period following the Closing Date; and, provided further, that each Holder shall be free to sell any of the Registrable Securities held by such Holder during the period commencing on April 6, 2000 and expiring on the first anniversary hereof ("Selling Period") if, prior to the Selling Period there has not been a period of thirty consecutive (30) days during which such Holder was free to sell Registrable Securities pursuant to an effective registration statement of the Company that was not subject to a suspension notice issued pursuant to this Section 2(b).

(c) Notwithstanding anything to the contrary in this Section 2, the Company shall not be required to register or qualify the Registrable Securities in any 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 or qualification.

(d) All reasonable expenses incurred in connection with a registration pursuant to this Section 2, including, without limitation, all registration, filing, qualification, printing and accounting fees, shall be borne by the Company.

(e) The Company represents and warrants that it meets the requirements for the use of Form S-3 for registration of the sale by the Investor of the Registrable Securities and the

Company shall use its reasonable best efforts to file all reports required to be filed by the Company with the SEC in a timely manner so as to maintain its eligibility for the use of Form S-3.

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 Securities, the Company shall, as promptly as reasonably possible:

(a) Prepare and file with the SEC a registration statement covering such Registrable Securities and cause such registration statement to become effective as soon as practicable thereafter, and keep such registration statement continuously effective until the second anniversary of the Closing or such shorter period as will terminate when all the Registrable Securities covered by the registration statement have been sold.

(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 Securities 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 Securities.

(d) Use its best efforts to register and qualify the Registrable Securities 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 Securities 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 Securities registered hereunder to be listed on each securities exchange or market on which similar securities issued by the Company are then listed.

4. Currency of Registration and Public Information.

In case any Registrable Securities are registered pursuant to this Agreement, to the extent permitted by law, the Company will register such Registrable Securities for offer on a continuous basis until the second anniversary of Closing and, during that period will maintain the currency of all registration and other public information required by law in connection with sales of Registrable Securities, except that the Company shall not be obligated to maintain the currency of such registration and public information during the period referred to in Section 2(b).

5. Information by Holder; Copies of Prospectus.

The Holder or Holders of Registrable Securities included in any registration pursuant to this Agreement shall furnish to the Company such information regarding such Holder or Holders, the Registrable Securities held by them and the distribution proposed by such Holder or Holders as the Company may request and as shall be required in connection with such registration. In connection with any such registration, the Company shall furnish to such Holder

or Holders such numbers of copies as it or they may request, in order to facilitate the disposition of Registrable Securities owned by them, of any prospectus or preliminary prospectus prepared in conformity with the Securities Act.

6. Indemnification.

(a) To the extent permitted by law, the Company will indemnify each Holder, each of its officers and directors and partners, and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification or compliance has been effected pursuant to Section 2, and each underwriter, if any, and each person who controls any underwriter within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and the Company will reimburse or pay for the account of each such Holder, each of its officers and directors, each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred (as and when incurred) in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue

statement or omission or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Holder, controlling person or underwriter and stated to be specifically for use therein.

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify the Company, each of its directors and officers, each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, and each other such Holder, each of its officers and directors and each person controlling such Holder within the meaning of Section 15 of the Securities Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse or pay for the account of the Company, such Holders, such directors, officers, persons, underwriters or control persons for any legal or any other expenses reasonably incurred (as and when incurred) in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Holder and stated to be specifically for use therein.

(c) Each party entitled to indemnification under this Section 6 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (which approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 6 except to the extent that the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

(d) The obligations of the Company and the Holders under this Section 6 shall survive the completion of any offering of Registrable Securities in a registration statement pursuant to this Agreement.

7. Transferability of Registration Rights

The rights to cause the Company to register Registrable Securities pursuant to this Agreement may be transferred by a Holder to a transferee or assignee only with the transfer or assignment of all, but not less than all, of such Holder's Registrable Securities. A transferee or assignee of registration rights pursuant to this Section 7 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 Securities Act; and (iii) the transferee or assignee executes an endorsement to this Agreement agreeing to be bound by all the terms and conditions hereof as Holder.

8. "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, except for such sales, transfers and other dispositions which, in the aggregate, do not exceed 1% of the Company's outstanding Common Stock at the time of effectiveness, such Holder shall not sell or otherwise transfer or dispose of any Registrable Securities held by such Holder without the prior written consent of the Company and such underwriter for a period not to exceed ninety (90) days following the effective date of a registration statement of the Company filed under the Securities Act (the "Lock-up Period"); provided, however, that no such Holder shall be subject to such restriction if any other holder of the Company's securities who holds a greater or equal percentage of the Company's outstanding Common Stock than such Holder is not similarly restricted; and, provided further, that each Holder shall be free to sell any of the Registrable Securities held by such Holder during the Selling Period if, prior to the Selling Period there has not been a period of thirty consecutive (30) days during which such Holder was free to sell Registrable Securities pursuant to an effective registration statement of the Company that was not subject to a suspension notice issued pursuant to Section 2(b).

(b) Such agreement shall apply to any underwritten registration of the Company.

(c) The obligations described in this Section 8 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

Securities, or a registration on Form S-4. The Company may impose stop-transfer instructions with respect to the Registrable Securities 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 Securities consent to such waiver or termination.

9. 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.

10. 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 Registrable Securities. 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.

11. 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.

12. 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.

13. 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.

14. 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.

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

COMPANY:

MICROVISION, INC.

By:_____
Its: _____

INVESTOR:

CREE RESEARCH, INC.

By:_____
Its: _____

August 2, 1999

Board of Directors
Microvision, Inc.
19910 North Creek Parkway
Bothell, WA 98011-0066

Ladies and Gentlemen:

We have acted as counsel for Microvision, Inc. (the "Company"), in connection with the filing of a Registration Statement on Form S-3 (the "Registration Statement") under the Securities Act of 1933 covering an aggregate of 268,600 shares of Common Stock, no par value, of the Company (the "Shares"). We have reviewed the corporate action of the Company in connection with this matter and have examined such documents, corporate records, and other instruments as we have deemed necessary for the purposes of this opinion.

Based upon the foregoing, it is our opinion that the Shares are duly authorized, validly issued, and fully paid and nonassessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

STOEL RIVES LLP

Consent of Independent Accountants

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated April 1, 1999 relating to the financial statements, which appears in Microvision, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1998. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

PricewaterhouseCoopers LLP
Seattle, Washington
August 4, 1999