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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2015
OR

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

For the Transition Period From to
Commission file number: 001-34666

MaxLinear, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**14-1896129**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
5966 La Place Court, Suite 100 Carlsbad, California	**92008**
(Address of principal executive offices)	**(Zip Code)**

(760) 692-0711
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of the exchange on which registered**
Class A Common Stock, $0.0001 par value	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

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

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

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

The aggregate market value of the registrant's common stock, $0.0001 par value per share, held by non-affiliates of the registrant on

June 30, 2015, the last business day of the registrant's most recently completed second fiscal quarter, was $649.5 million (based on the closing sales price of the registrant's Class A common stock on that date). Shares of the registrant's Class A or Class B common stock held by each officer and director and each person known to the registrant to own 10% or more of the outstanding voting power of the registrant have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not a determination for other purposes.

As of February 10, 2015, the registrant has 55,750,809 shares of Class A common stock, par value $0.0001, and 6,666,777 shares of Class B common stock, par value $0.0001, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information required by Part III of this Form 10-K is incorporated by reference to the registrant's proxy statement (the "Proxy Statement") for the 2016 annual meeting of stockholders, which proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K.

MAXLINEAR, INC.

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MAXLINEAR, INC.

PART I

Forward-Looking Statements

The information in this Annual Report on Form 10-K for the fiscal year ended December 31, 2015, or this Form 10-K, contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are subject to the "safe harbor" created by those sections. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, prospects and plans and objectives of management. The words "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in this Form 10-K. We do not assume any obligation to update any forward-looking statements except as required by law.

ITEM 1. BUSINESS

Corporate Information

We incorporated in the State of Delaware in September 2003. Our executive offices are located at 5966 La Place Court, Suite 100, Carlsbad, California 92008, and our telephone number is (760) 692-0711. In this Form 10-K, unless the context otherwise requires, the "Company," "we," "us" and "our" refer to MaxLinear, Inc. and its wholly owned subsidiaries. Our website address is www.maxlinear.com. The contents of our website are not incorporated by reference into this Form 10-K. We provide free of charge through a link on our website access to our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as amendments to those reports, as soon as reasonably practical after the reports are electronically filed with, or furnished to, the Securities and Exchange Commission, or SEC. Refer to *Intellectual Property Rights* section below for a list of our trademarks and trade names. All other trademarks and trade names appearing in this Form 10-K are the property of their respective owners.

Overview

We are a provider of radio frequency, or RF, and mixed-signal integrated circuits for cable and satellite broadband communications, the connected home, and for data center, metro, and long-haul fiber networks. Our high performance RF receiver products capture and process digital and analog broadband signals to be decoded for various applications. These products include both RF receivers and RF receiver systems-on-chip (SoCs), which incorporate our highly integrated radio system architecture and the functionality necessary to receive and demodulate broadband signals, and physical medium devices that provide a constant current source, current-to-voltage regulation, and data alignment and retiming functionality in optical interconnect applications. Through our acquisition of Entropic Communications, Inc., or Entropic, in April of 2015, we provide semiconductor solutions for the connected home, ranging from MoCA® (Multimedia over Coax Alliance) solutions that transform how traditional HDTV broadcast and Internet Protocol- (IP) based streaming video content is seamlessly, reliably, and securely delivered, processed, and distributed into and throughout the home, to digital set-top box (STB) components and system solutions for the global satellite, terrestrial, cable and IP television (IPTV) markets. Our products enable the distribution and display of broadband video and data content in a wide range of electronic devices, including Pay-TV operator set-top boxes and voice and data gateways, hybrid analog and digital televisions, Direct Broadcast Satellite outdoor units, and optical modules for data center, metro, and long-haul transport network applications.

We combine our high performance RF and mixed-signal semiconductor design skills with our expertise in digital communications systems, software and embedded systems to provide highly integrated semiconductor devices that are manufactured using a range of semiconductor manufacturing processes, including low-cost complementary metal oxide semiconductor, or CMOS, process technology, Silicon Germanium, Gallium Arsenide, BiCMOS and Indium Phosphide process technologies due to our acquisitions of Physpeed and Entropic. Our ability to design analog and mixed-signal circuits in CMOS allows us to efficiently combine analog and digital signal processing functionality in the same integrated circuit. As a result, our

RF receivers and RF receiver SoCs have high levels of functional integration and performance, small silicon die size and low power consumption. Moreover, our proprietary CMOS-based radio system architecture provides to our customers the benefits of superior RF system performance, shorter design cycles, significant design flexibility and low system cost across a wide range of broadband communications applications. It is our intention to drive future optical interconnect products to CMOS versus existing Silicon Germanium BiCMOS and Indium Phosphide process technology designs.

We sell our products to original equipment manufacturers, or OEMs, module makers and original design manufacturers, or ODMs. During 2015, we sold our products to more than 179 end customers. For the year ended December 31, 2015, our net revenue was $300.4 million as compared to $133.1 million in the year ended December 31, 2014.

Recent Developments

On April 30, 2015, we completed its acquisition of Entropic Communications, Inc., or Entropic. Pursuant to the terms of the merger agreement dated as of February 3, 2015, by and among the Company, Entropic, and two wholly-owned subsidiaries of the Company, all of the Entropic outstanding shares were converted into the right to receive consideration consisting of cash and shares of our Class A common stock. We paid an aggregate of $111.1 million and issued an aggregate of 20.4 million shares of our Class A common stock to the stockholders of Entropic. In addition, we assumed all outstanding Entropic stock options and unvested restricted stock units that were held by continuing service providers (as defined in the merger agreement). We used Entropic's cash and cash equivalents to fund a significant portion of the cash portion of the merger consideration and, to a lesser extent, our own cash and cash equivalents.

As a result of the acquisition, we believe we have benefited from the economies of scale across engineering and supply chain operations, as well as from elimination of redundancy across engineering, sales, and general and administrative functions. Entropic had been recognized for pioneering the MoCA® (Multimedia over Coax Alliance) home networking standard and inventing Direct Broadcast Satellite outdoor unit, or DBS ODU, solutions which consist of band translation switch, or BTS, and channel stacking switch, or CSS, products which simplify the installation required to support simultaneous reception of multiple channels from multiple satellites over a single cable. We believe the acquisition of Entropic added significant scale to our analog/mixed-signal business and expanded our addressable market and enhanced the strategic value of the Company's offerings to broadband and access partners, OEM customers, and service providers. For a discussion of specific risks and uncertainties that could affect our ability to achieve these and other strategic objectives of the acquisition, please refer to Part I, Item 1A, "Risk Factors" under the subsection captioned "Risks Relating to the Proposed Acquisition of Entropic."

Industry Background

Technological advances in the broadband data, broadcast TV, voice, and wired and wireless data markets are driving dramatic changes in the way consumers access the internet and experience multimedia content. These advances include the ongoing worldwide conversion from analog to digital television broadcasting; the increasing availability of high-speed broadband and wireless data connectivity; the resolution transitions from standard-definition, to high-definition to ultra-high-definition/4K video television; the proliferation of multi-channel digital video recording, or DVR; the proliferation of multimedia content being both accessible and stored in the cloud through cable, satellite and telecommunications carrier services. As a result, system designers are adding enhanced multimedia functionality to set-top boxes and digital televisions, and expanding voice, video and data access functions and capabilities to home broadband gateways and mobile devices, which in turn is creating demand for higher speed optical interconnects in data center, metro, and long-haul transport network applications. We believe that several trends, across multiple target markets, are creating revenue opportunities for providers of RF and analog/mixed-signal solutions. These trends include the following:

- *Service Provider/Operator:* Competing cable, satellite, and other broadband service providers differentiate their services by providing consumers with bundled video, voice, and broadband data access, referred to as triple-play services. These services include advanced features such as; channel guide information, video-on-demand, multi-channel digital video recording, or DVR, and picture-in-picture viewing. Many set-top boxes, including those used for triple-play services, now enable consumers to simultaneously access, and manage multimedia content from multiple locations in the same house. These advanced features require either a home gateway or a set-top box to simultaneously receive, demodulate, and decode multiple signals spread across several channels of frequency bandwidth. Traditional architectures would require that each simultaneously accessed signal require a dedicated RF receiver. In these emerging home gateway or media servers, where content may be delivered using internet protocol or IP, there may be "thin or remote clients" that may not have traditional TV tuners, but necessarily include a broadband RF receiver such as MoCA or WiFi. This greatly increases the number of RF receivers required to be deployed in each set-top box. In addition, in order to deliver increasing data bandwidth to

the home, cable MSOs have deployed DOCSIS 3.0 equipment and services, which enable channel bonding, or the concurrent reception of multiple channels, resulting in higher aggregate “sum of the channels” bandwidth available to DOCSIS 3.0 cable subscribers.

- *Infrastructure and Non-Operator Terrestrial:* Growth in data traffic generated from smartphones and tablets, over-the-top, or OTT, streaming video, cloud computing and data analytics in hyper-scale data centers is creating demand for higher speed interconnect products addressing enterprise and telecommunications infrastructure market applications. These solutions provide the interconnect function between the top-of-rack to the core-router within a datacenter, and the metro and long haul connections within a service provider network. Datacenter links are consistently increasing in performance/speed and are currently changing from 1Gbps to 10Gbps on the servers and from 10/40Gbps to 100Gbps on the routers and switches, and we believe that over the next several years they will likely migrate to 400Gbps. In the markets for non-operator terrestrial solutions, consumers are utilizing a broad array of consumer electronic devices beyond the television, such as personal computers, netbooks, tablets, and mobile phones to access broadcast television and other multimedia content. Specifically, with the increased popularity of accessing multimedia content over-the-top, or OTT, via broadband-enabled streaming services, consumers are increasingly augmenting these OTT multimedia content services with local free-to-air broadcast programming. Consumers can access these terrestrial broadcasts through set-top boxes containing terrestrial RF receiver solutions.

As a result of these trends, RF and analog/mixed signal receiver technology is being deployed in a variety of devices for the terrestrial, cable, satellite, datacenter, and metro and long-haul telecom transport network markets. The proliferation of applications with advanced features has led to an increase in the number of devices with multiple RF receivers and RF receiver SoCs. RF receivers incorporate RF, digital and analog signal processing functions.

Challenges Faced by Providers of Systems and RF Receivers and Optical Interconnects

The stringent performance requirements of broadband communications and optical interconnect applications and the distinct technological challenges associated with the terrestrial, cable, satellite, datacenter, and metro and long-haul telecom transport markets present significant obstacles to service providers and system designers. In particular, designing and implementing RF receivers to capture broadcast digital television signals is extremely challenging due in part to the wide frequency band across which broadcast digital television signals are transmitted. As compared to other digital radio technologies, such as those found in cellular, WiFi and Bluetooth applications, television signals that are broadcast over air, on cable, and by satellite are acquired over a much wider frequency band and encounter many more sources of interference. As a result, traditionally, design and implementation of these RF receivers have been accomplished using conventional radio system architectures that employ multiple discrete components and are fabricated using expensive special purpose semiconductor manufacturing processes, such as silicon germanium, gallium arsenide, and special purpose CMOS-based RF process technologies.

The core challenges of capturing and processing high quality broadband communications signals are common to the terrestrial, cable, and satellite markets. These challenges include:

- *Design Challenges of Receiving Multiple RF Signals.* System designers and service providers across various markets seek to enhance consumer appeal through the addition of new features in their products. Incorporating more than one channel of RF reception in an electronic device enables many of these features and advanced applications that are rapidly becoming a part of the standard offering from device makers and service providers. For example, in the cable set-top box market, it is necessary to support the simultaneous reception of multiple channels for voice, video and data applications in many system designs. In order to meet such requirements, OEMs must employ either multiple narrow or wideband RF receivers or Full Spectrum Capture (FSC™) receiver SoCs in their system design. Each additional RF receiver poses new challenges to the system designer, such as increased design complexity, overall cost, circuit board space, power consumption and heat dissipation. In addition, a high level of integration in multiple-receiver designs is necessary to combat the reliability and signal interference issues arising from the close proximity of sensitive RF elements.

- *Signal Clarity Performance Requirements.* Television reception requires a robust and clear signal to provide an adequate user experience. One of the core attributes of system performance is signal clarity, often measured by the signal-to-noise ratio parameter, which measures the strength of the desired signal relative to the combined noise and undesired signal strength in the same channel. Television reception requires an RF receiver that has a wide dynamic range and the ability to isolate the desired signal from the undesired signals, which include the noise

generated by extraneous radio waves and interferers produced by home networking systems such as wireless local area network, or WLAN, and Bluetooth. Traditional RF receiver implementations utilized expensive discrete components, such as band-pass filters, resonance elements and varactor diodes to meet the stringent requirements imposed by broadband television reception. In high speed mobile environments, a method known as diversity combining of radio signals, in which the desired signal is captured using multiple RF receivers and reconstructed into a single signal, has been employed to improve the signal-to-noise ratio. Diversity combining of radio signals requires substantial RF, digital signal processing and software expertise. Both the traditional broadband reception and diversity combining of RF signals in mobile environments are difficult to implement and pose challenges to RF receiver providers.

- *Multiple Standards.* Worldwide, there are several regional standards for the transmission and reception of broadband analog and digital TV signals. Technical performance, feature requirements and the predominance of a particular means of TV transmission vary regionally. Further, each major geographic region has adopted its own TV standard for cable, terrestrial, and satellite transmissions, such as DVB-T/T2/C/C2/S/S2, ATSC, NTSC, ISDB-T, PAL, SECAM, DTMB, CMMB, etc. As a result of these multiple standards, there are region-specific RF receiver requirements and implementations, which make global standards compliance extremely challenging. Many system designers prefer a multiple standards and protocol compliant solution that was previously not possible. Providers of RF receivers face the design challenge of providing this flexibility to the system designer without any increase in power consumption, or any loss of performance quality or competitiveness.

- *Power Consumption.* Power consumption is an important consideration for consumers and a critical design specification for system designers. For example, in battery-operated devices such as netbooks and notebooks, and voice-enabled cable modems, long battery life is a differentiating device attribute. In addition, government sponsored programs, such as Energy Star in the U.S., induce consumers to purchase more energy efficient products. For example, in September 2009, the U.S. Environmental Protection Agency announced that Energy Star compliant televisions would be required to be 40% more energy efficient than their noncompliant counterparts. The addition of one or more RF receivers to a system in order to enable digital TV functionality significantly increases the overall power consumption imposing severe platform level design constraints on multiple channel receiver systems. In fact, in some multiple receiver system designs, a majority of the system's overall power consumption is attributable to the RF receiver and related components. Providers of RF receivers and RF receiver SoCs are confronted with the design challenge of lowering power consumption while maintaining or improving device performance.

- *Size.* The size of electronic components, such as RF receivers, is a key consideration for system designers and service providers. Given the proliferation of the number of RF receivers in broadband service provider video and data gateways market, size can be a determining factor for whether or not a particular component, such as an RF receiver is designed into the product. In the television market, as system designers create thinner flat-screen displays, the size of RF receivers is becoming a significant consideration, especially when multiple RF receivers are incorporated in a single system.

The challenges of processing high-speed optical interconnect signals for datacenter, metro and long-haul telecommunications transport markets include:

- *Optical Fiber Channel Impairments*. The optical properties of the fiber material results in impairments to the optical signal that is being propagated across the fiber. These impairments include loss of light intensity, modal, chromatic and polarization dispersion as the light propagates through the fiber. These impairments result in degradation of signal integrity which contributes to effective reduction in data throughput.

- *Optical Device Technology*. The state-of-art in optical device technology today lags the speeds contemplated for data traffic within cloud data centers and transport links between telecom data centers. So, there are severe physical limits to the conversion of electrical signals to optical signals and vice versa at extremely high speeds. These limitations arise from bandwidth, nonlinearities, and noise properties in lasers, modulators, and photo detectors.

- *Form Factor.* The form factor of the face plates in server, storage, switch, and networking racks in data centers limits the capacity to dissipate heat generated by electrical and optical devices inside the transceivers to which optical fibers are connected. As data rates increase dramatically, the physical form of the face plates and connectors does not scale to cope with accompanying increase in power density.

Our RF Receiver Solution

We are a provider of integrated, radio-frequency and mixed-signal integrated circuits for broadband communications and data center, metro, and long-haul transport network applications. Our products enable the display of broadband video and data content in a wide range of electronic devices, including cable and terrestrial and satellite set-top boxes, DOCSIS data and voice gateways, hybrid analog and digital televisions, satellite low-noise blocker transponders or outdoor units and optical modules for data center, metro, and long-haul transport network applications.

We combine our high performance analog and mixed-signal semiconductor design skills with our expertise in digital communications systems, software and embedded systems to develop RF receivers and RF receiver SoCs. We integrate our RF receivers with digital demodulation and other communications functions in standard CMOS process technology. Our solutions have the following key features:

- *Proprietary Radio Architecture.* Digital signal processing is at the core of our RF receivers and RF receiver SoCs. Using our proprietary CMOS-based radio architecture, we leverage both analog and digital signal processing to improve system performance across multiple products. The partitioning of the signal processing in the chip between analog and digital domains is designed to deliver high performance, small die size and low power for a given application. Moreover, our architecture is implemented in standard CMOS process technology, which enables us to realize the integration benefits of analog and digital circuits on the same integrated circuit. This allows us to predictably scale the on-chip digital circuits in successive advanced CMOS process technology nodes. Our solutions have been designed into products in markets with extremely stringent specifications for quality, performance and reliability, such as the television and automotive markets. We believe that our success in these markets demonstrates that our solution can be implemented successfully across multiple markets and applications.

- *High Signal Clarity Performance.* We design our RF receivers and RF receiver SoCs to provide high signal clarity performance regardless of the application in which they are employed. For example, in the set-top box market, we deploy our core RF and mixed-signal CMOS process technology platform and radio system architecture to overcome the interference from in-home networks that can degrade cable broadband signals. We believe that signal clarity is more critical in television compared to other communications applications such as voice and data, because signal loss and interference have a more adverse impact on the end user experience.

- *Highly Integrated.* Our products integrate on a single chip the functionality associated with traditional analog and digital integrated circuits and other expensive discrete components. This high level of integration has the cost benefits associated with smaller silicon die area, fewer external components and lower power. Our CMOS-based RF receiver SoC eliminates analog interface circuit blocks and external components situated at the interface between discrete analog and digital demodulator chips and reduces the cost associated with multiple integrated circuit packages and related test costs. We are also able to integrate multiple RF receivers along with a demodulator onto a single die to create application-specific configurations for our customers. Thus, our highly integrated solution reduces the technical difficulties associated with overcoming the undesired interactions between multiple discrete analog and digital integrated circuits comprising a single system. Our solutions reduce the technical burden on system designers in deploying enhanced television functionality in their products.

- *Low Power.* Our products enable our customers to reduce power consumption in consumer electronic devices without compromising the stringent performance requirements of applications such as broadcast television. In addition, our products enable our customers to decrease overall system costs by reducing the power consumption and heat dissipation requirements in their systems. For example, in cable boxes supporting voice applications, low power consumption may enable a reduction in the number of batteries or battery capacity required to support standby and lifeline telephony. In certain set-top boxes, reduced overall power consumption may allow system designers to eliminate one or more cooling fans required to dissipate the heat generated by high power c*on*sumption. The benefits of low power consumption increase with the number of RF receivers included in a system.

- *Scalable Platform.* Our product families share a highly modular, core radio system architecture, which enables us to offer RF receiver and RF receiver SoC solutions that meet the requirements of a wide variety of geographies, broadcast standards and applications. This is in contrast to legacy solutions that require significant customization to conform to regional standards, technical performance and feature requirements. Moreover, by leveraging our flexible core architecture platform, our integrated circuit solutions can be deployed across multiple device

categories. As a result, our customers can minimize the design resources required to develop applications for multiple target markets. In addition, our engineering resources can be deployed more efficiently to design products for larger addressable markets. We believe that our core technology platform also can be applied to other communications markets with similar performance requirements.

- *Space Efficient Solution*. Our highly integrated CMOS-based RF receivers and RF receiver SoCs have an extremely small silicon die size, require minimal external components and consume very little power. Our unique radio architecture, more specifically our Full-Spectrum Capture™ technology, not only enables us to integrate multiple RF receivers in a chip, but also results in a reduction in the incremental power and die area required per each additional channel of reception. This enables our customers to design multi-receiver applications, such as cable modems and set-top boxes, in an extremely small form factor. In addition, our products are easily adapted to space-constrained devices such as flat screen televisions, netbooks, and laptops.

Our Strategy

Our objective is to be the leading provider of mixed-signal RF receivers and RF receiver SoCs for broadband video and data communications, datacenter, and metro and long-haul telecom transport market applications and, in the future, to leverage this core competency to expand into other communications markets with similar performance requirements. The key elements of our strategy are:

- *Extend Technology Leadership in RF Receivers and RF Receiver + Demodulator SoCs.* We believe that our success has been, and will continue to be, largely attributable to our RF and mixed-signal design capability, as well as advanced digital design, which we leverage to develop high-performance, low-cost semiconductor solutions for broadband communications applications. The broadband RF receiver market presents significant opportunities for innovation through the further integration of RF and mixed-signal functionality with digital signal processing capability in CMOS process technology. By doing so, we will be able to deliver products with lower power consumption, superior performance and increased cost benefits to system designers and service providers. We believe that our core competencies and design expertise in this market will enable us to acquire more customers and design wins over time. We will continue to invest in this capability and strive to be an innovation leader in this market.

- *Leverage and Expand our Existing Customer Base.* We target customers who are leaders in their respective markets. We intend to continue to focus on sales to customers who are leaders in our current target markets, and to build on our relationships with these leading customers to define and enhance our product roadmap. By solving the specific problems faced by our customers, we can minimize the risks associated with our customers' adoption of our new integrated circuit products, and reduce the length of time from the start of product design to customer revenue. Further, our engagements with market leaders will enable us to participate in emerging technology trends and new industry standards.

- *Target Additional High-Growth Markets.* Our core competency is in RF analog and mixed-signal integrated circuit design in CMOS process technology for broadband communications applications. Several of the technological challenges involved in developing RF solutions for video broadcasting and broadband reception are common to a majority of broadband communication markets. We intend to leverage our core competency in developing highly integrated RF receiver and RF receiver SoCs in standard CMOS process technology to address additional markets within broadband communications, communications infrastructure, and connectivity markets that we believe offer profitable high growth potential.

- *Expand Global Presence.* Due to the global nature of our supply chain and customer locations, we intend to continue to expand our sales, design and technical support organization both in the United States and overseas. In particular, we expect to increase the number of employees in Asia, Europe and the United States to provide regional support to our increasing base of customers. We believe that our customers will increasingly expect this kind of local capability and support.

- *Attract and Retain Top Talent.* We are committed to recruiting and retaining highly talented personnel with proven expertise in the design, development, marketing and sales of communications integrated circuits. We believe that we have assembled a high-quality team in all the areas of expertise required at a semiconductor communications company. We provide an attractive work environment for all of our employees. We believe that our ability to attract the best engineers is a critical component of our future growth and success in our chosen markets.

Products

Our products are integrated into a wide range of electronic devices, including cable and terrestrial and satellite set-top boxes, DOCSIS data and voice gateways, hybrid analog and digital televisions, satellite low-noise blocker transponders or outdoor units and physical medium devices that go into optical modules for data center, metro, and long-haul transport network applications.

We provide our customers with guidelines, known as reference designs, so that they can efficiently use our products in their product designs. We currently provide the following types of semiconductors:

- *RF Receivers.* These semiconductor products combine RF receiver technology that traditionally required multiple external discrete components, such as very high frequency, or VHF, and ultra-high frequency, or UHF, tracking filters, surface acoustic wave, or SAW, filters, intermediate-frequency, or IF, amplifiers, low noise amplifiers and transformers. All of these external components have been either eliminated or integrated into a single semiconductor produced entirely in standard CMOS process technology.
- *RF Receiver SoCs.* These semiconductor products combine the functionality of RF receivers, and demodulators in a single chip. In some configurations, these products may incorporate multiple RF receivers and single or multiple demodulators in a single chip to provide application or market specific solutions to customers.
- *Laser Modulator Drivers.* These semiconductor products reside in optical modules and provide a constant current source that delivers exactly the current to the laser diode that it needs to operate for a particular application
- *Transimpedance Amplifiers.* These semiconductor products reside in optical modules and provide current-to-voltage conversion, converting the low-level current of a sensor to a voltage.
- *Clock and Data Recovery Circuits.* These semiconductor products generate a clock from an approximate frequency reference, and then phase-aligns to the transitions in the data stream with a phase-locked loop, or PLL.

Customers

We sell our products, directly and indirectly, to original equipment manufacturers, or OEMs, module makers and original design manufacturers, or ODMs, and refer to these as our end customers. By providing a highly integrated reference design solution that our customers can incorporate in their products with minimal modifications, we enable our customers to design cost-effective high performance digital RF receiver and RF receiver SoC solutions rapidly. In the year ended December 31, 2015, we sold our products to more than 179 end customers. A significant but declining portion of our sales to these and other customers are through distributors based in Asia, and we do not consider distributors as our end customers, despite selling the products to and being paid by the distributors.

A significant portion of our net revenue has historically been generated by a limited number of customers. In the years ended December 31, 2015, 2014 and 2013, ten customers accounted for approximately 76%, 67% and 72% of our net revenue, respectively. In the years ended December 31, 2015, 2014 and 2013, Arris Group, Inc., or Arris, represented 28%, 31% and 28% of revenue. Sales to Arris as a percentage of revenue include sales to Motorola Home, which was acquired by Arris in April 2013, for the years ended December 31, 2015, 2014 and 2013. In the year ended December 31, 2015, Cisco Systems, Inc., or Cisco, represented 13% of revenue. In November 2015, Technicolor completed its purchase of Cisco's connected devices business. The revenue percentage did not include the 1% revenue percentage for Technicolor.

Products shipped to Asia accounted for 91%, 94% and 93% of our net revenue in the years ended December 31, 2015, 2014 and 2013, respectively. Products shipped to Japan accounted for 1%, 7% and 9% of our net revenue in the years ended December 31, 2015, 2014 and 2013, respectively. Products shipped to China and Taiwan accounted for 77% and 8%, respectively, of our net revenue in the year ended December 31, 2015. Products shipped to China and Taiwan accounted for 71% and 6%, respectively, of our net revenue in the year ended December 31, 2014. Products shipped to China and Taiwan accounted for 68% and 8%, respectively, of our net revenue in the year ended December 31, 2013. Although a large percentage of our products are shipped to Asia, we believe that a significant number of the systems designed by these customers and incorporating our semiconductor products are then sold outside Asia. For example, we believe revenue generated from sales of our digital terrestrial set-top box products during the years ended December 31, 2015, 2014 and 2013 related principally to sales to Asian set-top box manufacturers delivering products into Europe, Middle East, and Africa, or EMEA, markets. Similarly, revenue generated from sales of our cable modem products during the years ended December 31, 2015, 2014 and 2013 related principally to sales to Asian ODM's and contract manufacturers delivering products into European and North American

markets. To date, all of our sales have been denominated in United States dollars. See Note 11 to our consolidated financial statements, included in Part IV, Item 15 of this Report for a discussion of total revenue by geographical region for 2015, 2014 and 2013.

Sales and Marketing

We sell our products worldwide through multiple channels, using our direct sales force, third party sales representatives, and a network of domestic and international distributors. We have direct sales personnel covering the United States, Europe and Asia, and operate customer engineering support offices in Carlsbad, Irvine, and San Jose in California; Atlanta in Georgia; Tokyo in Japan; Shanghai and Shenzhen in China; Hsinchu in Taiwan; Seoul in South Korea; and Bangalore, India. We also employ a staff of field applications engineers to provide direct engineering support locally to some of our customers.

Our distributors are independent entities that assist us in identifying and servicing customers in a particular territory, usually on a non-exclusive basis. Sales through distributors accounted for approximately 13%, 28% and 29% of our net revenue in the years ended December 31, 2015, 2014 and 2013, respectively.

Our sales cycles typically require a significant amount of time and a substantial expenditure of resources before we can realize revenue from the sale of products, if any. Our typical sales cycle consists of a multi-month sales and development process involving our customers' system designers and management. The typical time from early engagement by our sales force to actual product introduction runs from nine to twelve months for the consumer market, to as much as 18 to 24 months for the cable and satellite markets. If successful, this process culminates in a customer's decision to use our products in its system, which we refer to as a design-win. Volume production may begin within three to nine months after a design-win, depending on the complexity of our customer's product and other factors upon which we may have little or no influence. Once our products have been incorporated into a customer's design, they are likely to be used for the life cycle of the customer's product. Thus, a design-win may result in an extended period of revenue generation. Conversely, a design-loss to our competitors, may adversely impact our financial results for an extended period of time.

We generally receive purchase orders from our customers approximately six to twenty-four weeks prior to the scheduled product delivery date. These purchase orders may be cancelled without charge upon notification, so long as notification is received within an agreed period of time in advance of the delivery date. Because of the scheduling requirements of our foundries and assembly and test contractors, we generally provide our contractors production forecasts and place firm orders for products with our suppliers, up to twenty-four weeks prior to the anticipated delivery date, often without a purchase order from our own customers. Our standard warranty provides that products containing defects in materials, workmanship or product performance may be returned for a refund of the purchase price or for replacement, at our discretion.

Manufacturing

We use third-party foundries and assembly and test contractors to manufacture, assemble and test our semiconductor products. This outsourced manufacturing approach allows us to focus our resources on the design, sale and marketing of our products. Our engineers work closely with our foundries and other contractors to increase yield, lower manufacturing costs and improve product quality.

Wafer Fabrication. We utilize an increasing range of process technologies to manufacture our products, from standard CMOS to more exotic processes including SiGe and GaAs. Within this range of processes, we use a variety of process technology nodes ranging from 0.18µ down to 28 nanometer. We depend on independent silicon foundry manufacturers to support our wafer fabrication requirements. Our key foundry partners include United Microelectronics Corporation or UMC in Taiwan and Singapore, Taiwan Semiconductor Manufacturing Corporation or TSMC in Taiwan, Semiconductor Manufacturing International Corporation or SMIC in China, Global Foundries Inc. in Singapore, Silterra Malaysia Sdn. Bhd. in Malaysia, Tower-Jazz in Newport Beach California, and WIN Semiconductor in Taiwan.

Assembly/packaging and Test. Upon completion of the silicon processing at the foundry, we forward the finished silicon wafers to independent assembly/packaging and test service subcontractors. The majority of our assembly/packaging and test requirements are supported by the following independent subcontractors: Advanced Semiconductor Engineering or ASE in Taiwan (assembly/packaging and test), Giga Solution Technology Co. Ltd. in Taiwan (test only), Amkor Technology in Korea, Philippines, and China (assembly/packaging and test), United Test and Assembly Center or UTAC Holdings Ltd. in Singapore and China (assembly/packaging and test), King Yuan Electronics Co. Ltd. or KYEC in Taiwan (test only), SIGURD Microelectronics Corp. in Taiwan (test only), Siliconware Precision Industries Co. Ltd. or SPIL in Taiwan (assembly/packaging only) and Unisem (M) Berhad in China (assembly/packaging only).

Quality Assurance. We have implemented significant quality assurance procedures to assure high levels of product quality for our customers. We closely monitor the work-in-progress information and production records maintained by our suppliers, and communicate with our third-party contractors to assure high levels of product quality and an efficient manufacturing time cycle. Upon successful completion of the quality assurance procedures, all of our products are stored and shipped to our customers or distributors directly from our third-party contractors in accordance with our shipping instructions.

Research and Development

We believe that our future success depends on our ability to both improve our existing products and to develop new products for both existing and new markets. We direct our research and development efforts largely to the development of new high performance, mixed-signal semiconductor solutions for broadband communications, datacenter, and metro and long-haul telecommunications transport market applications. We target applications that require stringent overall system performance and low power consumption. As new and challenging communication applications proliferate, we believe that many of these applications may benefit from our SoC solutions combining analog and mixed-signal processing with digital signal processing functions. We have assembled a team of highly skilled semiconductor and embedded software design engineers with expertise in broadband RF and mixed-signal integrated circuit design, digital signal processing, communications systems and SoC design. As of December 31, 2015, we had approximately 345 employees in our research and development group. Our engineering design teams are located in Carlsbad, Irvine, Camarillo and San Jose in California; Atlanta in Georgia; Shenzhen in China; and Bangalore in India. Our research and development expense was $85.4 million, $56.6 million and $53.1 million in 2015, 2014 and 2013, respectively.

Competition

We compete with both established and development-stage semiconductor companies that design, manufacture and market analog and mixed-signal broadband RF receiver and optical interconnect products. Our competitors include companies with much longer operating histories, greater name recognition, access to larger customer bases and substantially greater financial, technical and operational resources. In addition, our industry is experiencing substantial consolidation. As a result, our competitors are increasingly large multi-national semi-conductor companies with substantial market influence. Our competitors may develop products that are similar or superior to ours. We consider our primary competitors to be companies with a proven track record of supporting market leaders and the technical capability to develop and bring to market competing broadband RF receiver and RF receiver SoC and optical interconnect products. Our primary competitors include NXP B.V. in cable and terrestrial TV markets, Silicon Laboratories in terrestrial TV markets, RDA Microelectronics and Rafael Microelectronics, Inc. in TV and terrestrial set-top-box markets, Broadcom Corporation in terrestrial, cable, and satellite markets. Competitors we face in our development initiatives targeting datacenter, and metro and long-haul telecommunications transport applications include Inphi, M/A-COM, Semtech, Qorvo, Broadcom, and Microsemi amongst others. In addition, it is quite likely that a number of other public and private companies, including some of our customers and semiconductor platform partners, could be developing competing products for broadband communications, datacenter, and metro and long-haul telecommunications transport applications.

The market for analog and mixed-signal semiconductor products is highly competitive, and we believe that it will grow more competitive as a result of continued technological advances. We believe that the principal competitive factors in our markets include the following:

- product performance;
- features and functionality;
- energy efficiency;
- size;
- ease of system design;
- customer support;
- product roadmap;
- reputation;
- reliability; and

- price.

We believe that we compete favorably as measured against each of these criteria. However, our ability to compete in the future will depend upon the successful design, development and marketing of compelling RF and mixed-signal semiconductor integrated solutions for high growth communications markets. In addition, our competitive position will depend on our ability to continue to attract and retain talent while protecting our intellectual property.

Intellectual Property Rights

Our success and ability to compete depend, in part, upon our ability to establish and adequately protect our proprietary technology and confidential information. To protect our technology and confidential information, we rely on a combination of intellectual property rights, including patents, trade secrets, copyrights and trademarks. We also protect our proprietary technology and confidential information through the use of internal and external controls, including contractual protections with employees, contractors, business partners, consultants and advisors. Protecting mask works, or the "topography" or semiconductor material designs, of our integrated circuit products is of particular importance to our business and we seek to prevent or limit the ability of others to copy, reproduce or distribute our mask works.

We have 662 issued patents and 327 patent applications pending in the United States. We also have 262 issued foreign patents and 147 other pending foreign patent applications, based on our issued patents and pending patent applications in the United States. Of the total 924 domestic and foreign issued patents, 753 are related to Entropic and 171 are related to Maxlinear. Of the total 474 domestic and foreign pending patents, 204 are related to Entropic and 270 are related to Maxlinear.

We are the owner of twelve trademarks ("MxL," "MxLWare," "Full-Spectrum Capture, "FSC," "Full Spectrum Transceiver," "Full-Spectrum Transceiver," "FST," "C.LINK," "ENTROPIC," "ENTROPIC and Design," ENTROPIC BUILT-IN and Design," and "ENTROPIC COMMUNICATIONS and Design") that have been registered and/or published for opposition in the United States. We also own foreign counterparts (including eight foreign registrations) of certain of these registered trademarks in Argentina, Brazil, Chile, China, the EU, Israel, India, Japan, Korea and Taiwan. We also claim common law rights in certain other trademarks that are not registered.

We may not gain any competitive advantages from our patents and other intellectual property rights. Our existing and future patents may be circumvented, designed around, blocked or challenged as to inventorship, ownership, scope, validity or enforceability. It is possible that we may be provided with information in the future that could negatively affect the scope or enforceability of either our present or future patents. Furthermore, our pending and future patent applications may or may not be granted under the scope of the claims originally submitted in our patent applications. The scope of the claims submitted or granted may or may not be sufficiently broad to protect our proprietary technologies. Moreover, we have adopted a strategy of seeking limited patent protection with respect to the technologies used in or relating to our products.

We are a party to a number of license agreements for various technologies, such as a license agreement with Intel Corporation relating to demodulator technologies that are licensed specifically for use in our products for cable set-top boxes. The agreement was originally entered into with Texas Instruments but was subsequently assigned to Intel Corporation as part of Intel Corporation's acquisition of Texas Instruments' cable modem product line in 2010. The license agreement with Intel Corporation has a perpetual term, but Intel Corporation may terminate the agreement for any uncured material breach or in the event of bankruptcy. If the agreement is terminated, we would not be able to manufacture or sell products that contain the demodulator technology licensed from Intel Corporation, and there would be a delay in the shipment of our products containing the technology until we found a replacement for the demodulator technology in the marketplace on commercially reasonable terms or we developed the demodulator technology itself. We believe we could find a substitute for the currently licensed demodulator technology in the marketplace on commercially reasonable terms or develop the demodulator technology ourselves. In either case, obtaining new licenses or replacing existing technology could have a material adverse effect on our business, as described in "Risk Factors—Risks Related to Our Business—We utilize a significant amount of intellectual property in our business. If we are unable to protect our intellectual property, our business could be adversely affected."

The semiconductor industry is characterized by frequent litigation and other vigorous offensive and protective enforcement actions over rights to intellectual property. Moreover, there are numerous patents in the semiconductor industry, and new patents are being granted rapidly worldwide. Our competitors may obtain patents that block or limit our ability to develop new technology and/or improve our existing products. If our products were found to infringe any patents or other intellectual property rights held by third parties, we could be prevented from selling our products or be subject to litigation fees, statutory fines and/or other significant expenses. We may be required to initiate litigation in order to enforce any patents issued to us, or to determine the scope or validity of a third-party's patent or other proprietary rights. We may in the future be

contacted by third parties suggesting that we seek a license to intellectual property rights that they may believe we are infringing. In addition, in the future, we may be subject to lawsuits by third parties seeking to enforce their own intellectual property rights, as described in "Risk Factors—Risks Related to Our Business—We recently settled and are currently a party to intellectual property litigation and may face additional claims of intellectual property infringement. Current litigation and any future litigation could be time-consuming, costly to defend or settle and result in the loss of significant rights" and in "Item 3—Legal Proceedings."

Employees

As of December 31, 2015, we had approximately 500 employees, including 345 in research and development, 69 in sales and marketing, 19 in operations and semiconductor technology and 67 in administration. None of our employees is represented by a labor organization or under any collective bargaining arrangement, and we have never had a work stoppage. We consider our employee relations to be good.

Backlog

Our sales are made primarily pursuant to standard purchase orders. Because industry practice allows customers to reschedule, or in some cases, cancel orders on relatively short notice, we do not believe that backlog is a good indicator of our future sales.

Geographic Information

During our last three years, substantially all of our revenue was generated from products shipped to China, Japan and Taiwan, and substantially all of our long-lived assets are located within the United States.

Seasonality

The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change, rapid product obsolescence and price erosion, evolving technical standards, short product life cycles and wide fluctuations in product supply and demand. From time to time, these and other factors, together with changes in general economic conditions, cause significant upturns and downturns in the industry, and in our business in particular.

In addition, our operating results are subject to substantial quarterly and annual fluctuations due to a number of factors, such as the demand for semiconductor solutions for broadband communications applications, the timing of receipt, reduction or cancellation of significant orders, the gain or loss of significant customers, market acceptance of our products and our customers' products, our ability to timely develop, introduce and market new products and technologies, the availability and cost of products from our suppliers, new product and technology introductions by competitors, intellectual property disputes and the timing and extent of product development costs.

ITEM 1A. RISK FACTORS

This Annual Report on Form 10-K, or Form 10-K, including any information incorporated by reference herein, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, referred to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "intend," "forecast," "anticipate," "believe," "estimate," "predict," "potential," "continue" or the negative of these terms or other comparable terminology. The forward-looking statements contained in this 10-K involve known and unknown risks, uncertainties and situations that may cause our or our industry's actual results, level of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. These factors include those listed below in this Item 1A and those discussed elsewhere in this Form 10-K. We encourage investors to review these factors carefully. We may from time to time make additional written and oral forward-looking statements, including statements contained in our filings with the SEC. We do not undertake to update any forward-looking statement that may be made from time to time by or on behalf of us, whether as a result of new information, future events or otherwise, except as required by law.

Before you invest in our securities, you should be aware that our business faces numerous financial and market risks, including those described below, as well as general economic and business risks. The following discussion provides information concerning the material risks and uncertainties that we have identified and believe may adversely affect our business, our

financial condition and our results of operations. Before you decide whether to invest in our securities, you should carefully consider these risks and uncertainties, together with all of the other information included in this Form 10-K and in our other public filings.

On April 30, 2015, we completed our acquisition of Entropic Communications, Inc., or Entropic, and promptly following such acquisition, Entropic merged with and into Excalibur Subsidiary, LLC, with Excalibur Subsidiary, LLC continuing as the surviving entity and changing its name to Entropic Communications, LLC. For the risks relating to our acquisition of Entropic, please refer to the section of these risk factors captioned "Risks Relating to Our Recent Acquisition of Entropic."

Risks Related to Our Business

We face intense competition and expect competition to increase in the future, which could have an adverse effect on our revenue, revenue growth rate, if any, and market share.

The global semiconductor market in general, and the RF receiver market in particular, are highly competitive. We compete in different target markets to various degrees on the basis of a number of principal competitive factors, including our products' performance, features and functionality, energy efficiency, size, ease of system design, customer support, product roadmap, reputation, reliability and price, as well as on the basis of our customer support, the quality of our product roadmap and our reputation. We expect competition to increase and intensify as a result of industry consolidation and the resulting creation of larger semiconductor companies. In addition, we expect the internal resources of large, integrated original equipment manufacturers, or OEMs, may continue to enter our markets. Increased competition could result in price pressure, reduced profitability and loss of market share, any of which could materially and adversely affect our business, revenue, revenue growth rates and operating results.

As our products are integrated into a variety of electronic devices, we compete with suppliers of both can tuners and traditional silicon RF receivers, and with providers of physical medium devices for optical interconnect markets. Our competitors range from large, international companies offering a wide range of semiconductor products to smaller companies specializing in narrow markets and internal engineering groups within television, set-top box, data modems and gateway, satellite low-noise blocker, and optical module manufacturers, some of which may be our customers. Our primary competitors include Silicon Labs, NXP B.V., RDA Microelectronics, Inc., Broadcom Ltd (recently created through the merger of Broadcom Corporation and Avago Technologies Limited), and Rafael Microelectronics, Inc. Inphi Corporation, M/A-COM Technology Solutions Holdings, Inc., Semtech Corporation, Qorvo Inc., and Microsemi Corporation (which recently acquired PMC-Sierra) are competitors. It is quite likely that competition in the markets in which we participate will increase in the future as existing competitors improve or expand their product offerings. In addition, it is quite likely that a number of other public and private companies are in the process of developing competing products for digital television and other broadband communication applications. Because our products often are building block semiconductors which provide functions that in some cases can be integrated into more complex integrated circuits, we also face competition from manufacturers of integrated circuits, some of which may be existing customers or platform partners that develop their own integrated circuit products. If we cannot offer an attractive solution for applications where our competitors offer more fully integrated tuner/demodulator/video processing products, we may lose significant market share to our competitors. Certain of our competitors have fully integrated tuner/demodulator/video processing solutions targeting high performance cable, satellite, or DTV applications, and thereby potentially provide customers with smaller and cheaper solutions. Some of our targeted customers for our optical interconnect solutions are module makers who are vertically integrated, where we compete with internally supplied components.

Our ability to compete successfully depends on factors both within and outside of our control, including industry and general economic trends. During past periods of downturns in our industry, competition in the markets in which we operate intensified as manufacturers of semiconductors reduced prices in order to combat production overcapacity and high inventory levels. Many of our competitors have substantially greater financial and other resources with which to withstand similar adverse economic or market conditions in the future. Moreover, the competitive landscape is changing as a result of consolidation within our industry as some of our competitors have merged with or been acquired by other competitors, and other competitors have begun to collaborate with each other. These developments may materially and adversely affect our current and future target markets and our ability to compete successfully in those markets.

We depend on a limited number of customers, that have undergone or are subject to pending consolidation and who themselves are dependent on a consolidating set of service provider customers, for a substantial portion of our revenue, and the loss of, or a significant reduction in orders from one or more of our major customers could have a material adverse effect on our revenue and operating results.

For fiscal 2015, two customers accounted for 41% of our net revenue, and our ten largest customers accounted for 76% of our net revenue. For fiscal 2014, one customer accounted for approximately 31% of our net revenue, and our ten largest customers collectively accounted for approximately 67% of our net revenue. For fiscal 2013, one customer accounted for approximately 28% of our net revenue, and our ten largest customers collectively accounted for approximately 72% of our net revenue. We expect that our operating results for the foreseeable future will continue to depend on sales to a relatively small number of customers and on the ability of these customers to sell products that incorporate our RF receivers or RF receiver SoCs, digital STB video SoCs, DBS ODU, and MoCA® connectivity solutions. In the future, these customers may decide not to purchase our products at all, may purchase fewer products than they did in the past, or may defer or cancel purchases or otherwise alter their purchasing patterns. Factors that could affect our revenue from these large customers include the following:

- substantially all of our sales to date have been made on a purchase order basis, which permits our customers to cancel, change or delay product purchase commitments with little or no notice to us and without penalty;
- some of our customers have sought or are seeking relationships with current or potential competitors which may affect their purchasing decisions; and
- service provider and OEM consolidation across cable, satellite, and fiber markets could result in significant changes to our customers' technology development and deployment priorities and roadmaps, which could affect our ability to forecast demand accurately and could lead to increased volatility in our business.

In addition, delays in development could impair our relationships with our strategic customers and negatively impact sales of the products under development. Moreover, it is possible that our customers may develop their own product or adopt a competitor's solution for products that they currently buy from us. If that happens, our sales would decline and our business, financial condition and results of operations could be materially and adversely affected.

Our relationships with some customers may deter other potential customers who compete with these customers from buying our products. To attract new customers or retain existing customers, we may offer these customers favorable prices on our products. In that event, our average selling prices and gross margins would decline. The loss of a key customer, a reduction in sales to any key customer or our inability to attract new significant customers could seriously impact our revenue and materially and adversely affect our results of operations.

A significant portion of our revenue is attributable to demand for our products in markets for broadband and pay-TV operator applications, and consolidation among cable and satellite television operators could adversely affect our future revenues and operating results.

For fiscal 2015, revenue directly attributable to operator applications accounted for approximately 75% of our net revenue. For fiscal 2014, revenue directly attributable to these applications accounted for approximately 76% of our net revenue. For fiscal 2013, revenue directly attributable to cable and satellite operator applications accounted for approximately 77% of our net revenue. Delays in the development of, or unexpected developments in the operator applications markets could have an adverse effect on order activity by manufacturers in these markets and, as a result, on our business, revenue, operating results and financial condition. In addition, consolidation trends among television operators may continue, which could have a material adverse effect on our future operating results and financial condition.

If we fail to penetrate new markets, specifically the market for satellite set-top and gateway boxes and outdoor units, our revenue, revenue growth rate, if any, and financial condition could be materially and adversely affected.

Currently, we sell most of our products to manufacturers of applications for television, to Chinese manufacturers of terrestrial set-top boxes for sale in various markets worldwide, broadband voice and data modems and gateways, and pay-TV set-top boxes and gateways, to manufacturers of satellite outdoor units or LNB's, and to manufacturers of optical modules for long-haul and metro telecommunications markets. Our future revenue growth, if any, will depend in part on our ability to expand beyond these markets with analog and mixed-signal solutions targeting the markets for high-speed optical interconnects for datacenter, metro, and long-haul optical modules, telecommunications wireless infrastructure, and cable infrastructure products supporting future Cable operator deployments of DOCSIS 3.1. Each of these markets presents distinct and substantial risks. If any of these markets do not develop as we currently anticipate, or if we are unable to penetrate them successfully, it could materially and adversely affect our revenue and revenue growth rate, if any.

We expect broadband data modems/gateways and pay-TV and satellite set-top boxes and video gateways to represent our largest North American and European target market. The North American and European pay-TV set-top box market is

dominated by only a few OEMs, including Cisco Systems, Inc. (whose connected devices business was acquired by Technicolor in November 2015), Arris Group, Inc., Pace plc, Humax Co., Ltd., Samsung Electronics Co., Ltd., and Technicolor S.A. These OEMs are large multinational corporations with substantial negotiating power relative to us and are undergoing significant consolidation. Securing design wins with any of these companies requires a substantial investment of our time and resources. Even if we succeed, additional testing and operational certifications will be required by the OEMs' customers, which include large pay-TV television companies such as Comcast Corporation, Time Warner Cable Inc., DIRECTV, and EchoStar Corporation. In addition, our products will need to be compatible with other components in our customers' designs, including components produced by our competitors or potential competitors. There can be no assurance that these other companies will support or continue to support our products.

If we fail to penetrate these or other new markets upon which we target our resources, our revenue and revenue growth rate, if any, likely will decrease over time and our financial condition could suffer.

We may be unable to make the substantial and productive research and development investments which are required to remain competitive in our business.

The semiconductor industry requires substantial investment in research and development in order to develop and bring to market new and enhanced technologies and products. Many of our products originated with our research and development efforts and we believe have provided us with a significant competitive advantage. For fiscal 2015, our research and development expense was $85.4 million. For fiscal 2014, our research and development expense was $56.6 million. For fiscal 2013, our research and development expense was $53.1 million. For fiscal 2014 and 2015, we continued to increase our research and development expenditures as part of our strategy of devoting focused research and development efforts on the development of innovative and sustainable product platforms. We are committed to investing in new product development internally in order to stay competitive in our markets and plan to maintain research and development and design capabilities for new solutions in advanced semiconductor process nodes such as 40nm and 28nm and beyond. We do not know whether we will have sufficient resources to maintain the level of investment in research and development required to remain competitive as semiconductor process nodes continue to shrink and become increasingly complex. In addition, we cannot assure you that the technologies which are the focus of our research and development expenditures will become commercially successful.

The complexity of our products could result in unforeseen delays or expenses caused by undetected defects or bugs, which could reduce the market acceptance of our new products, damage our reputation with current or prospective customers and adversely affect our operating costs.

Highly complex products like our RF receivers and RF receiver SoCs and physical medium devices for optical modules may contain defects and bugs when they are first introduced or as new versions are released. We have previously experienced, and may in the future experience, defects and bugs and, in particular, have identified liabilities of several million dollars arising from warranty claims related to legacy Entropic products. Where any of our products, including legacy Entropic products, contain defects or bugs, or have reliability, quality or compatibility problems, we may not be able to successfully correct these problems. Consequently, our reputation may be damaged and customers may be reluctant to buy our products, which could materially and adversely affect our ability to retain existing customers and attract new customers, and our financial results. In addition, these defects or bugs could interrupt or delay sales to our customers. If any of these problems are not found until after we have commenced commercial production of a new product (as in the case of the legacy Entropic products experiencing warranty claims), we may be required to incur additional development costs and product recall, repair or replacement costs, and our operating costs could be adversely affected. These problems may also result in warranty or product liability claims against us by our customers or others that may require us to make significant expenditures to defend these claims or pay damage awards. In the event of a warranty claim, we may also incur costs if we compensate the affected customer. We maintain product liability insurance, but this insurance is limited in amount and subject to significant deductibles. There is no guarantee that our insurance will be available or adequate to protect against all claims. We also may incur costs and expenses relating to a recall of one of our customers' products containing one of our devices. The process of identifying a recalled product in devices that have been widely distributed may be lengthy and require significant resources, and we may incur significant replacement costs, contract damage claims from our customers and reputational harm. Costs or payments made in connection with warranty and product liability claims and product recalls could materially affect our financial condition and results of operations.

Average selling prices of our products could decrease rapidly, which could have a material adverse effect on our revenue and gross margins.

We may experience substantial period-to-period fluctuations in future operating results due to the erosion of our average selling prices. From time to time, we have reduced the average unit price of our products due to competitive pricing pressures,

new product introductions by us or our competitors, and for other reasons, and we expect that we will have to do so again in the future. If we are unable to offset any reductions in our average selling prices by increasing our sales volumes or introducing new products with higher margins, our revenue and gross margins will suffer. To support our gross margins, we must develop and introduce new products and product enhancements on a timely basis and continually reduce our and our customers' costs. Our inability to do so would cause our revenue and gross margins to decline.

If we fail to develop and introduce new or enhanced products on a timely basis, our ability to attract and retain customers could be impaired and our competitive position could be harmed.

We operate in a dynamic environment characterized by rapidly changing technologies and industry standards and technological obsolescence. To compete successfully, we must design, develop, market and sell new or enhanced products that provide increasingly higher levels of performance and reliability and meet the cost expectations of our customers. The introduction of new products by our competitors, the market acceptance of products based on new or alternative technologies, or the emergence of new industry standards could render our existing or future products obsolete. Our failure to anticipate or timely develop new or enhanced products or technologies in response to technological shifts could result in decreased revenue and our competitors winning more competitive bid processes, known as "design wins." In particular, we may experience difficulties with product design, manufacturing, marketing or certification that could delay or prevent our development, introduction or marketing of new or enhanced products. If we fail to introduce new or enhanced products that meet the needs of our customers or penetrate new markets in a timely fashion, we will lose market share and our operating results will be adversely affected.

In particular, we believe that we will need to develop new products in part to respond to changing dynamics and trends in our end user markets, including (among other trends) consolidation among cable and satellite operators, potential industry shifts away from the hardware devices and other technologies that incorporate our products, and changes in consumer television viewing habits and how consumers access and receive broadcast content and digital broadband services. We cannot predict how these trends will continue to develop or how or to what extent they may affect our future revenues and operating results. We believe that we will need to continue to make substantial investments in research and development in an attempt to ensure a product roadmap that anticipates these types of changes; however, we cannot provide any assurances that we will accurately predict the direction in which our markets will evolve or that we will be able to develop, market, or sell new products that respond to such changes successfully or in a timely manner, if at all.

We recently settled and are currently a party to intellectual property litigation and may face additional claims of intellectual property infringement. Current litigation and any future litigation could be time-consuming, costly to defend or settle and result in the loss of significant rights.

The semiconductor industry is characterized by companies that hold large numbers of patents and other intellectual property rights and that vigorously pursue, protect and enforce intellectual property rights. Third parties have in the past and may in the future assert against us and our customers and distributors their patent and other intellectual property rights to technologies that are important to our business. In particular, from time to time, we receive correspondence from competitors seeking to engage us in discussions concerning potential claims against us, and we receive correspondence from customers seeking indemnification for potential claims related to infringement claims asserted against down-stream users of our products. We investigate these requests as received and could be required to enter license agreements with respect to third party intellectual property rights or indemnify third parties, either of which could have an adverse effect on our future operating results.

On January 21, 2014, CrestaTech Technology Corporation, or CrestaTech, filed a complaint for patent infringement against us in the United States District Court of Delaware (the "District Court Litigation"). In its complaint, CrestaTech alleges that we infringe U.S. Patent Nos. 7,075,585 (the "'585 Patent") and 7,265,792. In addition to asking for compensatory damages, CrestaTech alleges willful infringement and seeks a permanent injunction. CrestaTech also names Sharp Corporation, Sharp Electronics Corp. and VIZIO, Inc. as defendants based upon their alleged use of our television tuners. On January 28, 2014, CrestaTech filed a complaint with the U.S. International Trade Commission, or ITC, again naming, among others, us, Sharp, Sharp Electronics, and VIZIO (the "ITC Investigation").

On December 1-5, 2014, the ITC held a trial in the ITC Investigation. On February 27, 2015, the Administrative Law Judge issued a written Initial Determination ("ID"), ruling that the Company Respondents do not violate Section 1337 in connection with CrestaTech's asserted patents because CrestaTech failed to satisfy the economic prong of the domestic industry requirement pursuant to Section 1337(a)(2). In addition, the ID stated that certain of our television tuners and televisions incorporating those tuners manufactured and sold by certain customers infringe three claims of the '585 Patent, and these three

claims were not determined to be invalid. On April 30, 2015, the ITC issued a notice indicating that it intended to review portions of the ID finding no violation of Section 1337, including the ID's findings of infringement with respect to, and validity of, the '585 Patent, and the ID's finding that CrestaTech failed to establish the existence of a domestic industry within the meaning of Section 1337.

The ITC requested additional briefing from the parties on certain issues under review by the Commission. The ITC subsequently issued its opinion, which terminated its investigation. The opinion affirmed the findings of the administrative law judge that no violation of Section 1337 had occurred because CrestaTech had failed to establish the economic prong of the domestic industry requirement. The ITC also affirmed the administrative law judge's finding of infringement with respect to the three claims of the '585 Patent that were not held to be invalid. On November 30, 2015, CrestaTech filed an appeal of the ITC decision with the United States Court of Appeals for the Federal Circuit (the "Federal Circuit").

In addition, we have filed four petitions for inter partes review ("IPR") by the US Patent Office of the two CrestaTech patents asserted against us. The Patent Trial and Appeal Board ("PTAB") did not institute two of these IPRs as being redundant to IPRs filed by another party that are already underway for the same CrestaTech patent. The remaining two petitions were instituted or instituted-in-part and, together with the IPRs filed by third parties, there are currently six IPR proceedings filed involving the two CrestaTech patents asserted against us. In October 2015, the PTAB issued final decisions in two of the six IPR proceedings, holding that all of the reviewed claims are unpatentable. Included in these decisions was one of the three claims mentioned above. CrestaTech is appealing the PTAB's decisions at the Federal Circuit.

We cannot predict the outcome of the District Court Litigation or the IPRs. Any adverse determination in the District Court Litigation could have a material adverse effect on our business and operating results.

Claims that our products, processes or technology infringe third-party intellectual property rights, regardless of their merit or resolution and including the CrestaTech claims, are costly to defend or settle and could divert the efforts and attention of our management and technical personnel. In addition, many of our customer and distributor agreements require us to indemnify and defend our customers or distributors from third-party infringement claims and pay damages in the case of adverse rulings. Claims of this sort also could harm our relationships with our customers or distributors and might deter future customers from doing business with us. In order to maintain our relationships with existing customers and secure business from new customers, we have been required from time to time to provide additional assurances beyond our standard terms. If any future proceedings result in an adverse outcome, we could be required to:

- cease the manufacture, use or sale of the infringing products, processes or technology;
- pay substantial damages for infringement;
- expend significant resources to develop non-infringing products, processes or technology;
- license technology from the third-party claiming infringement, which license may not be available on commercially reasonable terms, or at all;
- cross-license our technology to a competitor to resolve an infringement claim, which could weaken our ability to compete with that competitor; or
- pay substantial damages to our customers or end users to discontinue their use of or to replace infringing technology sold to them with non-infringing technology.

Any of the foregoing results could have a material adverse effect on our business, financial condition and results of operations.

We utilize a significant amount of intellectual property in our business. If we are unable to protect our intellectual property, our business could be adversely affected.

Our success depends in part upon our ability to protect our intellectual property. To accomplish this, we rely on a combination of intellectual property rights, including patents, copyrights, trademarks and trade secrets in the United States and in selected foreign countries where we believe filing for such protection is appropriate. Effective patent, copyright, trademark and trade secret protection may be unavailable, limited or not applied for in some countries. Some of our products and technologies are not covered by any patent or patent application. We cannot guarantee that:

- any of our present or future patents or patent claims will not lapse or be invalidated, circumvented, challenged or abandoned;
- our intellectual property rights will provide competitive advantages to us;
- our ability to assert our intellectual property rights against potential competitors or to settle current or future disputes will not be limited by our agreements with third parties;
- any of our pending or future patent applications will be issued or have the coverage originally sought;
- our intellectual property rights will be enforced in jurisdictions where competition may be intense or where legal protection may be weak;
- any of the trademarks, copyrights, trade secrets or other intellectual property rights that we presently employ in our business will not lapse or be invalidated, circumvented, challenged or abandoned; or
- we will not lose the ability to assert our intellectual property rights against or to license our technology to others and collect royalties or other payments.

In addition, our competitors or others may design around our protected patents or technologies. Effective intellectual property protection may be unavailable or more limited in one or more relevant jurisdictions relative to those protections available in the United States, or may not be applied for in one or more relevant jurisdictions. If we pursue litigation to assert our intellectual property rights, an adverse decision in any of these legal actions could limit our ability to assert our intellectual property rights, limit the value of our technology or otherwise negatively impact our business, financial condition and results of operations.

Monitoring unauthorized use of our intellectual property is difficult and costly. Unauthorized use of our intellectual property may have occurred or may occur in the future. Although we have taken steps to minimize the risk of this occurring, any such failure to identify unauthorized use and otherwise adequately protect our intellectual property would adversely affect our business. Moreover, if we are required to commence litigation, whether as a plaintiff or defendant as has occurred with CrestaTech, not only will this be time-consuming, but we will also be forced to incur significant costs and divert our attention and efforts of our employees, which could, in turn, result in lower revenue and higher expenses.

We also rely on customary contractual protections with our customers, suppliers, distributors, employees and consultants, and we implement security measures to protect our trade secrets. We cannot assure you that these contractual protections and security measures will not be breached, that we will have adequate remedies for any such breach or that our suppliers, employees or consultants will not assert rights to intellectual property arising out of such contracts.

In addition, we have a number of third-party patent and intellectual property license agreements. Some of these license agreements require us to make one-time payments or ongoing royalty payments. Also, a few of our license agreements contain most-favored nation clauses or other price restriction clauses which may affect the amount we may charge for our products, processes or technology. We cannot guarantee that the third-party patents and technology we license will not be licensed to our competitors or others in the semiconductor industry. In the future, we may need to obtain additional licenses, renew existing license agreements or otherwise replace existing technology. We are unable to predict whether these license agreements can be obtained or renewed or the technology can be replaced on acceptable terms, or at all.

When we settled a trademark dispute with Linear Technology Corporation, we agreed not to register the “MAXLINEAR” mark or any other marks containing the term “LINEAR”. We may continue to use “MAXLINEAR” as a corporate identifier, including to advertise our products and services, but may not use that mark on our products. The agreement does not affect our ability to use our registered trademark “MxL”, which we use on our products. Due to our agreement not to register the “MAXLINEAR” mark, our ability to effectively prevent third parties from using the “MAXLINEAR” mark in connection with similar products or technology may be affected. If we are unable to protect our trademarks, we may experience difficulties in achieving and maintaining brand recognition and customer loyalty.

Our business, revenue and revenue growth, if any, will depend in part on the timing and development of the global transition from analog to digital television, which is subject to numerous regulatory and business risks outside our control.

In the year ended December 31, 2015, sales of our RF receiver products used in digital terrestrial television applications, or DTT, including digital televisions, terrestrial set-top boxes, and terrestrial receivers in satellite video gateways represented a declining, but not insignificant, portion of our revenues. We expect a declining but not insignificant portion of our revenue in

future periods to continue to depend on the demand for DTT applications. In contrast to the United States, where the transition from analog to digital television occurred on a national basis in June 2009, in Europe and other parts of the world, the digital transition is being phased in on a local and regional basis and is expected to occur over many years. Many countries in Eastern Europe and Latin America are expected to convert to digital television by the end of 2018, with other countries targeting dates as late as 2024. As a result, our future revenue will depend in part on government mandates requiring conversion from analog to digital television and on the timing and implementation of those mandates. If the ongoing global transition to digital TV standards does not continue to progress or experiences significant delays, our business, revenue, operating results and financial condition would be materially and adversely affected. If during the transition to digital TV standards, consumers disproportionately purchase TV's with digital or hybrid tuning capabilities, this could diminish the size of the market for our digital-to-analog converter set-top box solutions, and as result our business, revenue, operating results and financial condition would be materially and adversely affected.

Global economic conditions, including factors that adversely affect consumer spending for the products that incorporate our integrated circuits, could adversely affect our revenues, margins, and operating results.

Our products are incorporated in numerous consumer devices, and demand for our products will ultimately be driven by consumer demand for products such as televisions, automobiles, cable modems, and set-top boxes. Many of these purchases are discretionary. Global economic volatility and economic volatility in the specific markets in which the devices that incorporate our products are ultimately sold can cause extreme difficulties for our customers and third-party vendors in accurately forecasting and planning future business activities. This unpredictability could cause our customers to reduce spending on our products, which would delay and lengthen sales cycles. Furthermore, during challenging economic times our customers may face challenges in gaining timely access to sufficient credit, which could impact their ability to make timely payments to us. These events, together with economic volatility that may face the broader economy and, in particular, the semiconductor and communications industries, may adversely affect, our business, particularly to the extent that consumers decrease their discretionary spending for devices deploying our products.

We rely on a limited number of third parties to manufacture, assemble and test our products, and the failure to manage our relationships with our third-party contractors successfully could adversely affect our ability to market and sell our products.

We do not have our own manufacturing facilities. We operate an outsourced manufacturing business model that utilizes third-party foundry and assembly and test capabilities. As a result, we rely on third-party foundry wafer fabrication and assembly and test capacity, including sole sourcing for many components or products. Currently, all of our products are manufactured by United Microelectronics Corporation, or UMC, Silterra Malaysia Sdn Bhd, Global Foundries, Semiconductor Manufacturing International Corporation, or SMIC, Taiwan Semiconductor Manufacturing Corp, or TSMC, Jazz Semiconductor, and WIN Semiconductor at foundries in Taiwan, Singapore, Malaysia, China, and the United States. We also use third-party contractors for all of our assembly and test operations.

Relying on third party manufacturing, assembly and testing presents significant risks to us, including the following:

- failure by us, our customers, or their end customers to qualify a selected supplier;
- capacity shortages during periods of high demand;
- reduced control over delivery schedules and quality;
- shortages of materials;
- misappropriation of our intellectual property;
- limited warranties on wafers or products supplied to us; and
- potential increases in prices.

The ability and willingness of our third-party contractors to perform is largely outside our control. If one or more of our contract manufacturers or other outsourcers fails to perform its obligations in a timely manner or at satisfactory quality levels, our ability to bring products to market and our reputation could suffer. For example, in the event that manufacturing capacity is reduced or eliminated at one or more facilities, including as a response to the recent worldwide decline in the semiconductor industry, manufacturing could be disrupted, we could have difficulties fulfilling our customer orders and our net revenue could decline. In addition, if these third parties fail to deliver quality products and components on time and at reasonable prices, we

could have difficulties fulfilling our customer orders, our net revenue could decline and our business, financial condition and results of operations would be adversely affected.

Additionally, our manufacturing capacity may be similarly reduced or eliminated at one or more facilities due to the fact that our fabrication and assembly and test contractors are all located in the Pacific Rim region, principally in China, Taiwan, Singapore and Malaysia. The risk of earthquakes in these geographies is significant due to the proximity of major earthquake fault lines, and Taiwan in particular is also subject to typhoons and other Pacific storms. Earthquakes, fire, flooding, or other natural disasters in Taiwan or the Pacific Rim region, or political unrest, war, labor strikes, work stoppages or public health crises, such as outbreaks of H1N1 flu, in countries where our contractors' facilities are located could result in the disruption of our foundry, assembly or test capacity. Any disruption resulting from these events could cause significant delays in shipments of our products until we are able to shift our manufacturing, assembly or test from the affected contractor to another third-party vendor. There can be no assurance that alternative capacity could be obtained on favorable terms, if at all.

We do not have any long-term supply contracts with our contract manufacturers or suppliers, and any disruption in our supply of products or materials could have a material adverse effect on our business, revenue and operating results.

We currently do not have long-term supply contracts with any of our third-party vendors, including UMC, Silterra Malaysia Sdn Bhd, Global Foundries, SMIC, TSMC, Jazz Semiconductor, and WIN Semiconductor. We make substantially all of our purchases on a purchase order basis, and neither UMC nor our other contract manufacturers are required to supply us products for any specific period or in any specific quantity. Foundry capacity may not be available when we need it or at reasonable prices. Availability of foundry capacity has in the past been reduced from time to time due to strong demand. Foundries can allocate capacity to the production of other companies' products and reduce deliveries to us on short notice. It is possible that foundry customers that are larger and better financed than we are, or that have long-term agreements with our foundry, may induce our foundry to reallocate capacity to them. This reallocation could impair our ability to secure the supply of components that we need. We expect that it would take approximately nine to twelve months to transition performance of our foundry or assembly services to new providers. Such a transition would likely require a qualification process by our customers or their end customers. We generally place orders for products with some of our suppliers approximately four to five months prior to the anticipated delivery date, with order volumes based on our forecasts of demand from our customers. Accordingly, if we inaccurately forecast demand for our products, we may be unable to obtain adequate and cost-effective foundry or assembly capacity from our third-party contractors to meet our customers' delivery requirements, or we may accumulate excess inventories. On occasion, we have been unable to adequately respond to unexpected increases in customer purchase orders and therefore were unable to benefit from this incremental demand. None of our third-party contractors has provided any assurance to us that adequate capacity will be available to us within the time required to meet additional demand for our products.

To address capacity considerations, we are in the process of qualifying additional semiconductor fabricators. Qualification will not occur if we identify a defect in a fabricator's manufacturing process or if our customers choose not to invest the time and expense required to qualify the proposed fabricator. If full qualification of a fabricator does not occur, we may not be able to sell all of the materials produced by this fabricator or to fulfill demand for our products, which would adversely affect our business, revenue and operating results. In addition, the resulting write-off of unusable inventories would have an adverse effect on our operating results.

We may have difficulty accurately predicting our future revenue and appropriately budgeting our expenses particularly as we seek to enter new markets where we may not have prior experience.

Our recent operating history has focused on developing integrated circuits for specific terrestrial, cable and satellite television, and broadband voice and data applications, and as part of our strategy, we seek to expand our addressable market into new product categories. For example, we have recently expanded into the market for and physical medium devices for the optical interconnect markets, and are attempting to enter the markets for telecommunications wireless infrastructure and cable infrastructure. Our limited operating experience in new markets or potential markets we may enter, combined with the rapidly evolving nature of our markets in general, substantial uncertainty concerning how these markets may develop and other factors beyond our control, reduces our ability to accurately forecast quarterly or annual revenue. We are currently expanding our staffing and increasing our expense levels in anticipation of future revenue growth. If our revenue does not increase as anticipated, we could incur significant losses due to our higher expense levels if we are not able to decrease our expenses in a timely manner to offset any shortfall in future revenue.

We may not sustain our growth rate, and we may not be able to manage future growth effectively.

We have been experiencing significant growth in a short period of time. Our net revenue increased from approximately $97.7 million in 2012, to $119.6 million in 2013, to $133.1 million in 2014 and $300.4 million in 2015. We may not achieve similar growth rates in future periods. You should not rely on our operating results for any prior quarterly or annual periods as an indication of our future operating performance. If we are unable to maintain adequate revenue growth, our financial results could suffer and our stock price could decline.

To manage our growth successfully and handle the responsibilities of being a public company, we believe we must effectively, among other things:

- recruit, hire, train and manage additional qualified engineers for our research and development activities, especially in the positions of design engineering, product and test engineering and applications engineering;
- add sales personnel and expand customer engineering support offices;
- implement and improve our administrative, financial and operational systems, procedures and controls; and
- enhance our information technology support for enterprise resource planning and design engineering by adapting and expanding our systems and tool capabilities, and properly training new hires as to their use.

If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities or develop new products and we may fail to satisfy customer requirements, maintain product quality, execute our business plan or respond to competitive pressures.

If we are unable to attract, train and retain qualified personnel, especially our design and technical personnel, we may not be able to execute our business strategy effectively.

Our future success depends on our ability to retain, attract and motivate qualified personnel, including our management, sales and marketing and finance, and especially our design and technical personnel. We do not know whether we will be able to retain all of these personnel as we continue to pursue our business strategy. Historically, we have encountered difficulties in hiring and retaining qualified engineers because there is a limited pool of engineers with the expertise required in our field. Competition for these personnel is intense in the semiconductor industry. As the source of our technological and product innovations, our design and technical personnel represent a significant asset. The loss of the services of one or more of our key employees, especially our key design and technical personnel, or our inability to retain, attract and motivate qualified design and technical personnel, could have a material adverse effect on our business, financial condition and results of operations.

Our business would be adversely affected by the departure of existing members of our senior management team.

Our success depends, in large part, on the continued contributions of our senior management team. None of our senior management team is bound by written employment contracts to remain with us for a specified period. In addition, we have not entered into non-compete agreements with members of our senior management team. The loss of any member of our senior management team could harm our ability to implement our business strategy and respond to the rapidly changing market conditions in which we operate.

Our customers require our products and our third-party contractors to undergo a lengthy and expensive qualification process which does not assure product sales.

Prior to purchasing our products, our customers require that both our products and our third-party contractors undergo extensive qualification processes, which involve testing of the products in the customer's system and rigorous reliability testing. This qualification process may continue for six months or more. However, qualification of a product by a customer does not assure any sales of the product to that customer. Even after successful qualification and sales of a product to a customer, a subsequent revision to the RF receiver or RF receiver SoC and physical medium devices for optical modules, changes in our customer's manufacturing process or our selection of a new supplier may require a new qualification process, which may result in delays and in us holding excess or obsolete inventory. After our products are qualified, it can take six months or more before the customer commences volume production of components or devices that incorporate our products. Despite these uncertainties, we devote substantial resources, including design, engineering, sales, marketing and management efforts, to qualifying our products with customers in anticipation of sales. If we are unsuccessful or delayed in qualifying any of our products with a customer, sales of this product to the customer may be precluded or delayed, which may impede our growth and cause our business to suffer.

We are subject to risks associated with our distributors' product inventories and product sell-through. Should any of our distributors cease or be forced to stop distributing our products, our business would suffer.

We currently sell a significant but declining portion of our products to customers through our distributors, who maintain their own inventories of our products.

For fiscal 2015, sales through distributors accounted for 13% of our net revenue. For fiscal 2014, sales through distributors accounted for 28% of our net revenue. For fiscal 2013, sales through distributors accounted for 29% of our net revenue. For these distributor transactions, revenue is not recognized until product is shipped to the end customer and the amount that will ultimately be collected is fixed or determinable. Upon shipment of product to these distributors, title to the inventory transfers to the distributor and the distributor is invoiced, generally with 30 day terms. On shipments to our distributors where revenue is not recognized, we record a trade receivable for the selling price as there is a legally enforceable right to payment, relieving the inventory for the carrying value of goods shipped since legal title has passed to the distributor, and record the corresponding gross profit in the consolidated balance sheet as a component of deferred revenue and deferred profit, representing the difference between the receivable recorded and the cost of inventory shipped. Future pricing credits and/or stock rotation rights from our distributors may result in the realization of a different amount of profit included our future consolidated statements of operations than the amount recorded as deferred profit in our consolidated balance sheets.

If our distributors are unable to sell an adequate amount of their inventories of our products in a given quarter to manufacturers and end users or if they decide to decrease their inventories of our products for any reason, our sales through these distributors and our revenue may decline. In addition, if some distributors decide to purchase more of our products than are required to satisfy end customer demand in any particular quarter, inventories at these distributors would grow in that quarter. These distributors likely would reduce future orders until inventory levels realign with end customer demand, which could adversely affect our product revenue in a subsequent quarter.

Our reserve estimates with respect to the products stocked by our distributors are based principally on reports provided to us by our distributors, typically on a weekly basis. To the extent that this resale and channel inventory data is inaccurate or not received in a timely manner, we may not be able to make reserve estimates for future periods accurately or at all.

We are subject to order and shipment uncertainties, and differences between our estimates of customer demand and product mix and our actual results could negatively affect our inventory levels, sales and operating results.

Our revenue is generated on the basis of purchase orders with our customers rather than long-term purchase commitments. In addition, our customers can cancel purchase orders or defer the shipments of our products under certain circumstances. Our products are manufactured using a silicon foundry according to our estimates of customer demand, which requires us to make separate demand forecast assumptions for every customer, each of which may introduce significant variability into our aggregate estimate. We have limited visibility into future customer demand and the product mix that our customers will require, which could adversely affect our revenue forecasts and operating margins. Moreover, because our target markets are relatively new, many of our customers have difficulty accurately forecasting their product requirements and estimating the timing of their new product introductions, which ultimately affects their demand for our products. Historically, because of this limited visibility, actual results have been different from our forecasts of customer demand. Some of these differences have been material, leading to excess inventory or product shortages and revenue and margin forecasts above those we were actually able to achieve. These differences may occur in the future, and the adverse impact of these differences between forecasts and actual results could grow if we are successful in selling more products to some customers. In addition, the rapid pace of innovation in our industry could render significant portions of our inventory obsolete. Excess or obsolete inventory levels could result in unexpected expenses or increases in our reserves that could adversely affect our business, operating results and financial condition. Conversely, if we were to underestimate customer demand or if sufficient manufacturing capacity were unavailable, we could forego revenue opportunities, potentially lose market share and damage our customer relationships. In addition, any significant future cancellations or deferrals of product orders or the return of previously sold products due to manufacturing defects could materially and adversely impact our profit margins, increase our write-offs due to product obsolescence and restrict our ability to fund our operations.

Winning business is subject to lengthy competitive selection processes that require us to incur significant expenditures. Even if we begin a product design, customers may decide to cancel or change their product plans, which could cause us to generate no revenue from a product and adversely affect our results of operations.

We are focused on securing design wins to develop RF receivers and RF receiver SoCs, MoCA SoCs, DBS-ODU SoCs, physical medium devices for optical modules, and SoC solutions targeting infrastructure opportunities within the

telecommunications, wireless, and cable operator markets for use in our customers' products. These selection processes typically are lengthy and can require us to incur significant design and development expenditures and dedicate scarce engineering resources in pursuit of a single customer opportunity. We may not win the competitive selection process and may never generate any revenue despite incurring significant design and development expenditures. These risks are exacerbated by the fact that some of our customers' products likely will have short life cycles. Failure to obtain a design win could prevent us from offering an entire generation of a product, even though this has not occurred to date. This could cause us to lose revenue and require us to write off obsolete inventory, and could weaken our position in future competitive selection processes. After securing a design win, we may experience delays in generating revenue from our products as a result of the lengthy development cycle typically required. Our customers generally take a considerable amount of time to evaluate our products. The typical time from early engagement by our sales force to actual product introduction runs from nine to twelve months for the consumer market, to as much as 36 months for the cable operator market. The delays inherent in these lengthy sales cycles increase the risk that a customer will decide to cancel, curtail, reduce or delay its product plans, causing us to lose anticipated sales. In addition, any delay or cancellation of a customer's plans could materially and adversely affect our financial results, as we may have incurred significant expense and generated no revenue. Finally, our customers' failure to successfully market and sell their products could reduce demand for our products and materially and adversely affect our business, financial condition and results of operations. If we were unable to generate revenue after incurring substantial expenses to develop any of our products, our business would suffer.

Our operating results are subject to substantial quarterly and annual fluctuations and may fluctuate significantly due to a number of factors that could adversely affect our business and our stock price.

Our revenue and operating results have fluctuated in the past and are likely to fluctuate in the future. These fluctuations may occur on a quarterly and on an annual basis and are due to a number of factors, many of which are beyond our control. These factors include, among others:

- changes in end-user demand for the products manufactured and sold by our customers;
- the receipt, reduction or cancellation of significant orders by customers;
- fluctuations in the levels of component inventories held by our customers;
- the gain or loss of significant customers;
- market acceptance of our products and our customers' products;
- our ability to develop, introduce and market new products and technologies on a timely basis;
- the timing and extent of product development costs;
- new product announcements and introductions by us or our competitors;
- incurrence of research and development and related new product expenditures;
- seasonality or cyclical fluctuations in our markets;
- currency fluctuations;
- fluctuations in IC manufacturing yields;
- significant warranty claims, including those not covered by our suppliers;
- changes in our product mix or customer mix;
- intellectual property disputes;
- loss of key personnel or the shortage of available skilled workers;
- impairment of long-lived assets, including masks and production equipment; and
- the effects of competitive pricing pressures, including decreases in average selling prices of our products.

These factors are difficult to forecast, and these, as well as other factors, could materially adversely affect our quarterly or annual operating results. We typically are required to incur substantial development costs in advance of a prospective sale with no certainty that we will ever recover these costs. A substantial amount of time may pass between a design win and the generation of revenue related to the expenses previously incurred, which can potentially cause our operating results to fluctuate significantly from period to period. In addition, a significant amount of our operating expenses are relatively fixed in nature due to our significant sales, research and development costs. Any failure to adjust spending quickly enough to compensate for a revenue shortfall could magnify its adverse impact on our results of operations.

We are subject to the cyclical nature of the semiconductor industry.

The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change, rapid product obsolescence and price erosion, evolving standards, short product life cycles and wide fluctuations in product supply and demand. Any future downturns may result in diminished product demand, production overcapacity, high inventory levels and accelerated erosion of average selling prices. Furthermore, any upturn in the semiconductor industry could result in increased competition for access to third-party foundry and assembly capacity. We are dependent on the availability of this capacity to manufacture and assemble our all of our products. None of our third-party foundry or assembly contractors has provided assurances that adequate capacity will be available to us in the future. A significant downturn or upturn could have a material adverse effect on our business and operating results.

The use of open source software in our products, processes and technology may expose us to additional risks and harm our intellectual property.

Our products, processes and technology sometimes utilize and incorporate software that is subject to an open source license. Open source software is typically freely accessible, usable and modifiable. Certain open source software licenses require a user who intends to distribute the open source software as a component of the user's software to disclose publicly part or all of the source code to the user's software. In addition, certain open source software licenses require the user of such software to make any derivative works of the open source code available to others on unfavorable terms or at no cost. This can subject previously proprietary software to open source license terms.

While we monitor the use of all open source software in our products, processes and technology and try to ensure that no open source software is used in such a way as to require us to disclose the source code to the related product, processes or technology when we do not wish to do so, such use could inadvertently occur. Additionally, if a third party software provider has incorporated certain types of open source software into software we license from such third party for our products, processes or technology, we could, under certain circumstances, be required to disclose the source code to our products, processes or technology. This could harm our intellectual property position and have a material adverse effect on our business, results of operations and financial condition.

We rely on third parties to provide services and technology necessary for the operation of our business. Any failure of one or more of our partners, vendors, suppliers or licensors to provide these services or technology could have a material adverse effect on our business.

We rely on third-party vendors to provide critical services, including, among other things, services related to accounting, billing, human resources, information technology, network development, network monitoring, in-licensing and intellectual property that we cannot or do not create or provide ourselves. We depend on these vendors to ensure that our corporate infrastructure will consistently meet our business requirements. The ability of these third-party vendors to successfully provide reliable and high quality services is subject to technical and operational uncertainties that are beyond our control. While we may be entitled to damages if our vendors fail to perform under their agreements with us, our agreements with these vendors limit the amount of damages we may receive. In addition, we do not know whether we will be able to collect on any award of damages or that these damages would be sufficient to cover the actual costs we would incur as a result of any vendor's failure to perform under its agreement with us. Any failure of our corporate infrastructure could have a material adverse effect on our business, financial condition and results of operations. Upon expiration or termination of any of our agreements with third-party vendors, we may not be able to replace the services provided to us in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete.

Additionally, we incorporate third-party technology into and with some of our products, and we may do so in future products. The operation of our products could be impaired if errors occur in the third-party technology we use. It may be more difficult for us to correct any errors in a timely manner if at all because the development and maintenance of the technology is

not within our control. There can be no assurance that these third parties will continue to make their technology, or improvements to the technology, available to us, or that they will continue to support and maintain their technology. Further, due to the limited number of vendors of some types of technology, it may be difficult to obtain new licenses or replace existing technology. Any impairment of the technology or our relationship with these third parties could have a material adverse effect on our business.

Unanticipated changes in our tax rates or unanticipated tax obligations could affect our future results.

Since we operate in different countries and are subject to taxation in different jurisdictions, our future effective tax rates could be impacted by changes in such countries' tax laws or their interpretations. Both domestic and international tax laws are subject to change as a result of changes in fiscal policy, changes in legislation, evolution of regulation and court rulings. The application of these tax laws and related regulations is subject to legal and factual interpretation, judgment and uncertainty. We cannot determine whether any legislative proposals may be enacted into law or what, if any, changes may be made to such proposals prior to their being enacted into law. If U.S. or international tax laws change in a manner that increases our tax obligation, it could result in a material adverse impact on our net income and our financial position.

The Federal examination by the Internal Revenue Service for the years 2010 and 2011 was completed during the three months ended March 31, 2014. The Company is still subject to examination for 2012 through 2015. In the event we are determined to have any unaccrued tax obligation arising from future audits, our operating results would be adversely affected.

Our future effective tax rate could be unfavorably affected by unanticipated changes in the valuation of our deferred tax assets and liabilities. Changes in our effective tax rate could have a material adverse impact on our results of operations. We record a valuation allowance to reduce our net deferred tax assets to the amount that we believe is more likely than not to be realized. In assessing the need for a valuation allowance, we consider historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and practical tax planning strategies. On a periodic basis we evaluate our deferred tax asset balance for realizability. To the extent we believe it is more likely than not that some portion of our deferred tax assets will not be realized, we will recognize a valuation allowance against the deferred tax asset. Realization of our deferred tax assets is dependent primarily upon future U.S. taxable income. During the year ended December 31, 2015, we maintained a full valuation allowance on our net federal and state deferred tax assets net of deferred tax liabilities related to indefinite-lived intangibles for which no future realization can be expected.

Our business, financial condition and results of operations could be adversely affected by the political and economic conditions of the countries in which we conduct business and other factors related to our international operations.

We sell our products throughout the world. Products shipped to Asia accounted for 91% of our net revenue in the year ended December 31, 2015. In addition, approximately 33% of our employees are located outside of the United States. All of our products are manufactured, assembled and tested in Asia, and all of our major distributors are located in Asia. Multiple factors relating to our international operations and to particular countries in which we operate could have a material adverse effect on our business, financial condition and results of operations. These factors include:

- changes in political, regulatory, legal or economic conditions;
- restrictive governmental actions, such as restrictions on the transfer or repatriation of funds and foreign investments and trade protection measures, including export duties and quotas and customs duties and tariffs;
- disruptions of capital and trading markets;
- changes in import or export licensing requirements;
- transportation delays;
- civil disturbances or political instability;
- geopolitical turmoil, including terrorism, war or political or military coups;
- public health emergencies;
- differing employment practices and labor standards;
- limitations on our ability under local laws to protect our intellectual property;

- local business and cultural factors that differ from our customary standards and practices;
- nationalization and expropriation;
- changes in tax laws;
- currency fluctuations relating to our international operating activities; and
- difficulty in obtaining distribution and support.

In addition to a significant portion of our wafer supply coming from Singapore, China and Malaysia, substantially all of our products undergo packaging and final testing in Taiwan. Any conflict or uncertainty in this country, including due to natural disaster or public health or safety concerns, could have a material adverse effect on our business, financial condition and results of operations. In addition, if the government of any country in which our products are manufactured or sold sets technical standards for products manufactured in or imported into their country that are not widely shared, it may lead some of our customers to suspend imports of their products into that country, require manufacturers in that country to manufacture products with different technical standards and disrupt cross-border manufacturing relationships which, in each case, could have a material adverse effect on our business, financial condition and results of operations. We also are subject to risks associated with international political conflicts involving the U.S. government. For example, in 2008 we were instructed by the U.S. Department of Homeland Security to cease using Polar Star International Company Limited, a distributor based in Hong Kong, that delivered third-party products, to a political group that the U.S. government did not believe should have been provided with the products in question. As a result, we immediately ceased all business operations with that distributor. The loss of Polar Star as a distributor did not materially delay shipment of our products because Polar Star was a non-exclusive distributor and we had in place alternative distribution arrangements. However, we cannot provide assurances that similar disruptions of distribution arrangements in the future will not result in delayed shipments until we are able to identify alternative distribution channels, which could include a requirement to increase our direct sales efforts. Loss of a key distributor under similar circumstances could have an adverse effect on our business, revenues and operating results.

If we suffer losses to our facilities or distribution system due to catastrophe, our operations could be seriously harmed.

Our facilities and distribution system, and those of our third-party contractors, are subject to risk of catastrophic loss due to fire, flood or other natural or man-made disasters. A number of our facilities and those of our contract manufacturers are located in areas with above average seismic activity. The foundries that manufacture all of our wafers are located in Taiwan, Singapore, Malaysia, Southern California and China, and all of the third-party contractors who assemble and test our products also are located in Asia. In addition, our headquarters are located in Southern California. The risk of an earthquake in the Pacific Rim region or Southern California is significant due to the proximity of major earthquake fault lines. For example, in 2002 and 2003, major earthquakes occurred in Taiwan. Any catastrophic loss to any of these facilities would likely disrupt our operations, delay production, shipments and revenue and result in significant expenses to repair or replace the facility.

Our business is subject to various governmental regulations, and compliance with these regulations may cause us to incur significant expenses. If we fail to maintain compliance with applicable regulations, we may be forced to recall products and cease their manufacture and distribution, and we could be subject to civil or criminal penalties.

Our business is subject to various international and U.S. laws and other legal requirements, including packaging, product content, labor, import/export control regulations, and the Foreign Corrupt Practices Act. These regulations are complex, change frequently and have generally become more stringent over time. We may be required to incur significant costs to comply with these regulations or to remedy violations. Any failure by us to comply with applicable government regulations could result in cessation of our operations or portions of our operations, product recalls or impositions of fines and restrictions on our ability to conduct our operations. In addition, because many of our products are regulated or sold into regulated industries, we must comply with additional regulations in marketing our products.

Our products and operations are also subject to the rules of industrial standards bodies, like the International Standards Organization, as well as regulation by other agencies, such as the U.S. Federal Communications Commission. If we fail to adequately address any of these rules or regulations, our business could be harmed.

For example, the SEC adopted a final rule to implement Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which requires new disclosures concerning the use of conflict minerals, generally tantalum, tin, gold, or tungsten that originated in the Democratic Republic of the Congo or an adjoining country. These disclosures are required whether or not these products containing conflict minerals are manufactured by us or third parties. Verifying the source of any

conflict minerals in our products has created and will continue to create additional costs in order to comply with the new disclosure requirements and we may not be able to certify that the metals in our products are conflict free, which may create issues with our customers. In addition, the new rule may affect the pricing, sourcing and availability of minerals used in the manufacture of our products.

We must conform the manufacture and distribution of our semiconductors to various laws and adapt to regulatory requirements in all countries as these requirements change. If we fail to comply with these requirements in the manufacture or distribution of our products, we could be required to pay civil penalties, face criminal prosecution and, in some cases, be prohibited from distributing our products in commerce until the products or component substances are brought into compliance.

In addition to our acquisitions of Entropic and Physpeed, we may, from time to time, make additional business acquisitions or investments, which involve significant risks.

In addition to the acquisitions of Entropic, which we completed in the second quarter of fiscal 2015, and Physpeed, which we completed in the fourth quarter of fiscal 2014, we may, from time to time, make acquisitions, enter into alliances or make investments in other businesses to complement our existing product offerings, augment our market coverage or enhance our technological capabilities. However, any such transactions could result in:

- issuances of equity securities dilutive to our existing stockholders;
- substantial cash payments;
- the incurrence of substantial debt and assumption of unknown liabilities;
- large one-time write-offs;
- amortization expenses related to intangible assets;
- a limitation on our ability to use our net operating loss carryforwards;
- the diversion of management's time and attention from operating our business to acquisition integration challenges;
- stockholder or other litigation relating to the transaction;
- adverse tax consequences; and
- the potential loss of key employees, customers and suppliers of the acquired business.

Additionally, in periods subsequent to an acquisition, we must evaluate goodwill and acquisition-related intangible assets for impairment. If such assets are found to be impaired, they will be written down to estimated fair value, with a charge against earnings.

Integrating acquired organizations and their products and services, including the integration of Entropic and Physpeed following completion of the acquisitions, may be expensive, time-consuming and a strain on our resources and our relationships with employees, customers and suppliers, and ultimately may not be successful. The benefits or synergies we may expect from the acquisition of complementary or supplementary businesses may not be realized to the extent or in the time frame we initially anticipate. Some of the risks that may affect our ability to successfully integrate acquired companies, including Entropic and Physpeed, include those associated with:

- failure to successfully further develop the acquired products or technology;
- conforming the acquired company's standards, policies, processes, procedures and controls with our operations;
- coordinating new product and process development, especially with respect to highly complex technologies;
- loss of key employees or customers of the acquired company;
- hiring additional management and other critical personnel;
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries;

- increasing the scope, geographic diversity and complexity of our operations;
- consolidation of facilities, integration of the acquired company's accounting, human resource and other administrative functions and coordination of product, engineering and sales and marketing functions;
- the geographic distance between the companies;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired company, including claims for terminated employees, customers, former stockholders or other third parties.

We may be subject to information technology failures, including data protection breaches and cyber-attacks, that could disrupt our operations, damage our reputation and adversely affect our business, operations, and financial results.

We rely on our information technology systems for the effective operation of our business and for the secure maintenance and storage of confidential data relating to our business and third party businesses. Although we have implemented security controls to protect our information technology systems, experienced programmers or hackers may be able to penetrate our security controls, and develop and deploy viruses, worms and other malicious software programs that compromise our confidential information or that of third parties and cause a disruption or failure of our information technology systems. Any such compromise of our information technology systems could result in the unauthorized publication of our confidential business or proprietary information, result in the unauthorized release of customer, supplier or employee data, result in a violation of privacy or other laws, expose us to a risk of litigation, or damage our reputation. The cost and operational consequences of implementing further data protection measures either as a response to specific breaches or as a result of evolving risks, could be significant. In addition, our inability to use or access our information systems at critical points in time could adversely affect the timely and efficient operation of our business. Any delayed sales, significant costs or lost customers resulting from these technology failures could adversely affect our business, operations and financial results.

Third parties with which we conduct business, such as foundries, assembly and test contractors, and distributors, have access to certain portions of our sensitive data. In the event that these third parties do not properly safeguard our data that they hold, security breaches could result and negatively impact our business, operations and financial results.

Investor confidence may be adversely impacted if we are unable to comply with Section 404 of the Sarbanes-Oxley Act of 2002, and as a result, our stock price could decline.

We are subject to rules adopted by the Securities Exchange Commission, or SEC, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act, which require us to include in our Annual Report on Form 10-K our management's report on, and assessment of the effectiveness of, our internal controls over financial reporting.

If we fail to maintain the adequacy of our internal controls, there is a risk that we will not comply with all of the requirements imposed by Section 404. Moreover, effective internal controls, particularly those related to revenue recognition, are necessary for us to produce reliable financial reports and are important to helping prevent financial fraud. Any of these possible outcomes could result in an adverse reaction in the financial marketplace due to a loss of investor confidence in the reliability of our consolidated financial statements and could result in investigations or sanctions by the SEC, the New York Stock Exchange, or NYSE, or other regulatory authorities or in stockholder litigation. Any of these factors ultimately could harm our business and could negatively impact the market price of our securities. Ineffective control over financial reporting could also cause investors to lose confidence in our reported financial information, which could adversely affect the trading price of our common stock.

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. However, our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Our products must conform to industry standards in order to be accepted by end users in our markets.

Generally, our products comprise only a part of a communications device. All components of these devices must uniformly comply with industry standards in order to operate efficiently together. We depend on companies that provide other components of the devices to support prevailing industry standards. Many of these companies are significantly larger and more influential in driving industry standards than we are. Some industry standards may not be widely adopted or implemented uniformly, and competing standards may emerge that may be preferred by our customers or end users. If larger companies do not support the same industry standards that we do, or if competing standards emerge, market acceptance of our products could be adversely affected, which would harm our business.

Products for communications applications are based on industry standards that are continually evolving. Our ability to compete in the future will depend on our ability to identify and ensure compliance with these evolving industry standards. The emergence of new industry standards could render our products incompatible with products developed by other suppliers. As a result, we could be required to invest significant time and effort and to incur significant expense to redesign our products to ensure compliance with relevant standards. If our products are not in compliance with prevailing industry standards for a significant period of time, we could miss opportunities to achieve crucial design wins. We may not be successful in developing or using new technologies or in developing new products or product enhancements that achieve market acceptance. Our pursuit of necessary technological advances may require substantial time and expense.

Risks Relating to Our Class A Common Stock

The dual class structure of our common stock as contained in our charter documents will have the effect of allowing our founders, executive officers, employees and directors and their affiliates to limit your ability to influence corporate matters that you may consider unfavorable.

We sold Class A common stock in our initial public offering. Our founders, executive officers, directors and their affiliates and employees hold shares of our Class B common stock, which is not publicly traded. Until March 29, 2017, the dual class structure of our common stock will have the following effects with respect to the holders of our Class A common stock:

- allows the holders of our Class B common stock to have the sole right to elect two management directors to the Board of Directors;
- with respect to change of control matters, allows the holders of our Class B common stock to have ten votes per share compared to the holders of our Class A common stock who will have one vote per share on these matters; and
- with respect to the adoption of or amendments to our equity incentive plans, allows the holders of our Class B common stock to have ten votes per share compared to the holders of our Class A common stock who will have one vote per share on these matters, subject to certain limitations.

Thus, our dual class structure will limit your ability to influence corporate matters, including with respect to transactions involving a change of control, and, as a result, we may take actions that our stockholders do not view as beneficial, which may adversely affect the market price of our Class A common stock. In addition to the additional voting rights granted to holders of our Class B common stock, which is held principally by certain of our executive officers and founders, we have entered change of control agreements with our executive officers, which could have an adverse effect on a third party's willingness to consider acquiring us, either because it may be more difficult to retain key employees with change of control benefits or because of the incremental cost associated with these benefits.

The concentration of our capital stock ownership with our founders will limit your ability to influence corporate matters and their interests may differ from other stockholders.

As of December 31, 2015, our founders who are existing employees of the Company, including our Chairman, President and Chief Executive Officer, Dr. Seendripu, together control approximately 10% of our outstanding capital stock, representing approximately 49% of the voting power of our outstanding capital stock with respect to change of control matters and the adoption of or amendment to our equity incentive plans. Dr. Seendripu and the other founders therefore have significant influence over our management and affairs and over all matters requiring stockholder approval, including the election of two Class B directors and significant corporate transactions, such as a merger or other sale of MaxLinear or its assets, for the foreseeable future.

Our management team may use our available cash, cash equivalents, and liquid investment assets in ways with which you may not agree or in ways which may not yield a return.

We use our cash, cash equivalents, and liquid investment assets for general corporate purposes, including working capital. We may also use a portion of these assets to acquire complementary businesses, products, services or technologies. Our management has considerable discretion in the application of our cash, cash equivalents, and investment resources, and you will not have the opportunity to assess whether these liquid assets are being used in a manner that you deem best to maximize your return. We may use our available resources for corporate purposes that do not increase our operating results or market value. In addition, our cash, cash equivalents, and liquid investment resources may be placed in investments that do not produce significant income or that may lose value

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our Class A common stock.

Provisions in our certificate of incorporation and bylaws, as amended and restated, may have the effect of delaying or preventing a change of control or changes in our management. These provisions provide for the following:

- authorize our Board of Directors to issue, without further action by the stockholders, up to 25,000,000 shares of undesignated preferred stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our Board of Directors, our Chairman of the Board of Directors, our President or by unanimous written consent of our directors appointed by the holders of Class B common stock;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our Board of Directors;
- establish that our Board of Directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered terms and with one Class B director being elected to each of Classes II and III;
- provide for a dual class common stock structure, which provides our founders, current investors, executives and employees with significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our Company or its assets;
- provide that our directors may be removed only for cause;
- provide that vacancies on our Board of Directors may be filled only by a majority of directors then in office, even though less than a quorum, other than any vacancy in the two directorships reserved for the designees of the holders of Class B common stock, which may be filled only by the affirmative vote of the holders of a majority of the outstanding Class B common stock or by the remaining director elected by the Class B common stock (with the consent of founders holding a majority in interest of the Class B common stock over which the founders then exercise voting control);
- specify that no stockholder is permitted to cumulate votes at any election of directors; and
- require supermajority votes of the holders of our common stock to amend specified provisions of our charter documents.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder.

Our share price may be volatile as a result of limited trading volume and other factors.

Our shares of Class A common stock began trading on the New York Stock Exchange in March 2010. An active public market for our shares on the New York Stock Exchange may not be sustained. In particular, limited trading volumes and liquidity may limit the ability of stockholders to purchase or sell our common stock in the amounts and at the times they wish. Trading volume in our Class A common stock tends to be modest relative to our total outstanding shares, and the price of our Class A common stock may fluctuate substantially (particularly in percentage terms) without regard to news about us or general trends in the stock market. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

In addition, the trading price of our Class A common stock could become highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. These factors include those discussed in this "Risk Factors" section of this Annual Report on Form 10-K and others such as:

- actual or anticipated fluctuations in our financial condition and operating results;
- overall conditions in the semiconductor market;
- addition or loss of significant customers;
- changes in laws or regulations applicable to our products;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements of technological innovations by us or our competitors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- competition from existing products or new products that may emerge;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- disputes or other developments related to proprietary rights, including patents, litigation matters and our ability to obtain intellectual property protection for our technologies;
- the recently completed acquisition of Entropic may not be accretive and may cause dilution to our earnings per shares;
- announcement or expectation of additional financing efforts;
- sales of our Class A or Class B common stock by us or our stockholders;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares; and
- general economic and market conditions.

Furthermore, the stock markets recently have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our Class A common stock. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, especially due to our dual-class voting structure, our share price and trading volume could decline.

The trading market for our Class A common stock depends in part on the research and reports that securities or industry analysts publish about us or our business, especially with respect to our unique dual-class voting structure as to the election of directors, change of control matters and matters related to our equity incentive plans. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

Future sales of our Class A common stock in the public market could cause our share price to decline.

Sales of a substantial number of shares of our Class A common stock in the public market, or the perception that these sales might occur, could depress the market price of our Class A common stock and could impair our ability to raise capital through the sale of additional equity securities. As of December 31, 2015, we had 55.7 million shares of Class A common stock and 6.7 million shares of Class B common stock outstanding.

All shares of Class A common stock are freely tradable without restrictions or further registration under the Securities Act of 1933, as amended, or the Securities Act, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act.

We have filed registration statements on Form S-8 under the Securities Act to register 18.9 million shares of our Class A common stock for issuance under our 2010 Equity Incentive Plan and 2010 Employee Stock Purchase Plan in addition to 3.2 million awards that were assumed and remain outstanding in connection with the Entropic acquisition. These shares may be freely sold in the public market upon issuance and once vested, subject to other restrictions provided under the terms of the applicable plan and/or the option agreements entered into with option holder.

Our Executive Incentive Bonus Plan permits the settlement of awards under the plan in the form of shares of its Class A common stock. For the 2013 performance period, actual awards under the Executive Incentive Bonus Plan were settled in Class A common stock issued under our 2010 Equity Incentive Plan, as amended, with the number of shares issuable to plan participants determined based on the closing sales price of our Class A common stock as determined in trading on the New York Stock Exchange on May 9, 2014. Additionally, we settled all bonus awards for all other employees for the 2013 performance period in shares of its Class A common stock. We issued 0.6 million shares of our Class A common stock for the 2013 performance period upon settlement of the bonus awards on May 9, 2014. We issued 0.2 million shares of our Class A common stock for the 2014 performance period upon settlement of the bonus awards on May 14, 2015. We issued 0.3 million shares of our Class A common stock for the January 1, 2015 to June 30, 2015 performance period upon settlement of the bonus awards on August 20, 2015. We expect to issue shares of our Class A common stock for the July 1, 2015 to December 31, 2015 performance period upon settlement of the bonus awards in May 2016.These shares may be freely sold in the public market immediately following the issuance of such shares and the issuance of such shares may have an adverse effect on our share price once they are issued.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our Board of Directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Risks Relating to Our Acquisition of Entropic

Actual financial and operating results could differ materially from any expectations or guidance provided by us concerning future results, including (without limitation) expectations or guidance with respect to the financial impact of any cost savings and other potential synergies resulting from our acquisition of Entropic.

We currently expect to continue realizing material cost savings and other synergies as a result of our acquisition of Entropic, and as a result, we currently believe that the acquisition will continue to be accretive to our earnings per share, excluding upfront non-recurring charges, transaction related expenses, and the amortization of purchased intangible assets. The expectations and guidance we have provided with respect to the potential financial impact of the acquisition are subject to numerous assumptions, however, including assumptions derived from our diligence efforts concerning the status of and prospects for Entropic's business, and assumptions relating to the near-term prospects for the semiconductor industry generally

and the markets for the legacy Entropic products in particular. Additional assumptions we have made relate to numerous matters, including (without limitation) the following:

- projections of future revenues in the legacy Entropic businesses;
- the anticipated financial performance of legacy Entropic products and products currently in development;
- anticipated cost savings and other synergies associated with the acquisition, including potential revenue synergies;
- the amount of goodwill and intangibles that will result from the acquisition;
- certain other purchase accounting adjustments that we have recorded in our financial statements in connection with the acquisition;
- acquisition costs, including restructuring charges and transactions costs payable to our financial, legal, and accounting advisors; and
- our ability to maintain, develop, and deepen relationships with customers of the legacy Entropic business.

We cannot provide any assurances with respect to the accuracy of our assumptions, including our assumptions with respect to future revenues or revenue growth rates, if any, of the legacy Entropic business, and we cannot provide assurances with respect to our ability to realize further cost savings. Risks and uncertainties that could cause our actual results to differ materially from currently anticipated results include, but are not limited to, risks relating to our ability to integrate the legacy Entropic business successfully; currently unanticipated additional incremental costs that we may incur in connection with integrating the two companies; risks relating to our ability to continue to realize incremental revenues from the acquisition in the amounts that we currently anticipate; risks relating to the willingness of legacy Entropic customers and other partners to continue to conduct business with MaxLinear; and numerous risks and uncertainties that affect the semiconductor industry generally and the markets for our products and those of the legacy Entropic business specifically. Any failure to integrate the legacy Entropic business successfully and to continue to realize the financial benefits we currently anticipate from the acquisition would have a material adverse impact on our future operating results and financial condition and could materially and adversely affect the trading price or trading volume of our Class A common stock.

Failure to integrate our business and operations successfully with those of Entropic in the expected time-frame or otherwise may adversely affect our operating results and financial condition.

We do not have a substantial history of acquiring other companies and had never pursued an acquisition of the size and complexity of Entropic. The success of the acquisition of Entropic depends, in substantial part, on our ability to integrate Entropic's business and operations successfully with those of MaxLinear and to realize fully the anticipated benefits and potential synergies from combining our companies, including, among others, cost savings from eliminating duplicative functions; operational efficiencies in our respective supply chains and in research and development investments; and revenue growth resulting from the addition of Entropic's product portfolio. If we are unable to achieve these objectives, the anticipated benefits and potential synergies from the acquisition may not be realized fully, or may take longer to realize than expected. Any failure to timely realize these anticipated benefits would have a material adverse effect on our business, operating results, and financial condition.

We completed our acquisition of Entropic in April 2015. While we believe the integration process is substantially complete, we cannot ensure that remaining integration objectives will not adversely affect our operating results. In connection with the integration process, we could experience the loss of key customers, decreases in revenues relative to current expectations and increases in operating costs, as well as the disruption of our ongoing businesses, any or all of which could limit our ability to achieve the anticipated benefits and potential synergies from the acquisition and have a material adverse effect on our business, operating results, and financial condition.

Our business relationships, including customer relationships, and those of Entropic may be subject to disruption due to uncertainty associated with the acquisition.

In response to the completion of the acquisition, customers, vendors, licensors, and other third parties with whom we do business or Entropic did business or otherwise have relationships may experience uncertainty associated with the acquisition, and this uncertainty could materially affect their decisions with respect to existing or future business relationships with us. Moreover, with respect to Entropic's prior acquisition of certain television and set-top box assets from Trident Microsystems, Inc., or Trident, we were unable to conduct substantial diligence with respect to certain licenses and intellectual property rights

because Entropic acquired these assets through Trident's bankruptcy proceedings. As a result, we are in many instances unable to evaluate the impact of the acquisition on certain assumed contract rights and obligations, including intellectual property rights.

These business relationships may be subject to disruption as customers and others may elect to delay or defer purchase or design-win decisions or switch to other suppliers due to the uncertainty about the direction of our offerings, any perceived unwillingness on our part to support existing legacy Entropic products, or any general perceptions by customers or other third parties that impute operational or business challenges to us arising from the acquisition. In addition, customers or other third parties may attempt to negotiate changes in existing business relationships, which may result in additional obligations imposed on us. These disruptions could have a material adverse effect on our business, operating results, and financial condition. Any loss of customers, customer products, design win opportunities, or other important strategic relationships could have a material adverse effect on our business, operating results, and financial condition and could have a material and adverse effect on the trading price or trading volume of our Class A common stock.

We have incurred and expect to continue to incur substantial expenses related to the integration of MaxLinear and Entropic.

We have incurred and expect to continue to incur substantial expenses in connection with integrating the operations, technologies, and business systems of MaxLinear and Entropic. Business systems integration between the two companies requires, and we expect it to continue to require into the foreseeable future, substantial management attention, including integration of information management, purchasing, accounting and finance, sales, and regulatory compliance functions. Numerous factors, many of which, are beyond our control, could affect the total cost or the timing of expected integration expenses. Moreover, many of the expenses that will be incurred are by their nature difficult to estimate accurately at the present time. These expenses could reduce the savings that we expect to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the businesses. These integration expenses have resulted in MaxLinear's taking significant charges against earnings following the completion of the acquisition.

We have recorded goodwill that could become impaired and adversely affect our future operating results.

The acquisition is accounted for as an acquisition by MaxLinear in accordance with accounting principles generally accepted in the United States. Under the acquisition method of accounting, the assets and liabilities of Entropic have been recorded, as of completion, at their respective fair values and added to our assets and liabilities. Our reported financial condition and results of operations after completion of the acquisition reflect Entropic's balances and results but are not restated retroactively to reflect the historical financial position or results of operations of Entropic for periods prior to the acquisition. As a result, comparisons of future results against prior period results will be more difficult for investors.

Under the acquisition method of accounting, the total purchase price is allocated to Entropic's tangible assets and liabilities and identifiable intangible assets based on their fair values as of the date of completion of the acquisition. The excess of the purchase price over those fair values is recorded as goodwill. The acquisition has resulted in the creation of goodwill based upon the application of the acquisition method of accounting. To the extent the value of goodwill or intangibles becomes impaired, we may be required to incur material charges relating to such impairment. Any such impairment charge could have a material impact on our operating results in future periods, and the announcement of a material impairment could have an adverse effect on the trading price and trading volume of our Class A common stock. For example, in the quarter ended December 31, 2015, we recognized IPR&D impairment losses of $21.6 million related principally to acquired Entropic assets. As of December 31, 2015, our balance sheet reflected goodwill of $49.8 million, and we could recognize impairment charges in the future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate headquarters occupy approximately 68,000 square feet in Carlsbad, California under a lease that expires in June 2022. A full range of business and engineering functions are represented at our corporate headquarters, including a laboratory for research and development and manufacturing operations. On November 11, 2015, we entered into a real property

lease with The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, with respect to the lease of approximately 50,235 square feet of office and laboratory space located at 50 Parker in Irvine, California. We expect to relocate our current operations in Irvine, California to the new facility in 2016. In addition to our principal office spaces in Carlsbad, we have leased facilities in Irvine, California; Bangalore in India; Singapore; Taiwan; and Shenzhen in China.

ITEM 3. LEGAL PROCEEDINGS

Entropic Communications Merger Litigation

The Delaware Actions

Beginning on February 9, 2015, eleven stockholder class action complaints (captioned *Langholz v. Entropic Communications, Inc., et al.*, C.A. No. 10631-VCP (filed Feb. 9, 2015); *Tomblin v. Entropic Communications, Inc.*, C.A. No. 10632-VCP (filed Feb. 9, 2015); *Crill v. Entropic Communications, Inc., et al.*, C.A. No. 10640-VCP (filed Feb. 11, 2015); *Wohl v. Entropic Communications, Inc., et al.*, C.A. No. 10644-VCP (filed Feb. 11, 2015); *Parshall v. Entropic Communications, Inc., et al.*, C.A. No. 10652-VCP (filed Feb. 12, 2015); *Saggar v. Padval, et al.*, C.A. No. 10661-VCP (filed Feb. 13, 2015); *Iyer v. Tewksbury, et al.*, C.A. No. 10665-VCP (filed Feb. 13, 2015); *Respler v. Entropic Communications, Inc., et al.*, C.A. No. 10669-VCP (filed Feb. 17, 2015); *Gal v. Entropic Communications, Inc., et al.*, C.A. No. 10671-VCP (filed Feb. 17, 2015); *Werbowsky v. Padval, et al.*, C.A. No. 10673-VCP (filed Feb. 18, 2015); and *Agosti v. Entropic Communications, Inc.*, C.A. No. 10676-VCP (filed Feb. 18, 2015)) were filed in the Court of Chancery of the State of Delaware on behalf of a putative class of Entropic Communications, Inc. stockholders. The complaints name Entropic, the board of directors of Entropic, MaxLinear, Excalibur Acquisition Corporation, and Excalibur Subsidiary, LLC as defendants. The complaints generally allege that, in connection with the proposed acquisition of Entropic by MaxLinear, the individual defendants breached their fiduciary duties to Entropic stockholders by, among other things, purportedly failing to take steps to maximize the value of Entropic to its stockholders and agreeing to allegedly preclusive deal protection devices in the merger agreement. The complaints further allege that Entropic, MaxLinear, and/or the merger subsidiaries aided and abetted the individual defendants in the alleged breaches of their fiduciary duties. The complaints seek, among other things, an order enjoining the defendants from consummating the proposed transaction, an order declaring the merger agreement unlawful and unenforceable, in the event that the proposed transaction is consummated, an order rescinding it and setting it aside or awarding rescissory damages to the class, imposition of a constructive trust, damages, and/or attorneys' fees and costs.

On March 27, 2015, plaintiffs Ankur Saggar, Jon Werbowsky, and Angelo Agosti filed an amended class action complaint. Also on March 27, 2015, plaintiffs Martin Wohl and Jeffrey Park filed an amended class action complaint. On April 1, 2015, plaintiff Mark Respler filed an amended class action complaint.

On April 16, 2015, the Court entered an order consolidating the Delaware actions, captioned *In re Entropic Communications, Inc. Consolidated Stockholders Litigation*, C.A. No. 10631-VCP (the "Consolidated Action"). The April 16, 2015 order appointed plaintiffs Rama Iyer and Jon Werbowsky as Co-Lead Plaintiffs and designated the amended complaint filed by plaintiffs Ankur Saggar, Jon Werbowsky, and Angelo Agosti as the operative complaint (the "Amended Complaint").

The Amended Complaint names as defendants Entropic, the board of directors of Entropic, the Company, Excalibur Acquisition Corporation, and Excalibur Subsidiary, LLC. The Amended Complaint generally alleges that, in connection with the proposed acquisition of Entropic by the Company, the individual defendants breached their fiduciary duties to Entropic stockholders by, among other things, purportedly failing to maximize the value of Entropic to its stockholders, engaging in a purportedly unfair and conflicted sale process, agreeing to allegedly preclusive deal protection devices in the merger agreement, and allegedly misrepresenting and/or failing to disclose all material information in connection with the proposed transaction. The Amended Complaint further alleges that the Company and the merger subsidiaries aided and abetted the individual defendants in the alleged breaches of their fiduciary duties. The Amended Complaint seeks, among other things: an order declaring the merger agreement unlawful and unenforceable, an order rescinding, to the extent already implemented, the merger agreement, an order enjoining defendants from consummating the proposed transaction, imposition of a constructive trust, and attorneys' and experts' fees and costs.

On April 24, 2015, the parties to the Consolidated Action entered into a memorandum of understanding regarding a proposed settlement of the Delaware actions. The proposed settlement is subject to negotiation of the settlement papers by the parties and is subject to court approval after notice and an opportunity to object is provided to the proposed settlement class. There can be no assurance that the parties will reach agreement regarding the final terms of the settlement agreement or that the Court of Chancery will approve the settlement.

Based on the above, we have determined that an unfavorable outcome is probable or reasonably possible; or determined that the amount or range of any possible loss is reasonably estimable. The reasonably estimable loss is not material.

CrestaTech Litigation

On January 21, 2014, CrestaTech Technology Corporation, or CrestaTech, filed a complaint for patent infringement against us in the United States District Court of Delaware (the "District Court Litigation"). In its complaint, CrestaTech alleges that we infringe U.S. Patent Nos. 7,075,585 (the "'585 Patent") and 7,265,792. In addition to asking for compensatory damages, CrestaTech alleges willful infringement and seeks a permanent injunction. CrestaTech also names Sharp Corporation, Sharp Electronics Corp. and VIZIO, Inc. as defendants based upon their alleged use of our television tuners. On January 28, 2014, CrestaTech filed a complaint with the U.S. International Trade Commission, or ITC, again naming, among others, us, Sharp, Sharp Electronics, and VIZIO ("the "ITC Investigation"). On May 16, 2014 the ITC granted CrestaTech's motion to file an amended complaint adding six OEM Respondents, namely, SIO International, Inc., Hon Hai Precision Industry Co., Ltd., Wistron Corp., Wistron Infocomm Technology (America) Corp., Top Victory Investments Ltd. and TPV International (USA), Inc. (collectively, with us, Sharp and VIZIO, the "Company Respondents"). CrestaTech's ITC complaint alleged a violation of 19 U.S.C. § 1337 through the importation into the United States, the sale for importation, or the sale within the United States after importation of the Company's accused products that CrestaTech alleges infringe the same two patents asserted in the Delaware action. Through its ITC complaint, CrestaTech sought an exclusion order preventing entry into the United States of certain of our television tuners and televisions containing such tuners from Sharp, Sharp Electronics, and VIZIO. CrestaTech also sought a cease and desist order prohibiting the Company Respondents from engaging in the importation into, sale for importation into, the sale after importation of, or otherwise transferring within the United States certain of our television tuners or televisions containing such tuners.

On December 1-5, 2014, the ITC held a trial in the ITC Investigation. On February 27, 2015, the Administrative Law Judge issued a written Initial Determination ("ID"), ruling that the Company Respondents do not violate Section 1337 in connection with CrestaTech's asserted patents because CrestaTech failed to satisfy the economic prong of the domestic industry requirement pursuant to Section 1337(a)(2). In addition, the ID stated that certain of our television tuners and televisions incorporating those tuners manufactured and sold by certain customers infringe three claims of the '585 Patent, and these three claims were not determined to be invalid. On April 30, 2015, the ITC issued a notice indicating that it intended to review portions of the ID finding no violation of Section 1337, including the ID's findings of infringement with respect to, and validity of, the '585 Patent, and the ID's finding that CrestaTech failed to establish the existence of a domestic industry within the meaning of Section 1337.

The ITC has subsequently issued its opinion, which terminated its investigation. The opinion affirmed the findings of the administrative law judge that no violation of Section 1337 had occurred because CrestaTech had failed to establish the economic prong of the domestic industry requirement. The ITC also affirmed the administrative law judge's finding of infringement with respect to the three claims of the '585 Patent that were not held to be invalid. On November 30, 2015, CrestaTech filed an appeal of the ITC decision with the United States Court of Appeals for the Federal Circuit (the "Federal Circuit").

The District Court Litigation remains stayed pending resolution of the appeal to the ITC. In addition, we have filed four petitions for inter partes review ("IPR") by the US Patent Office of the two CrestaTech patents asserted against us. The Patent Trial and Appeal Board ("PTAB") did not institute two of these IPRs as being redundant to IPRs filed by another party that are already underway for the same CrestaTech patent. The remaining two petitions were instituted or instituted-in-part and, together with the IPRs filed by third parties, there are currently six IPR proceedings filed involving the two CrestaTech patents asserted against us. In October 2015, the PTAB issued final decisions in two of the six IPR proceedings, holding that all of the reviewed claims are unpatentable. Included in these decisions was one of the three claims mentioned above. CrestaTech is appealing the PTAB's decisions at the Federal Circuit.

We cannot predict the outcome of any appeal by CrestaTech, the District Court Litigation, or the IPRs. Any adverse determination in the District Court Litigation could have a material adverse effect on our business and operating results.

Other Matters

In addition, from time to time, we are subject to threats of litigation or actual litigation in the ordinary course of business, some of which may be material. Other than the Entropic and CrestaTech litigation described above, we believe that there are no other currently pending matters that, if determined adversely to us, would have a material effect on our business or that would not be covered by our existing liability insurance maintained by us.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II — FINANCIAL INFORMATION

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Holders

In March 2010, we completed the initial public offering of our Class A common stock. Our Class A common stock is traded on the New York Stock Exchange, or the NYSE, under the symbol MXL. The following table sets forth, for the periods indicated, the high and low sale prices for our Class A common stock as reported by the NYSE:

	Year Ended December 31, 2015	
	High	Low
First Quarter (January 1, 2015 to March 31, 2015)	$ 9.21	$ 7.15
Second Quarter (April 1, 2015 to June 30, 2015)	$ 13.33	$ 8.06
Third Quarter (July 1, 2015 to September 30, 2015)	$ 12.96	$ 9.00
Fourth Quarter (October 1, 2015 to December 31, 2015)	$ 17.75	$ 11.76

	Year Ended December 31, 2014	
	High	Low
First Quarter (January 1, 2014 to March 31, 2014)	$ 11.32	$ 8.94
Second Quarter (April 1, 2014 to June 30, 2014)	$ 10.33	$ 7.74
Third Quarter (July 1, 2014 to September 30, 2014)	$ 10.80	$ 6.63
Fourth Quarter (October 1, 2014 to December 31, 2014)	$ 8.09	$ 6.25

On December 31, 2015, the last reported sales price of our common stock was $14.73 and, according to our transfer agent, as of February 10, 2016, there were 83 record holders of our Class A common stock and 49 record holders of our Class B common stock.

Our Class B common stock is not publicly traded. Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock and in most instances automatically converts upon sale or other transfer.

Dividend Policy

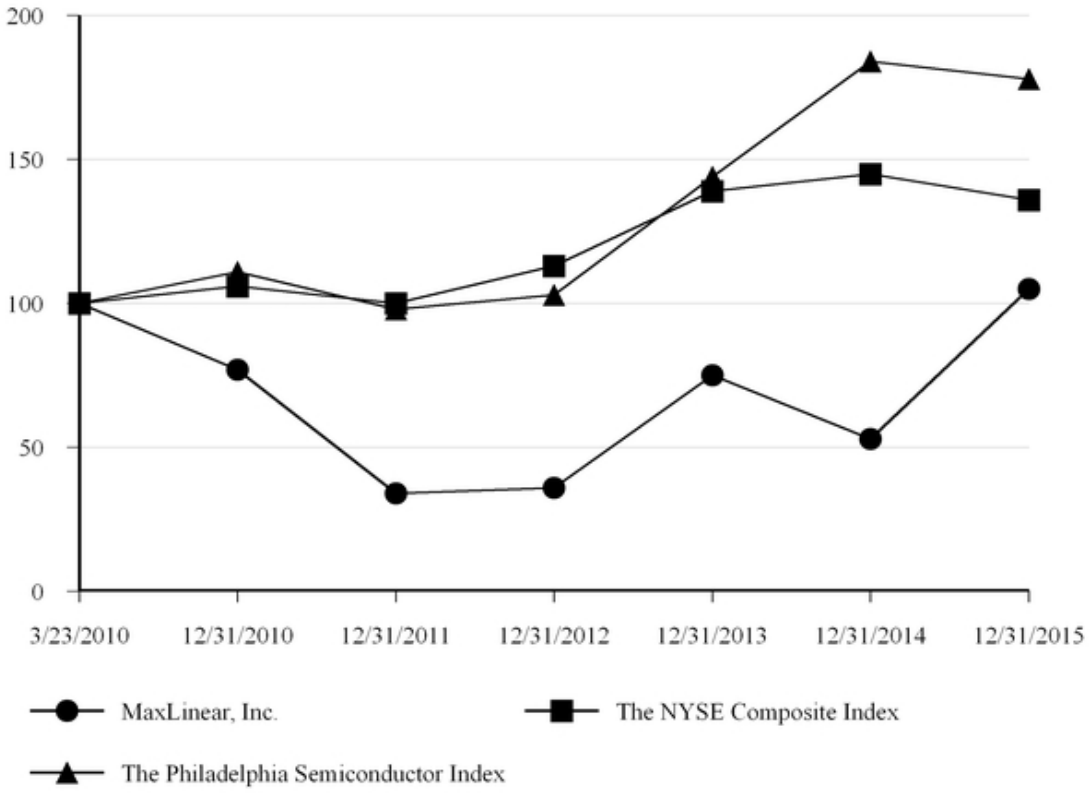
We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our common stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our Board of Directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our Board of Directors may deem relevant.

Stock Performance Graph

Notwithstanding any statement to the contrary in any of our previous or future filings with the SEC, the following information relating to the price performance of our common stock shall not be deemed "filed" with the SEC or "Soliciting Material" under the Exchange Act, or subject to Regulation 14A or 14C, or to liabilities of Section 18 of the Exchange Act except to the extent we specifically request that such information be treated as soliciting material or to the extent we specifically incorporate this information by reference.

The graph below compares the cumulative total stockholder return on our Class A common stock with the cumulative total return on The NYSE Composite Index and The Philadelphia Semiconductor Index. The period shown commences on March 23, 2010 and ends on December 31, 2015, the end of our last fiscal year. The graph assumes an investment of $100 on March 23, 2010, and the reinvestment of any dividends. In addition, the graph assumes the value of our common stock on March 23, 2010 was the initial public offering price of $14.00 per share.

The comparisons in the graph below are required by the Securities and Exchange Commission and are not intended to forecast or be indicative of possible future performance of our common stock.



Recent Sales of Unregistered Securities

In the year ended December 31, 2015, we issued an aggregate of 0.2 million shares of our Class B common stock to certain employees upon the exercise of options awarded under our 2004 Stock Plan. We received aggregate proceeds of approximately $0.4 million in the year ended December 31, 2015 as a result of the exercise of these options. We believe these transactions were exempt from the registration requirements of the Securities Act in reliance on Rule 701 thereunder as transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701. As of December 31, 2015, options to purchase an aggregate of 1.5 million shares of our Class B common stock remain outstanding. All issuances of shares of our Class B common stock pursuant to the exercise of these options will be made in reliance on Rule 701. All option grants made under the 2004 Stock Plan were made prior to the effectiveness of our initial public offering. No further option grants will be made under our 2004 Stock Plan.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering.

Each share of our Class B common stock is convertible at any time at the option of the holder into one share of our Class A common stock. In addition, each share of our Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in our certificate of incorporation.

ITEM 6. SELECTED FINANCIAL DATA

We have derived the selected consolidated statement of operations data for the years ended December 31, 2015, 2014 and 2013 and selected consolidated balance sheet data as of December 31, 2015 and 2014 from our consolidated financial statements and related Notes included elsewhere in this report. We have derived the statement of operations data for the years ended December 31, 2012 and 2011 and the balance sheet data as of December 31, 2013, 2012 and 2011 from our consolidated financial statements not included in this report. Our historical results are not necessarily indicative of the results to be expected for any future period. The following selected consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this report.

	Years Ended December 31,				
	2015	2014	2013	2012	2011
	(in thousands, except per share amounts)				
Consolidated Statement of Operations Data:					
Net revenue	$ 300,360	$ 133,112	$ 119,646	$ 97,728	$ 71,937
Cost of net revenue	144,937	51,154	46,683	37,082	26,690
Gross profit	155,423	81,958	72,963	60,646	45,247
Operating expenses:					
Research and development	85,405	56,625	53,132	46,458	40,157
Selling, general and administrative	77,981	34,191	32,181	27,254	20,216
Impairment loss	21,600	—	—	—	—
Restructuring expense	14,086	—	—	—	—
Total operating expenses	199,072	90,816	85,313	73,712	60,373
Loss from operations	(43,649)	(8,858)	(12,350)	(13,066)	(15,126)
Interest income	275	236	222	282	292
Other income (expense), net	468	(123)	(203)	(127)	(197)
Loss before income taxes	(42,906)	(8,745)	(12,331)	(12,911)	(15,031)
Provision (benefit) for income taxes	(575)	(1,704)	402	341	6,993
Net loss	(42,331)	(7,041)	(12,733)	(13,252)	(22,024)
Net loss attributable to common stockholders:	$ (42,331)	$ (7,041)	$ (12,733)	$ (13,252)	$ (22,024)
Net loss per share attributable to common stockholders:					
Basic	$ (0.79)	$ (0.19)	$ (0.37)	$ (0.40)	$ (0.68)
Diluted	$ (0.79)	$ (0.19)	$ (0.37)	$ (0.40)	$ (0.68)
Shares used to compute net loss per share:					
Basic	53,378	36,472	34,012	33,198	32,573
Diluted	53,378	36,472	34,012	33,198	32,573

	As of December 31,				
	2015	2014	2013	2012	2011
	(in thousands)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and short- and long-term investments, available-for-sale	$ 130,498	$ 79,351	$ 86,354	$ 77,256	$ 85,736
Working capital	134,170	67,668	56,558	68,450	76,585
Total assets	334,505	135,711	124,929	110,597	112,376
Capital lease obligations, net of current portion	—	—	—	—	2
Total stockholders' equity	262,924	99,102	86,674	80,233	93,025

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" included elsewhere in this report.

Overview

We are a provider of radio frequency, or RF, and mixed-signal integrated circuits for cable and satellite broadband communications, the connected home, and for data center, metro, and long-haul fiber networks. Our high performance RF receiver products capture and process digital and analog broadband signals to be decoded for various applications. These products include both RF receivers and RF receiver systems-on-chip (SoCs), which incorporate our highly integrated radio system architecture and the functionality necessary to receive and demodulate broadband signals, and physical medium devices that provide a constant current source, current-to-voltage regulation, and data alignment and retiming functionality in optical interconnect applications. Through our acquisition of Entropic Communications, Inc., or Entropic, in April of 2015, we provide semiconductor solutions for the connected home, ranging from MoCA® (Multimedia over Coax Alliance) solutions that transform how traditional HDTV broadcast and Internet Protocol- (IP) based streaming video content is seamlessly, reliably, and securely delivered, processed, and distributed into and throughout the home. Our products enable the reception, distribution and display of broadband video and data content in a wide range of electronic devices, including Pay-TV operator set-top boxes and voice and data gateways, hybrid analog and digital televisions and consumer terrestrial set-top boxes, Direct Broadcast Satellite outdoor units, and optical modules for data center, metro, and long-haul transport network applications.

Our net revenue has grown from approximately $0.6 million in fiscal 2006 to $300.4 million in fiscal 2015. In fiscal 2015, our net revenue was derived primarily from sales of RF receivers and RF receiver systems-on-chip and MoCA connectivity solutions into operator voice and data modems and gateways and global analog and digital RF receiver products for analog and digital television applications. These analog and digital television applications include Direct Broadcast Satellite outdoor unit (DBS ODU) solutions, which consist of our translation switch (BTS) and channel stacking switch (CSS) products. These products simplify the installation required to support simultaneous reception of multiple channels from multiple satellites over a single cable. Our ability to achieve revenue growth in the future will depend, among other factors, on our ability to further penetrate existing markets; our ability to expand our target addressable markets by developing new and innovative products; and our ability to obtain design wins with device manufacturers, in particular manufacturers of set-top boxes, data modems, and gateways for the broadband service provider and Pay-TV industries, manufacturers selling into the Cable infrastructure market, and manufacturers of optical module and telecommunications infrastructure equipment.

Products shipped to Asia accounted for 91%, 94% and 93% of net revenue during the years ended December 31, 2015, 2014 and 2013, respectively. A significant but declining portion of these sales in Asia is through distributors. Although a large percentage of our products is shipped to Asia, we believe that a significant number of the systems designed by these customers and incorporating our semiconductor products are then sold outside Asia. For example, we believe revenue generated from sales of our digital terrestrial set-top box products during the years ended December 31, 2015, 2014 and 2013 related principally to sales to Asian set-top box manufacturers delivering products into Europe, Middle East, and Africa, or EMEA markets. Similarly, revenue generated from sales of our cable modem products during the years ended December 31, 2015, 2014 and 2013 related principally to sales to Asian ODMs and contract manufacturers delivering products into European and North American markets. To date, most of our sales have been denominated in United States dollars.

A significant portion of our net revenue has historically been generated by a limited number of customers. In the year ended December 31, 2015, two of our customers, Arris and Cisco, accounted for 41% of our net revenue, and our ten largest customers collectively accounted for 76% of our net revenue. In November 2015, Technicolor completed its purchase of Cisco's connected devices business. The revenue percentage did not include the 1% revenue percentage for Technicolor. In the year ended December 31, 2014, one of our customers, Arris, accounted for 31% of our net revenue, and our ten largest customers collectively accounted for 67% of our net revenue. In the year ended December 31, 2013, one of our customers, Arris, accounted for 28% of our net revenue, and our ten largest customers collectively accounted for 72% of our net revenue. For the years ended December 31, 2014 and 2013, sales to Arris as a percentage of revenue include sales to Motorola Home, which was acquired by Arris in April 2013. For certain customers, we sell multiple products into disparate end user applications such as cable modems and both cable and satellite cable set-top boxes and broadband gateways.

Our business depends on winning competitive bid selection processes, known as design wins, to develop semiconductors for use in our customers' products. These selection processes are typically lengthy, and as a result, our sales cycles will vary based on the specific market served, whether the design win is with an existing or a new customer and whether our product being designed in our customer's device is a first generation or subsequent generation product. Our customers' products can be complex and, if our engagement results in a design win, can require significant time to define, design and result in volume production. Because the sales cycle for our products is long, we can incur significant design and development expenditures in circumstances where we do not ultimately recognize any revenue. We do not have any long-term purchase commitments with any of our customers, all of whom purchase our products on a purchase order basis. Once one of our products is incorporated into a customer's design, however, we believe that our product is likely to remain a component of the customer's product for its life cycle because of the time and expense associated with redesigning the product or substituting an alternative chip. Product life cycles in our target markets will vary by application. For example, in the hybrid television market, a design-in can have a product life cycle of 9 to 18 months. In the terrestrial retail digital set-top box market, a design-in can have a product life cycle of 18 to 24 months. In the cable operator modem and gateway sectors, a design-in can have a product life cycle of 24 to 48 months. In the satellite operator gateway and DBS ODU sectors, a design-in can have a product life cycle of 24 months to 60 months and beyond.

On April 30, 2015, the Company completed its acquisition of Entropic. Pursuant to the terms of the merger agreement or merger agreements dated as of February 3, 2015, by and among Maxlinear, Entropic, and two wholly-owned subsidiaries of the Company, all of the Entropic outstanding shares were converted into the right to receive consideration consisting of cash and shares of our Class A common stock. We paid an aggregate of $111.1 million in cash and issued an aggregate of 20.4 million shares of our Class A common stock to the stockholders of Entropic. In addition, we assumed all outstanding Entropic stock options and unvested restricted stock units that were held by continuing service providers (as defined in the merger agreement). The Company used Entropic's cash and cash equivalents to fund a significant portion of the cash portion of the merger consideration and, to a lesser extent, our own cash and cash equivalents.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations is based upon our financial statements which are prepared in accordance with accounting principles that are generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, related disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. We continually evaluate our estimates and judgments, the most critical of which are those related to revenue recognition, allowance for doubtful accounts, inventory valuation, income taxes and stock-based compensation. We base our estimates and judgments on historical experience and other factors that we believe to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known.

We believe that the following accounting policies involve a greater degree of judgment and complexity than our other accounting policies. Accordingly, these are the policies we believe are the most critical to understanding and evaluating our consolidated financial condition and results of operations.

Revenue Recognition

Revenue is generated from sales of our integrated circuits. We recognize revenue when all of the following criteria are met: 1) there is persuasive evidence that an arrangement exists, 2) delivery of goods has occurred, 3) the sales price is fixed or determinable and 4) collectability is reasonably assured. Title to product transfers to customers either when it is shipped to or received by the customer, based on the terms of the specific agreement with the customer.

Revenue is recorded based on the facts at the time of sale. Transactions for which we cannot reliably estimate the amount that will ultimately be collected at the time the product has shipped and title has transferred to the customer are deferred until

the amount that is probable of collection can be determined. Items that are considered when determining the amounts that will be ultimately collected are a customer's overall creditworthiness and payment history, customer rights to return unsold product, customer rights to price protection, customer payment terms conditioned on sale or use of product by the customer, or extended payment terms granted to a customer.

A portion of our revenues are generated from sales made through distributors under agreements allowing for pricing credits and/or stock rotation rights of return. Revenues from sales through our distributors accounted for 13%, 28% and 29% of net revenue during the years ended December 31, 2015, 2014 and 2013, respectively. Pricing credits to our distributors may result from our price protection and unit rebate provisions, among other factors. These pricing credits and/or stock rotation rights prevent us from being able to reliably estimate the final sales price of the inventory sold and the amount of inventory that could be returned pursuant to these agreements. As a result, for sales through distributors, we have determined that it does not meet all of the required revenue recognition criteria at the time we deliver our products to distributors as the final sales price is not fixed or determinable.

For these distributor transactions, revenue is not recognized until product is shipped to the end customer and the amount that will ultimately be collected is fixed or determinable. Upon shipment of product to these distributors, title to the inventory transfers to the distributor and the distributor is invoiced, generally with 30 day terms. On shipments to our distributors where revenue is not recognized, we record a trade receivable for the selling price as there is a legally enforceable right to payment, relieving the inventory for the carrying value of goods shipped since legal title has passed to the distributor, and record the corresponding gross profit in our consolidated balance sheet as a component of deferred revenue and deferred profit, representing the difference between the receivable recorded and the cost of inventory shipped. Future pricing credits and/or stock rotation rights from our distributors may result in the realization of a different amount of profit included in our future consolidated statements of operations than the amount recorded as deferred profit in our consolidated balance sheets.

We record reductions in revenue for estimated pricing adjustments related to price protection agreements with our end customers in the same period that the related revenue is recorded. Price protection pricing adjustments are recorded at the time of sale as a reduction to revenue and an increase in our accrued liabilities. The amount of these reductions is based on specific criteria included in the agreements and other factors known at the time. We accrue 100% of potential price protection adjustments at the time of sale and do not apply a breakage factor. We de-recognize the accrual for unclaimed price protection amounts as specific programs contractually end or when we believe unclaimed amounts are no longer subject to payment and will not be paid. See Note 4 for a summary of our price protection activity.

Allowance for Doubtful Accounts

We perform ongoing credit evaluations of our customers and adjust credit limits based on each customers' credit worthiness, as determined by our review of current credit information. We monitor collections and payments from our customers and maintain an allowance for doubtful accounts based upon our historical experience, our anticipation of uncollectible accounts receivable and any specific customer collection issues that we have identified. While our credit losses have historically been insignificant, we may experience higher credit loss rates in the future than we have in the past. Our receivables are concentrated in relatively few customers. Therefore, a significant change in the liquidity or financial position of any one significant customer could make collection of our accounts receivable more difficult, require us to increase our allowance for doubtful accounts and negatively affect our working capital.

Inventory Valuation

We assess the recoverability of our inventory based on assumptions about demand and market conditions. Forecasted demand is determined based on historical sales and expected future sales. Inventory is stated at the lower of cost or market. Cost approximates actual cost on a first-in, first-out basis and market reflects current replacement cost (e.g. net replacement value) which cannot exceed net realizable value or fall below net realizable value less an allowance for an approximately normal profit margin. We reduce our inventory to its lower of cost or market on a part-by-part basis to account for its obsolescence or lack of marketability. Reductions are calculated as the difference between the cost of inventory and its market value based upon assumptions about future demand and market conditions. Once established, these adjustments are considered permanent and are not revised until the related inventory is sold or disposed of. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required that may adversely affect our operating results. If actual market conditions are more favorable, we may have higher gross profits when products are sold.

Production Masks

Production masks with alternative future uses or discernible future benefits are capitalized and amortized over their estimated useful life of two years. To determine if the production mask has alternative future uses or benefits, we evaluate risks

associated with developing new technologies and capabilities, and the related risks associated with entering new markets. Production masks that do not meet the criteria for capitalization are expensed as research and development costs.

Business Combinations

We apply the provisions of ASC 805, *Business Combinations*, in the accounting for our acquisitions. ASC 805 requires the us to recognize separately from goodwill the assets acquired and the liabilities assumed, at the acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of operations.

Costs to exit or restructure certain activities of an acquired company or our internal operations are accounted for as termination and exit costs pursuant to ASC 420, *Exit or Disposal Cost Obligations*, and are accounted for separately from the business combination. A liability for costs associated with an exit or disposal activity is recognized and measured at its fair value in the consolidated statement of operations in the period in which the liability is incurred. When estimating the fair value of facility restructuring activities, assumptions are applied regarding estimated sub-lease payments to be received, which can differ materially from actual results. This may require us to revise our initial estimates which may materially affect the results of operations and financial position in the period the revision is made.

For a given acquisition, we may identify certain pre-acquisition contingencies as of the acquisition date and may extend our review and evaluation of these pre-acquisition contingencies throughout the measurement period in order to obtain sufficient information to assess whether we include these contingencies as a part of the fair value estimates of assets acquired and liabilities assumed and, if so, to determine their estimated amounts.

If we cannot reasonably determine the fair value of a pre-acquisition contingency (non-income tax related) by the end of the measurement period, which is generally the case given the nature of such matters, we will recognize an asset or a liability for such pre-acquisition contingency if (i) it is probable that an asset existed or a liability had been incurred at the acquisition date and (ii) the amount of the asset or liability can be reasonably estimated. Subsequent to the measurement period, changes in estimates of such contingencies will affect earnings and could have a material effect on results of operations and financial position.

In addition, uncertain tax positions and tax related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date. We reevaluate these items quarterly based upon facts and circumstances that existed as of the acquisition date with any adjustments to the preliminary estimates being recorded to goodwill if identified within the measurement period. Subsequent to the measurement period or final determination of the tax allowance's or contingency's estimated value, whichever comes first, changes to these uncertain tax positions and tax related valuation allowances will affect the provision for income taxes in the consolidated statement of operations and could have a material impact on the results of operations and financial position.

Goodwill and Intangible Assets

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the acquired net tangible and intangible assets. Intangible assets represent purchased intangible assets including developed technology and in-process research and development, or IPR&D, and technologies acquired or licensed from other companies. Purchased intangible assets with definitive lives are capitalized and amortized over their estimated useful life. Technologies acquired or licensed from other companies are capitalized and amortized over the greater of the terms of the agreement, or estimated useful life, not to exceed three years. We capitalize IPR&D projects acquired as part of a business combination. On completion of each project, IPR&D assets are reclassified to developed technology and amortized over their estimated useful lives.

Impairment of Goodwill and Long-Lived Assets

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations accounted for under the purchase method. Goodwill is not amortized but is tested for impairment using a qualitative assessment, and subsequently the two-step method as needed. This involves comparing the fair value of each reporting unit, which we have determined to be the entity itself, with its carrying amount, including goodwill. If the fair value

of a reporting unit exceeds the carrying amount, the goodwill of the reporting unit is considered not impaired and the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the impairment test is performed to measure the amount of impairment loss, if any. We test by reporting unit, goodwill and other indefinite-lived intangible assets for impairment at October 31 or more frequently if we believe indicators of impairment exist.

During development, IPR&D is not subject to amortization and is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. We review indefinite-lived intangible assets for impairment as of October 31, the date of our annual goodwill impairment review or whenever events or changes in circumstances indicate the carrying value may not be recoverable. Recoverability of indefinite-lived intangible assets is measured by comparing the carrying amount of the asset to the future discounted cash flows that asset is expected to generate. Once an IPR&D project is complete, it becomes a definite lived intangible asset and is evaluated for impairment in accordance with our policy for long-lived assets.

We regularly review the carrying amount of our long-lived assets, as well as the useful lives, to determine whether indicators of impairment may exist which warrant adjustments to carrying values or estimated useful lives. An impairment loss would be recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset. Should impairment exist, the impairment loss would be measured based on the excess of the carrying amount of the asset over the asset's fair value.

Income Taxes

We provide for income taxes utilizing the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes generally represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from the differences between the financial and tax bases of our assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when a judgment is made that is considered more likely than not that a tax benefit will not be realized. A decision to record a valuation allowance results in an increase in income tax expense or a decrease in income tax benefit. If the valuation allowance is released in a future period, income tax expense will be reduced accordingly.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex global tax regulations. The impact of an uncertain income tax position is recognized at the largest amount that is "more likely than not" to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. We will continue to assess the need for a valuation allowance on the deferred tax asset by evaluating both positive and negative evidence that may exist. Any adjustment to the net deferred tax asset valuation allowance would be recorded in the income statement for the period that the adjustment is determined to be required.

Stock-Based Compensation

We measure the cost of employee services received in exchange for equity incentive awards, including stock options, employee stock purchase rights, restricted stock units and restricted stock awards based on the grant date fair value of the award. We use the Black-Scholes valuation model to calculate the fair value of stock options and employee stock purchase rights granted to employees. We calculate the fair value of restricted stock units and restricted stock awards based on the fair market value of our Class A common stock on the grant date. Stock-based compensation expense is recognized over the period during which the employee is required to provide services in exchange for the award, which is usually the vesting period. We recognize compensation expense over the vesting period using the straight-line method and classify these amounts in the statements of operations based on the department to which the related employee reports. We calculate the weighted-average expected life of options using the simplified method as prescribed by guidance provided by the Securities and Exchange Commission. This decision was based on the lack of historical data due to our limited number of stock option exercises under the 2010 Equity Incentive Plan. We will continue to assess the appropriateness of the use of the simplified method as we develop a history of option exercises.

We account for stock options issued to non-employees in accordance with authoritative guidance for equity based payments to non-employees. Stock options issued to non-employees are accounted for at their estimated fair value determined using the Black-Scholes option-pricing model. The fair value of options granted to non-employees is re-measured as they vest, and the resulting increase in value, if any, is recognized as expense during the period the related services are rendered. We calculate the fair value of restricted stock units issued to non-employees based on the fair market value of our Class A common stock on the grant date and the resulting stock-based compensation expense is recognized over the period during which the non-employee is required to provide services in exchange for the award, which is usually the vesting period.

Results of Operations

The following describes the line items set forth in our consolidated statements of operations.

Net Revenue. Net revenue is generated from sales of integrated radio frequency analog and mixed signal semiconductor solutions for broadband communication applications. A significant but declining portion of our end customers purchases products indirectly from us through distributors. Although we actually sell the products to, and are paid by, the distributors, we refer to these end customers as our customers.

Cost of Net Revenue. Cost of net revenue includes the cost of finished silicon wafers processed by third-party foundries; costs associated with our outsourced packaging and assembly, test and shipping; costs of personnel, including stock-based compensation, and equipment associated with manufacturing support, logistics and quality assurance; amortization of certain production mask costs; cost of production load boards and sockets; and an allocated portion of our occupancy costs.

Research and Development. Research and development expense includes personnel-related expenses, including stock-based compensation, new product engineering mask costs, prototype integrated circuit packaging and test costs, computer-aided design software license costs, intellectual property license costs, reference design development costs, development testing and evaluation costs, depreciation expense and allocated occupancy costs. Research and development activities include the design of new products, refinement of existing products and design of test methodologies to ensure compliance with required specifications. All research and development costs are expensed as incurred.

Selling, General and Administrative. Selling, general and administrative expense includes personnel-related expenses, including stock-based compensation, distributor and other third-party sales commissions, field application engineering support, travel costs, professional and consulting fees, legal fees, depreciation expense and allocated occupancy costs.

Impairment Losses. Impairment losses are attributed to the impairment charges to intangible assets.

Restructuring Charges. Restructuring charges consist of employee severance and stock compensation expenses, and lease and leasehold impairment charges related to our restructuring plan entered into as a result of our acquisition of Entropic, and an adjustment related to restructuring plan implemented by Entropic prior to acquisition.

Interest Income. Interest income consists of interest earned on our cash, cash equivalents and investment balances.

Other Income (Expense). Other income (expense) generally consists of income (expense) generated from non-operating transactions.

Provision (Benefit) for Income Taxes. We make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of certain tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expenses for tax and financial statement purposes and the realizability of assets in future years.

The following table sets forth our consolidated statement of operations data as a percentage of net revenue for the periods indicated:

	Years Ended December 31,		
	2015	2014	2013
Net revenue	100%	100%	100%
Cost of net revenue	48	38	39
Gross profit	52	62	61
Operating expenses:			
Research and development	28	42	44
Selling, general and administrative	26	26	27
IPR&D impairment losses	7	—	—
Restructuring charges	5	—	—
Total operating expenses	66	68	71
Loss from operations	(14)	(6)	(10)
Interest income	—	—	—
Other income (expense), net	—	—	—
Loss before income taxes	(14)	(6)	(10)
Provision (benefit) for income taxes	—	(1)	—
Net loss	(14)%	(5)%	(10)%

Net Revenue

	Years Ended December 31,			% Change	
	2015	2014	2013	2015	2014
	(dollars in thousands)				
Operator	$ 225,265	$ 101,393	$ 91,904	122 %	10%
% of net revenue	75%	76%	77%		
Infrastructure and other	29,585	31,719	27,742	(7)%	14%
% of net revenue	10%	24%	23%		
Legacy video SoC	45,510	—	—	N/A	N/A
% of net revenue	15%	—	—		
Total net revenue	$ 300,360	$ 133,112	$ 119,646	126 %	11%

Our acquisition of Entropic in April 2015 has changed the composition, breadth, and diversity of MaxLinear's technology portfolio. In particular, MoCA technologies have expanded our technology platform in cable, satellite, and telecommunications applications, and analog channel stacking solutions have expanded our presence in Direct Broadcast Satellite outdoor unit applications. In addition, we increased our investment in new technology development targeting infrastructure markets, while reducing our investment in retail-oriented and legacy technologies such as terrestrial tuners, hybrid TV tuners, and legacy video processing technologies. As a result of these changes, we have realigned our revenue composition to reflect our strategic investment focus and platform presence. We have illustrated these changes with the market terms operator, infrastructure and other, and legacy video SoC.

Within the operator category, the primary revenue contributors are our broadband RF receivers, MoCA connectivity solutions, and analog and digital channel stacking satellite outdoor unit solutions. Within the infrastructure and other category, the primary revenue contributors are hybrid TV tuners and terrestrial set-top box TV tuners for digital television adapters, or DTAs, that are sold through retail channels, high-speed interconnect products for the data center, metro, and long haul markets, and access technologies for last mile high-speed data access and distribution solutions for multi-dwelling units. The legacy video SoC category includes video processing technologies used primarily in cable high definition digital-to-analog converters and other client IP devices; consistent with Entropic's previously announced plans, MaxLinear is supporting existing product shipments in this market but does not plan to use its resources to expand the legacy SoC technology portfolio.

The increase in net revenue in the year ended December 31, 2015, as compared to the year ended December 31, 2014, was primarily due to $123.9 million of growth in operator applications, contributed primarily by analog channel-stacking, or aCSS, and MoCA products related to our Entropic acquisition, as well as organic growth across each of our other operator sub-categories. An increase of $45.5 million in our legacy video SoC products was attributable to our acquisition of Entropic. Declines in infrastructure and other revenues of $2.1 million were primarily driven by hybrid-TV and consumer digital-to-analog terrestrial set-top box applications, which offset growth in retail MoCA products related to our Entropic acquisition and high-speed interconnect products related to our Physpeed acquisition.

The increase in net revenue in the year ended December 31, 2014, as compared to the year ended December 31, 2013, was primarily due to $9.5 million of growth in operator applications, contributed primarily by growth in cable data product revenue and, to a lesser extent, growth in terrestrial set-top box and satellite gateway products, offset by a decline in cable video sales. An increase in infrastructure and other revenue of $4.0 million was driven by roughly equivalent dollar growth in hybrid-TV and consumer digital-to-analog terrestrial set-top box applications.

Cost of Net Revenue and Gross Profit

	Years Ended December 31,			% Change	
	2015	2014	2013	2015	2014
	(dollars in thousands)				
Cost of net revenue	$ 144,937	$ 51,154	$ 46,683	183%	10%
% of net revenue	48%	38%	39%		
Gross profit	155,423	81,958	72,963	90%	12%
% of net revenue	52%	62%	61%		

The decrease in gross profit percentages for the year ended December 31, 2015, as compared to the year ended December 31, 2014, was primarily due to revaluation of inventory amortization of $14.2 million and amortization of intellectual property costs of $4.2 million related to the Entropic acquisition. The gross margin decline was also driven by the significant increase in Entropic-related product revenue, which has historically generated lower gross margin than our previous corporate average.

The increase in gross profit percentages in the year ended December 31, 2014, as compared to the year ended December 31, 2013, was primarily due to the absence of production mask impairments of $1.1 million in the year ended December 31, 2014, which was offset by an increase in sales of lower margin products.

We currently expect that gross profit percentage will fluctuate in the future, from period-to-period, based on changes in product mix, average selling prices, and average manufacturing costs.

Research and Development

	Years Ended December 31,			% Change	
	2015	2014	2013	2015	2014
	(dollars in thousands)				
Research and development	$ 85,405	$ 56,625	$ 53,132	51%	7%
% of net revenue	28%	42%	44%		

The increase in research and development expense for the year ended December 31, 2015, as compared to the year ended December 31, 2014, was primarily due to an increase in headcount-related items (including stock-based compensation) of $16.6 million, and the combined increases in design tools, prototype, compensation to employees in relation to the Physpeed transaction, amortization, travel, and occupancy expenses of $11.9 million. In 2015, headcount-related items increased primarily due to increases in our average full-time-equivalent headcount compared to prior year. The non-headcount related increases are primarily due to increased project related design tools usage.

The increase in research and development expense for the year ended December 31, 2014, as compared to the year ended December 31, 2013, was primarily due to a $4.4 million increase in headcount-related items (including stock-based compensation) and combined increases in design tools and occupancy expenses of $1.5 million, offset by a decrease in performance based compensation of $1.4 million and prototype expenses of $1.0 million. In 2014, headcount-related items increased primarily due to increases in our average full-time-equivalent headcount compared to prior year. The non-headcount related increases are primarily due to increased project related design tools usage and several facilities relocation and facilities expansions in Bangalore, India and Carlsbad, California.

We expect our research and development expenses to increase as we continue to focus on expanding our product portfolio and enhancing existing products.

Selling, General and Administrative

	Years Ended December 31,			% Change	
	2015	2014	2013	2015	2014
	(dollars in thousands)				
Selling, general and administrative	$ 77,981	$ 34,191	$ 32,181	128%	6%
% of net revenue	26%	26%	27%		

The increase in selling, general and administrative expense in the year ended December 31, 2015, as compared to the year ended December 31, 2014, was primarily due to the amortization of purchased intangible assets of $25.0 million and transaction costs of $5.4 million associated with our Entropic acquisition, an increase in headcount-related items (including stock-based compensation) of $5.1 million, and an increase in commission, outside services, professional fees, occupancy, and other expenses of $10.0 million while legal fees decreased $1.7 million. In 2015, headcount-related items increased primarily due to increases in our average full-time-equivalent headcount compared to prior year. The non-headcount related increases are primarily due our facilities expansion efforts.

The increase in selling, general and administrative expense in the year ended December 31, 2014, as compared to the year ended December 31, 2013, was primarily attributable to a $1.9 million increase in headcount-related items (including stock-based compensation) and combined increases in professional, consulting and outside services, travel-related, and occupancy expenses of $2.0 million, offset by a decrease in performance based compensation of $0.3 million and non-recurring legal expenses of $1.6 million. In 2014, headcount-related items increased primarily due to increases in our average full-time-equivalent headcount compared to prior year. The non-headcount related increases are primarily due to our acquisition of Physpeed and several facilities relocation and facilities expansions in Bangalore, India and Carlsbad, California. Non-recurring legal fees decreased due to the completion of our litigation with Silicon Laboratories in the prior year.

We expect selling, general and administrative expenses to increase in the future as we expand our sales and marketing organization to enable expansion into existing and new markets and continue to build our international administrative infrastructure.

IPR&D Impairment Losses

	Years Ended December 31,			% Change	
	2015	2014	2013	2015	2014
	(dollars in thousands)				
IPR&D impairment losses	$ 21,600	$ —	$ —	N/A	N/A
% of net revenue	7%	—%	—%		

During the year ended December 31, 2015, we recorded $21.6 million related to impairment losses on in-process research and development assets, or IPR&D. These assets were acquired as part of the Physpeed and Entropic acquisitions.

Restructuring charges

	Years Ended December 31,			% Change	
	2015	2014	2013	2015	2014
	(dollars in thousands)				
Restructuring charges	$ 14,086	$ —	$ —	N/A	N/A
% of net revenue	5%	—%	—%		

Restructuring charges for the year ended December 31, 2015 consisted of employee severance and stock compensation expenses of $5.5 million, lease and leasehold impairment charges of $8.2 million and contract restructuring of $0.3 million.

Interest and Other Income (Expense)

	Years Ended December 31,			% Change	
	2015	2014	2013	2015	2014
	(dollars in thousands)				
Interest income	$ 275	$ 236	$ 222	17 %	6 %
Other income (expense), net	468	(123)	(203)	(480)%	(39)%

Interest income has increased from 2013 to 2015 due to higher cash and cash equivalent and investment balances. Other income (expense), net increased from 2013 to 2015 primarily due to gains on foreign currency transactions at the Entropic Asia subsidiaries.

Provision (Benefit) for Income Taxes

	Years Ended December 31,			% Change	
	2015	2014	2013	2015	2014
	(dollars in thousands)				
Provision (benefit) for income taxes	$ (575)	$ (1,704)	$ 402	(66)%	(524)%

The benefit for income taxes for the year ended December 31, 2015 was $0.6 million or approximately 1% of pre-tax loss compared to a benefit for income taxes of $1.7 million or approximately 19% of pre-tax loss for the year ended December 31, 2014. The provision for income taxes in the year ended December 31, 2013 was $0.4 million or approximately 3% of pre-tax loss.

The benefit for income taxes for the years ended December 31, 2015 and 2014 primarily relates to the release of valuation allowance in connection with the Entropic and Physpeed acquisitions in 2015 and 2014, respectively, partially offset by income taxes in foreign jurisdictions and accruals for tax contingencies. We continue to maintain a valuation allowance to offset the federal and California deferred tax assets as realization of such assets does not meet the more-likely-than-not threshold required under accounting guidelines. We will continue to assess the need for a valuation allowance on the deferred tax assets by evaluating positive and negative evidence that may exist. Until such time that we remove the valuation allowance against our federal and California deferred tax assets, our provision for income taxes will primarily consist of taxes associated with our foreign subsidiaries.Additionally, the Company completed the acquisition of Entropic in the second quarter of 2015. As a result of the acquisition, there was a valuation allowance release resulting in a tax benefit of $1.8 million. Furthermore, we do not incur expense or benefit in certain tax free jurisdictions in which we operate.

Income tax expense in the foreign jurisdictions in which we are subject to tax is expected to remain relatively constant due to the cost plus nature of these entities and the relatively consistent operating expenses in each jurisdiction. Fluctuations in world-wide income occur mostly outside of these jurisdictions and therefore have an insignificant effect on our provision for income taxes. We expect this relationship to continue until the time that we either recognize all or a portion of our federal and California deferred tax assets or implement changes to our global operations.

Liquidity and Capital Resources

As of December 31, 2015, we had cash and cash equivalents of $68.0 million, short- and long-term investments of $62.5 million, and net accounts receivable of $42.4 million.

Our primary uses of cash are to fund operating expenses, purchases of inventory and the acquisition of property and equipment. Cash used to fund operating expenses excludes the impact of non-cash items such as depreciation and stock-based compensation and is impacted by the timing of when we pay these expenses as reflected in the change in our outstanding accounts payable and accrued expenses.

Our primary sources of cash are cash receipts on accounts receivable from our shipment of products to distributors and direct customers. Aside from the growth in amounts billed to our customers, net cash collections of accounts receivable are impacted by the efficiency of our cash collections process, which can vary from period to period depending on the payment cycles of our major distributor customers.

Following is a summary of our working capital and cash and cash equivalents for the periods indicated:

	December 31,	
	2015	2014
	(in thousands)	
Working capital	$ 134,170	$ 67,668
Cash and cash equivalents	$ 67,956	$ 20,696
Short-term investments	43,300	48,399
Long-term investments	19,242	10,256
Total cash and cash equivalents and investments	$ 130,498	$ 79,351

Following is a summary of our cash flows provided by (used in) operating activities, investing activities and financing activities for the periods indicated:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Net cash provided by operating activities	$ 55,041	$ 12,234	$ 12,890
Net cash used in investing activities	(11,059)	(17,466)	(9,537)
Net cash provided by (used in) by financing activities	4,003	(506)	1,270
Effect of exchange rates on cash and cash equivalents	(725)	(16)	17
Net increase (decrease) in cash and cash equivalents	$ 47,260	$ (5,754)	$ 4,640

Cash Flows from Operating Activities

Net cash provided by operating activities was $55.0 million for the year ended December 31, 2015. Net cash provided by operating activities primarily consisted of $103.1 million in non-cash operating expenses, partially offset by $5.7 million in changes in operating assets and liabilities and a net loss of $42.3 million. Non-cash items included in net loss for the year ended December 31, 2015 included depreciation and amortization expense of $40.6 million, impairment charges on intangibles assets of $21.6 million, stock-based compensation of $19.3 million, amortization of inventory step-up of $14.2 million, impairment and restructuring on leases of $8.2 million and amortization of net investment premiums of $0.6 million, offset by deferred income taxes of $1.9 million.

Net cash provided by operating activities was $12.2 million for the year ended December 31, 2014. Net cash provided by operating activities consisted of $18.6 million in non-cash operating expenses and $0.7 million in changes in operating assets and liabilities, partially offset by a net loss of $7.0 million. Non-cash items included in net loss for the year ended December 31, 2014 included stock-based compensation of $15.0 million, depreciation and amortization expense of $5.1 million and amortization of net investment premiums of $0.7 million.

Net cash provided by operating activities was $12.9 million for the year ended December 31, 2013. Net cash provided by operating activities primarily consisted of $6.9 million in changes in operating assets and liabilities and $18.7 million in non-cash operating expenses, partially offset by a net loss of $12.7 million. Non-cash items included in net loss for the year ended December 31, 2013 included depreciation and amortization expense of $3.7 million, amortization of net investment premiums of $1.0 million, stock-based compensation of $13.0 million, and impairment of long-lived assets of $1.2 million.

Cash Flows from Investing Activities

Net cash used in investing activities was $11.1 million for the year ended December 31, 2015. Net cash provided by investing activities consisted of $73.4 million in purchases of securities, $3.6 million used in our acquisition of Entropic, $3.0 million in purchases of property and equipment and $0.1 million used in the purchase of intangibles, offset by $69.0 million in maturities of securities.

Net cash used in investing activities was $17.5 million for the year ended December 31, 2014. Net cash used in investing activities consisted of $56.7 million in purchases of securities, $9.1 million cash used in the acquisition of Physpeed and $8.8 million in purchases of property and equipment, offset by $57.2 million in maturities of securities.

Net cash used in investing activities was $9.5 million for the year ended December 31, 2013. Net cash used in investing activities primarily consisted of $70.6 million in purchases of securities, $3.2 million in purchases of property and equipment and $1.0 million in purchases of intangibles, offset by $65.2 million in maturities of securities.

Cash Flows from Financing Activities

Net cash provided by financing activities was $4.0 million for the year ended December 31, 2015 consisted primarily of $10.0 million in net proceeds from issuance of common stock, offset by $5.1 million in minimum tax withholding paid on behalf of employees for restricted stock units, equity issuance costs of $0.7 million and repurchases of common stock of $0.1 million.

Net cash used in financing activities was $0.5 million for the year ended December 31, 2014 consisted primarily of $3.3 million in net proceeds from issuance of common stock, offset by $3.8 million in minimum tax withholding paid on behalf of employees for restricted stock units.

Net cash provided by financing activities was $1.3 million for the year ended December 31, 2013. Net cash provided by financing activities consisted primarily of proceeds from issuance of common stock of $2.6 million partially offset by $1.4 million in minimum tax withholding paid on behalf of employees for restricted stock units and payments on capital leases.

We believe that our $68.0 million of cash and cash equivalents and $62.5 million in short- and long-term investments at December 31, 2015 will be sufficient to fund our projected operating requirements for at least the next twelve months. Our cash and cash equivalents as of December 31, 2015 have been favorably affected by our implementation of an equity-based bonus program. In connection with that bonus program, in August 2015, we issued 0.3 million freely-tradable shares of our Class A common stock in settlement of bonus awards for the January 1, 2015 to June 30, 2015 performance period under our bonus plan. In May 2015, we issued 0.2 million freely-tradable shares of our Class A common stock in settlement of bonus awards for the fiscal 2014 performance period under our bonus plan. In May 2014, we issued 0.6 million freely-tradable shares of our Class A common stock in settlement of bonus awards for the fiscal 2013 performance period under our bonus plan. We expect to implement a similar equity-based plan for the second half of fiscal 2015, but our compensation committee retains discretion to effect payment in cash, stock, or a combination of cash and stock.

Notwithstanding the foregoing, we may need to raise additional capital or incur additional indebtedness to continue to fund our operations in the future. Our future capital requirements will depend on many factors, including our rate of revenue growth, the expansion of our engineering, sales and marketing activities, the timing and extent of our expansion into new territories, the timing of introductions of new products and enhancements to existing products, the continuing market acceptance of our products and potential material investments in, or acquisitions of, complementary businesses, services or technologies. Additional funds may not be available on terms favorable to us or at all. If we are unable to raise additional funds when needed, we may not be able to sustain our operations.

Warranties and Indemnifications

In connection with the sale of products in the ordinary course of business, we often make representations affirming, among other things, that our products do not infringe on the intellectual property rights of others, and agree to indemnify customers against third-party claims for such infringement. Further, our certificate of incorporation and bylaws require us to indemnify our officers and directors against any action that may arise out of their services in that capacity, and we have also entered into indemnification agreements with respect to all of our directors and certain controlling persons.

Off-Balance Sheet Arrangements

As part of our ongoing business, we do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, or SPEs, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As of December 31, 2015, we were not involved in any unconsolidated SPE transactions.

Contractual Obligations

As of December 31, 2015, future minimum payments under non-cancelable operating leases, other obligations and inventory purchase obligations are as follows:

	Operating Leases	Other Obligations	Inventory Purchase Obligations
		(dollars in thousands)	
2016	$ 8,178	$ 10,282	$ 13,625
2017	6,814	4,687	—
2018	5,935	700	—
2019	5,678	—	—
2020	5,947	—	—
Thereafter	7,667	—	—
Total minimum payments	$ 40,219	$ 15,669	$ 13,625

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Risk

To date, our international customer and vendor agreements have been denominated mostly in United States dollars. Accordingly, we have limited exposure to foreign currency exchange rates and do not enter into foreign currency hedging transactions. The functional currency of certain foreign subsidiaries is the local currency. Accordingly, the effects of exchange rate fluctuations on the net assets of these foreign subsidiaries' operations are accounted for as translation gains or losses in accumulated other comprehensive income within stockholders' equity. We do not believe that a change of 10% in such foreign currency exchange rates would have a material impact on our financial position or results of operations.

Interest Rate Risk

We had cash and cash equivalents of $68.0 million at December 31, 2015 which was held for working capital purposes. We do not enter into investments for trading or speculative purposes. We do not believe that we have any material exposure to changes in the fair value of these investments as a result of changes in interest rates due to their short-term nature. Declines in interest rates, however, will reduce future investment income.

Investments in fixed rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their market value adversely impacted due to rising interest rates. Due in part to these factors, our future investment income may fall short of expectations due to changes in interest rates.

Investments Risk

Our investments, consisting of U.S. Treasury and agency obligations and corporate notes and bonds, are stated at cost, adjusted for amortization of premiums and discounts to maturity. In the event that there are differences between fair value and cost in any of our available-for-sale securities, unrealized gains and losses on these investments are reported as a separate component of accumulated other comprehensive income (loss).

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data required by this item are included in Part IV, Item 15 of this Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports filed with the SEC is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and no evaluation of controls and procedures can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, prior to filing this Form 10-K, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Form 10-K. Based on their evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Form 10-K.

Management's Annual Report on Internal Controls over Financial Reporting

Our management, including our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our management, including our principal executive officer and principal financial officer, evaluated the effectiveness of our internal control over financial reporting based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon that evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2015. The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by Ernst & Young LLP, an independent registered public accounting firm, and Ernst & Young LLP has issued a report on our internal control over financial reporting, as stated within their report which is included herein.

Changes in Internal Control over Financial Reporting

An evaluation was performed under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, to determine whether any change in our internal control over financial reporting occurred during the fiscal quarter ended December 31, 2015 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. On April 30, 2015, we acquired Entropic and, as a result, we have been integrating the processes, systems and controls relating to Entropic into our existing system of internal control over financial reporting in accordance with our integration plans through the fiscal quarter ended December 31, 2015. As of December 31, 2015, we have substantially completed integrating the internal controls over financial reporting related to Entropic. There were no changes, except for the integration mentioned above, in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934, as amended, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of MaxLinear, Inc.

We have audited MaxLinear, Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). MaxLinear, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, MaxLinear, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of MaxLinear, Inc. as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2015 and the financial statement schedule listed in the Index at Item 15(a)(2) of MaxLinear, Inc. and our report dated February 17, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Irvine, California

February 17, 2016

ITEM 9B. OTHER INFORMATION

Appointment of Connie Kwong as Corporate Controller and Principal Accounting Officer

On February 15, 2016, we appointed Connie Kwong as Corporate Controller and Principal Accounting Officer, effective February 15, 2016.

Ms. Kwong, age 37, has served as our Assistant Corporate Controller since March 2015. Prior to joining the Company, Ms. Kwong was the corporate controller of Interush, Inc. from October 2013 to March 2015 and a senior audit manager of SingerLewak LLP from May 2008 to October 2013. Ms. Kwong received a B.A. in business economics from the University of California, Los Angeles in 2002.

Ms. Kwong does not have a family relationship with any member of the Board or any executive officer of the Company, and Ms. Kwong has not been a participant or had an interest in any transaction with the Company that is reportable under Item 404(a) of Regulation S-K.

Compensation Arrangements with Connie Kwong

In connection with the appointment of Ms. Kwong to her position as the Corporate Controller and Principal Accounting Officer, Ms. Kwong will receive an annual base salary of $190,000 and will be eligible to receive an annual bonus with a target level of 30% of her base salary. In addition, the compensation committee of our board of directors approved a grant of 10,000 restricted stock units, vesting over a four (4) year period at a rate of one forty-eighth (1/48th) per month, subject to Ms. Kwong's continued employment at each vesting date. Ms. Kwong will also enter into the Company's standard indemnification agreement in the form previously approved by the Board.

Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 16, 2015, the compensation committee of our board of directors approved (i) increases to the base salaries of our named executive officers for fiscal year 2016 and (ii) target bonus awards for our named executive officers under our Executive Incentive Bonus Plan for the 2016 corporate performance period, as follows:

		Bonus Targets: 2016 Corporate Performance Period	
Executive Officer	**Annual Base Salary 2016**[1]	**% of Base Salary**	**$ Target**
Kishore Seendripu, Ph.D.	$465,000[2]	100%	$465,000
Adam C. Spice	$330,000[3]	65%	$214,500
Curtis Ling, Ph.D.	$275,000[4]	50%	$137,500
Madhukar Reddy, Ph.D.	$285,000[5]	50%	$142,500
Michael J. LaChance	$285,000[6]	50%	$142,500

(1) Effective January 1, 2016.
(2) Represents an increase of approximately 16.3% in annual base salary.
(3) Represents an increase of approximately 6.5% in annual base salary.
(4) Represents an increase of approximately 5.8% in annual base salary.
(5) Represents an increase of approximately 5.6% in annual base salary.
(6) Represents an increase of approximately 9.6% in annual base salary.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 with respect to our directors and executive officers will be either (i) included in an amendment to this Annual Report on Form 10-K or (ii) incorporated by reference to our Definitive Proxy Statement to be filed in connection with our 2016 Annual Meeting of Stockholders, or the 2016 Proxy Statement. Such amendment in the 2016 Proxy Statement will be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2015.

Item 405 of Regulation S-K calls for disclosure of any known late filing or failure by an insider to file a report required by Section 16(a) of the Exchange Act. This information will be contained under the caption "Related Person Transactions and Section 16(a) Beneficial Ownership Reporting Compliance" in either an amendment to this Annual Report on Form 10-K or the 2016 Proxy Statement and is incorporated herein by reference.

Code of Conduct

We have adopted a code of ethics and employee conduct that applies to our board of directors and all of our employees, including our chief executive officer and principal financial officer.

Our code of conduct is available at our website by visiting www.maxlinear.com and clicking through "Investors," "Corporate Governance," and "Code of Conduct." When required by the rules of the New York Stock Exchange, or NYSE, or the Securities and Exchange Commission, or SEC, we will disclose any future amendment to, or waiver of, any provision of the code of conduct for our chief executive officer and principal financial officer or any member or members of our board of directors on our website within four business days following the date of such amendment or waiver.

The information required by Item 10 with respect to our audit committee is incorporated by reference from the information set forth under the caption "Corporate Governance and Board of Directors — Board Committees" in either an amendment to this Annual Report on Form 10-K or the 2016 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference from the information set forth under the captions "Compensation of Non-Employee Directors" and "Executive Compensation" in either an amendment to this Annual Report on Form 10-K or our 2016 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 is incorporated by reference from the information set forth under the captions "Executive Compensation — Equity Compensation Plan Information" and "Security Ownership" in either an amendment to this Annual Report on Form 10-K or our 2016 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated by reference from the information set forth under the captions "Corporate Governance and Board of Directors — Director Independence" and "Related Person Transactions and Section 16(a) Beneficial Ownership Reporting Compliance" in either an amendment to this Annual Report on Form 10-K or our 2016 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 is incorporated by reference from the information set forth under the caption "Proposal Number 4 — Ratification of Appointment of Independent Registered Public Accounting Firm" in either an amendment to this Annual Report on Form 10-K or our 2016 Proxy Statement.

PART IV — FINANCIAL INFORMATION

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

a) Documents filed as part of the report

1. Financial Statements

Our consolidated financial statements are attached hereto and listed on the Index to Consolidated Financial Statements set forth on page F-1 of this Annual Report on Form 10-K.

2. Financial Statement Schedules

Schedule II. Valuation and Qualifying Accounts—Years ended December 31, 2015, 2014 and 2013

All other schedules are omitted as the required information is inapplicable, or the information is presented in the financial statements or related notes.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS (in thousands):

Classification	Balance at beginning of year	Additions charged to expenses	(Deductions)	Balance at end of year
Allowance for doubtful accounts				
2015	$ 57	$ 179	$ —	$ 236
2014	57	—	—	57
2013	132	—	(75)	57
Inventory reserves				
2015	$ 350	$ 26	$ —	$ 376
2014	533	39	(222)	350
2013	152	533	(152)	533
Valuation allowance for deferred tax assets				
2015	$ 29,399	$ 69,136	$ —	$ 98,535
2014	28,628	3,106	(2,335)	29,399
2013	22,243	6,385	—	28,628

3. Exhibits

Exhibit Number	Exhibit Title
2.1	Agreement and Plan of Merger and Reorganization, dated as of February 3, 2015, by and among MaxLinear, Inc., a Delaware corporation, Entropic Communications, Inc., a Delaware corporation, Excalibur Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of MaxLinear, and Excalibur Subsidiary, LLC, a Delaware limited liability company and wholly-owned subsidiary of MaxLinear (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on February 4, 2015 (File No. 001-34666)).
3.1	Registrant's Amended and Restated Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on March 29, 2010 (incorporated by reference to Exhibit 3.5 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
3.2	Registrant's Amended and Restated Bylaws, as amended to date (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on November 10, 2015 (File No. 001-34666)).
+4.1	Specimen common stock certificate of Registrant (incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
+10.1	Form of Director and Executive Officer Indemnification Agreement (incorporated by reference to Exhibit 10.1 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
+10.2	Form of Director and Controlling Person Indemnification Agreement (incorporated by reference to Exhibit 10.2 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
+10.3	2004 Stock Plan, as amended (incorporated by reference to Exhibit 10.3 of the Registrant's Annual Report on Form 10-K filed on February 6, 2013 (File No. 001-34666)).
+10.4	Form of Stock Option Agreement under the 2004 Stock Plan (incorporated by reference to Exhibit 10.4 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
+10.5	Amendment No. 1 to the form of Stock Option Agreement under the 2004 Stock Plan (incorporated by reference to Exhibit 10.5 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
+10.6	2010 Equity Incentive Plan, as amended (incorporated by reference to Exhibit 10.6 of the Registrant's Current Report on Form 8-K filed on May 23, 2014 (File No. 001-34666)).
+10.7	Form of Agreement under the 2010 Equity Incentive (incorporated by reference to Exhibit 10.10 of the Registrant's Quarterly Report on Form 10-Q filed on July 28, 2011 (File No. 001-34666)).
+10.8	2010 Employee Stock Purchase Plan, as amended (incorporated by reference to Exhibit 10.8 of the Registrant's Annual Report on Form 10-K filed on February 6, 2013 (File No. 001-34666)).
+10.9	Employment Offer Letter, dated December 20, 2010, between the Registrant and Adam C. Spice (incorporated by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K filed on December 28, 2010).
+10.10	Employment Offer Letter, dated June 24, 2011, between the Registrant and Brian Sprague (incorporated by reference to Exhibit 10.10 of the Registrant's Quarterly Report on Form 10-Q filed on July 28, 2011 (File No. 001-34666)).
+10.11	Employment Offer Letter, dated September 12, 2011, by and between the Registrant and Justin Scarpulla (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on March 15, 2012 (File No. 001-34666)).
+*10.12	Form of Change in Control Agreement for Chief Executive Officer and Chief Financial Officer.
+*10.13	Form of Change in Control Agreement for Executive Officers.
10.14	Lease Agreement, dated May 18, 2009, between the Registrant and JCCE - Palomar, LLC (incorporated by reference to Exhibit 10.14 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
†10.15	Sublease Agreement, dated May 9, 2009, between the Registrant and CVI Laser, LLC (incorporated by reference to Exhibit 10.15 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
†10.16	Intellectual Property License Agreement, dated June 18, 2009, between the Registrant and Intel Corporation, (incorporated by reference to Exhibit 10.16 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).

†10.17	Employment Offer Letter, dated November 9, 2012, between the Registrant and Will Torgerson (incorporated by reference to Exhibit 10.17 of the Registrant's Annual Report on Form 10-K filed on February 6, 2013 (File No. 001-34666)).
†10.18	Distributor Agreement, dated June 5, 2009, between the Registrant and Moly Tech Limited (incorporated by reference to Exhibit 10.18 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
†10.19	Distributor Agreement, dated October 3, 2005, between the Registrant and Tomen Electronics Corporation (incorporated by reference to Exhibit 10.19 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
†10.20	Distributor Agreement, dated August 19, 2009, between the Registrant and Lestina International Ltd. (incorporated by reference to Exhibit 10.20 of the Registrant's Registration Statement on Form S-1 and all amendments thereto (File No. 333-162947)).
+*10.21	MaxLinear, Inc. Executive Bonus Plan, as amended.
10.22	Employment Offer Letter, dated April 22, 2011, between the Registrant and Michael LaChance (incorporated by reference to Exhibit 10.22 of the Registrant's Annual Report on Form 10-K filed on March 14, 2012 (File No. 001-34666)).
10.23	Stock Repurchase Agreement, dated August 21, 2012, by and among the Registrant, Mission Ventures III, L.P., Mission Ventures Affiliates III, L.P., and U.S. Venture Partners VIII, L.P. (incorporated by reference to Exhibit 10.23 of the Registrant's Current Report on Form 8-K filed on August 22, 2012 (File No. 001-34666)).
+10.24	Stock Repurchase Agreement, dated October 31, 2012, by and among the Registrant, U.S. Venture Partners VIII, L.P, USVP VIII Affiliates Fund, L.P., USVP Entrepreneur Partners VIII-A, L.P. and USVP Entrepreneur Partners VIII-B, L.P. (incorporated by reference to Exhibit 10.24 of the Registrant's Current Report on Form 8-K filed on October 31, 2012 (File No. 001-34666)).
10.25	Separation Agreement, dated March 15, 2012, by and between the Registrant and Patrick E. McCready (incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on March 15, 2012 (File No. 001-34666)).
+10.26	Lease Agreement, dated December 17, 2013, between Registrant and The Campus Carlsbad, LLC (incorporated by reference to Exhibit 10.26 of the Registrant's Annual Report on Form 10-K filed on February 7, 2014 (File No. 001-34666)).
+10.27	Separation Agreement and Release, dated December 15, 2014, by and between the Registrant and Brian J. Sprague (incorporated by reference to Exhibit 10.27 of the Registrant's Current Report on Form 8-K filed on December 16, 2014 (File No. 001-34666)).
10.28	Form of MaxLinear Voting Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on February 4, 2015 (File No. 001-34666)).
10.29	Form of Entropic Voting Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on February 4, 2015 (File No. 001-34666)).
10.30	First Amendment to Lease, dated May 6, 2015, between Registrant, on the one hand, and Brookwood CB I, LLC and Brookwood CB II, LLC, as tenants in common and successors-in-interest to The Campus Carlsbad, LLC, on the other hand (incorporated by reference to Exhibit 10.1 of Registrant's Quarterly Report on Form 10-Q filed on August 10, 2015 (File No. 333-34666)).
+10.31	Entropic Communications, Inc. 2007 Equity Incentive Plan and Form of Option Agreement, Form of Option Grant Notice thereunder and Notice of Exercise (incorporated herein by reference to Entropic Communication, Inc.'s Annual Report on Form 10-K filed on March 3, 2008 (File No. 001-33844)).
+10.32	Entropic Communications, Inc. 2007 Non-Employee Directors' Stock Option Plan and Form of Option Agreement, Forms of Grant Notice, and Notice of Exercise thereunder (incorporated herein by reference to Entropic Communications, Inc.'s Registration Statement on Form S-1 filed on July 27, 2007 (No. 333-144899)).
*10.33	Lease Agreement, dated November 11, 2015, between Registrant and The Northwestern Mutual Life Insurance Company.
*11.1	Statement re computation of income (loss) per share (included on pages F-14 through F-15 of this Form 10-K).
*21.1	Subsidiaries of the Registrant.
*23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
*24.1	Power of Attorney (included on the signature page of this Form 10-K).
*31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

*31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
#*32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

\# In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished pursuant to this item will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

\+ Indicates a management contract or compensatory plan.

† Confidential treatment has been requested and received for certain portions of these exhibits.

(b) Exhibits

The exhibits filed as part of this report are listed in Item 15(a)(3) of this Form 10-K.

(c) Schedules

The financial statement schedules required by Regulation S-X and Item 8 of this form are listed in Item 15(a)(2) of this Form 10-K.

SIGNATURES

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

MAXLINEAR, INC.

(Registrant)

By: /s/ KISHORE SEENDRIPU, PH.D
Kishore Seendripu, Ph.D
President and Chief Executive Officer
(Principal Executive Officer)

Date: February 17, 2016

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Kishore Seendripu, Ph.D. and Adam C. Spice, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, to sign any and all amendments (including post-effective amendments) to this Annual Report on Form 10-K and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-facts and agents, or his substitute or substitutes, or any of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ KISHORE SEENDRIPU, PH.D Kishore Seendripu, Ph.D	President and Chief Executive Officer (Principal Executive Officer)	February 17, 2016
/s/ ADAM C. SPICE Adam C. Spice	Chief Financial Officer (Principal Financial and Accounting Officer)	February 17, 2016
/s/ THOMAS E. PARDUN Thomas E. Pardun	Lead Director	February 17, 2016
/s/ STEVEN C. CRADDOCK Steven C. Craddock	Director	February 17, 2016
/s/ CURTIS LING, PH.D Curtis Ling, Ph.D	Director	February 17, 2016
/s/ ALBERT J. MOYER Albert J. Moyer	Director	February 17, 2016
/s/ DONALD E. SCHROCK Donald E. Schrock	Director	February 17, 2016
/s/ THEODORE TEWSBURY Theodore Tewksbury	Director	February 17, 2016

MaxLinear, Inc.

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of MaxLinear, Inc.

We have audited the accompanying consolidated balance sheets of MaxLinear, Inc. as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of MaxLinear, Inc. at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), MaxLinear, Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 17, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Irvine, California

February 17, 2016

MAXLINEAR, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except par amounts)

	December 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 67,956	$ 20,696
Short-term investments, available-for-sale	43,300	48,399
Accounts receivable, net	42,399	18,523
Inventory	32,443	10,858
Prepaid expenses and other current assets	3,904	2,438
Total current assets	190,002	100,914
Property and equipment, net	21,858	12,441
Long-term investments, available-for-sale	19,242	10,256
Intangible assets, net	51,355	10,386
Goodwill	49,779	1,201
Other long-term assets	2,269	513
Total assets	$ 334,505	$ 135,711
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 6,389	$ 7,509
Deferred revenue and deferred profit	4,066	3,612
Accrued price protection liability	20,026	10,018
Accrued expenses and other current liabilities	15,368	5,548
Accrued compensation	9,983	6,559
Total current liabilities	55,832	33,246
Deferred rent	11,427	2,177
Other long-term liabilities	4,322	1,186
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 25,000 shares authorized, no shares issued or outstanding	—	—
Common stock, $0.0001 par value; 550,000 shares authorized, no shares issued or outstanding	—	—
Class A common stock, $0.0001 par value; 500,000 shares authorized, 55,737 and 30,927 shares issued and outstanding at December 31, 2015 and 2014, respectively	5	3
Class B common stock, $0.0001 par value; 500,000 shares authorized, 6,665 and 6,984 shares issued and outstanding at December 31, 2015 and 2014, respectively	1	1
Additional paid-in capital	384,961	177,912
Accumulated other comprehensive loss	(822)	(25)
Accumulated deficit	(121,221)	(78,789)
Total stockholders' equity	262,924	99,102
Total liabilities and stockholders' equity	$ 334,505	$ 135,711

See accompanying notes.

MAXLINEAR, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Years Ended December 31,		
	2015	2014	2013
Net revenue	$ 300,360	$ 133,112	$ 119,646
Cost of net revenue	144,937	51,154	46,683
Gross profit	155,423	81,958	72,963
Operating expenses:			
Research and development	85,405	56,625	53,132
Selling, general and administrative	77,981	34,191	32,181
IPR&D impairment losses	21,600	—	—
Restructuring charges	14,086	—	—
Total operating expenses	199,072	90,816	85,313
Loss from operations	(43,649)	(8,858)	(12,350)
Interest income	275	236	222
Other income (expense), net	468	(123)	(203)
Loss before income taxes	(42,906)	(8,745)	(12,331)
Provision (benefit) for income taxes	(575)	(1,704)	402
Net loss	$ (42,331)	$ (7,041)	$ (12,733)
Net loss:			
Basic	$ (0.79)	$ (0.19)	$ (0.37)
Diluted	$ (0.79)	$ (0.19)	$ (0.37)
Shares used to compute net loss per share:			
Basic	53,378	36,472	34,012
Diluted	53,378	36,472	34,012

See accompanying notes.

MAXLINEAR, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,		
	2015	2014	2013
Net loss	$ (42,331)	$ (7,041)	$ (12,733)
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on investments, net of tax $0 in 2015 and 2014, $5 in 2013	(93)	(60)	8
Less: Reclassification adjustments of unrealized gain, net of tax $0 in 2015, 2014 and 2013	21	—	—
Unrealized gain (loss) on investments, net of tax	(72)	(60)	8
Foreign currency translation adjustments, net of tax benefit of $184 in 2015, and $0 in 2014 and 2013 [1]	(725)	(23)	15
Less: Reclassification adjustments of foreign currency translation adjustments, net of tax of $0 in 2015, 2014 and 2013	—	—	—
Foreign currency translation adjustments, net of tax	(725)	(23)	15
Other comprehensive income (loss)	(797)	(83)	23
Total comprehensive loss	$ (43,128)	$ (7,124)	$ (12,710)

(1) Tax amount recognized in *Other Long-Term Liabilities* of the Consolidated Balance Sheets as part of long-term deferred tax liabilities.

See accompanying notes.

MAXLINEAR, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share amounts)

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2012	23,181	$ 2	9,673	$ 1	$ 139,210	$ 35	$ (59,015)	$ 80,233
Conversion of Class B common stock to Class A common stock	1,377	—	(1,377)	—	—	—	—	—
Common stock issued pursuant to equity awards, net	1,940	1	42	—	3,726	—	—	3,727
Employee stock purchase plan	504	—	—	—	2,438	—	—	2,438
Stock-based compensation	—	—	—	—	12,986	—	—	12,986
Other comprehensive income	—	—	—	—	—	23	—	23
Net loss	—	—	—	—	—	—	(12,733)	(12,733)
Balance at December 31, 2013	27,002	$ 3	8,338	$ 1	$ 158,360	$ 58	$ (71,748)	$ 86,674
Conversion of Class B common stock to Class A common stock	1,405	—	(1,405)	—	—	—	—	—
Common stock issued pursuant to equity awards, net	2,043	—	51	—	1,486	—	—	1,486
Employee stock purchase plan	477	—	—	—	3,058	—	—	3,058
Stock-based compensation	—	—	—	—	15,008	—	—	15,008
Other comprehensive loss	—	—	—	—	—	(83)	—	(83)
Net loss	—	—	—	—	—	—	(7,041)	(7,041)
Balance at December 31, 2014	30,927	$ 3	6,984	$ 1	$ 177,912	$ (25)	$ (78,789)	$ 99,102
Shares Repurchased	—	—	—	—	—	—	(101)	(101)
Conversion of Class B common stock to Class A common stock	500	—	(500)	—	—	—	—	—
Common stock issued pursuant to equity awards, net	3,420	—	181	—	6,603	—	—	6,603
Issuance of common stock for merger with Entropic Communications, Inc.	20,373	2	—	—	177,559	—	—	177,561
Employee stock purchase plan	517	—	—	—	3,619	—	—	3,619
Stock-based compensation	—	—	—	—	19,268	—	—	19,268
Other comprehensive loss	—	—	—	—	—	(797)	—	(797)
Net loss	—	—	—	—	—	—	(42,331)	(42,331)
Balance at December 31, 2015	55,737	$ 5	6,665	$ 1	$ 384,961	$ (822)	$ (121,221)	$ 262,924

See accompanying notes.

MAXLINEAR, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,		
	2015	2014	2013
Operating Activities			
Net loss	$ (42,331)	$ (7,041)	$ (12,733)
Adjustments to reconcile net loss to cash provided by operating activities:			
Amortization and depreciation	40,641	5,107	3,715
Impairment of IPR&D assets	21,600	—	—
Provision for losses on accounts receivable	178	—	—
Provision for inventory reserves	155	—	—
Amortization of investment premiums, net	554	724	974
Amortization of inventory step-up	14,244	—	—
Stock-based compensation	19,268	15,008	12,986
Deferred income taxes	(1,906)	(2,281)	(166)
Loss (gain) on disposal of property and equipment	74	—	—
Gain on sale of available-for-sale securities	(21)	(3)	—
Impairment of long-lived assets	153	29	1,231
Impairment of lease	8,163	—	—
Changes in operating assets and liabilities:			
Accounts receivable	5,160	1,982	(5,500)
Inventory	(6,402)	(757)	(141)
Prepaid and other assets	4,495	(752)	(308)
Accounts payable, accrued expenses and other current liabilities	(21,903)	83	(627)
Accrued compensation	5,320	3,911	5,587
Deferred revenue and deferred profit	454	961	362
Accrued price protection liability	6,522	(4,999)	7,137
Other long-term liabilities	623	262	373
Net cash provided by operating activities	55,041	12,234	12,890
Investing Activities			
Purchases of property and equipment	(2,996)	(8,800)	(3,162)
Purchases of intangible assets	(100)	—	(955)
Cash used in acquisition, net of cash acquired	(3,615)	(9,136)	—
Purchases of available-for-sale securities	(73,377)	(56,702)	(70,620)
Maturities of available-for-sale securities	69,029	57,172	65,200
Net cash used in investing activities	(11,059)	(17,466)	(9,537)
Financing Activities			
Payments on capital leases	—	—	(2)
Repurchases of common stock	(101)	—	—
Net proceeds from issuance of common stock	9,950	3,304	2,647
Minimum tax withholding paid on behalf of employees for restricted stock units	(5,141)	(3,810)	(1,375)
Equity issuance costs	(705)	—	—
Net cash provided by (used in) financing activities	4,003	(506)	1,270
Effect of exchange rate changes on cash and cash equivalents	(725)	(16)	17
Increase in cash and cash equivalents	47,260	(5,754)	4,640
Cash and cash equivalents at beginning of period	20,696	26,450	21,810
Cash and cash equivalents at end of period	$ 67,956	$ 20,696	$ 26,450
Supplemental disclosures of cash flow information:			
Cash paid for interest	—	—	1
Cash paid for income taxes	$ 41	$ 187	$ 186
Supplemental disclosures of non-cash activities:			
Issuance of accrued share-based bonus plan	$ 5,459	$ 5,050	$ 4,836
Accrued purchases of property and equipment	$ 249	$ 849	$ 2
Lease incentive for leasehold improvements	$ 4,255	$ 2,008	$ —

See accompanying notes.

1. Organization and Summary of Significant Accounting Policies

Description of Business

MaxLinear, Inc. (the Company) was incorporated in Delaware in September 2003. The Company is a provider of integrated, radio-frequency and mixed-signal integrated circuits for broadband communication and data center, metro, and long-haul transport network applications whose customers include module makers, original equipment manufacturers, or OEMs, and original design manufacturers, or ODMs, who incorporate the Company's products in a wide range of electronic devices including cable and terrestrial and satellite set-top boxes, DOCSIS data and voice gateways, hybrid analog and digital televisions, satellite low-noise blocker transponders or outdoor units and optical modules for data center, metro, and long-haul transport network applications. The Company is a fabless semiconductor company focusing its resources on the design, sales and marketing of its products.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of MaxLinear, Inc. and its wholly owned subsidiaries. All intercompany transactions and investments have been eliminated in consolidation.

The functional currency of certain foreign subsidiaries is the local currency. Accordingly, assets and liabilities of these foreign subsidiaries are translated at the current exchange rate at the balance sheet date and historical rates for equity. Revenue and expense components are translated at weighted average exchange rates in effect during the period. Gains and losses resulting from foreign currency translation are included as a component of stockholders' equity. Foreign currency transaction gains and losses are included in the results of operations and, to date, have not been significant.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles, or GAAP, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes of the consolidated financial statements. Actual results could differ from those estimates.

Business Combinations

The Company applies the provisions of ASC 805, *Business Combinations*, in the accounting for its acquisitions. It requires the Company to recognize separately from goodwill the assets acquired and the liabilities assumed, at the acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, its estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of operations.

Costs to exit or restructure certain activities of an acquired company or the Company's internal operations are accounted for as termination and exit costs pursuant to ASC 420, *Exit or Disposal Cost Obligations*, and are accounted for separately from the business combination. A liability for costs associated with an exit or disposal activity is recognized and measured at its fair value in the consolidated statement of operations in the period in which the liability is incurred. When estimating the fair value of facility restructuring activities, assumptions are applied regarding estimated sub-lease payments to be received, which can differ materially from actual results. This may require the Company to revise its initial estimates which may materially affect the results of operations and financial position in the period the revision is made.

For a given acquisition, the Company may identify certain pre-acquisition contingencies as of the acquisition date and may extend its review and evaluation of these pre-acquisition contingencies throughout the measurement period in order to obtain sufficient information to assess whether the Company includes these contingencies as a part of the fair value estimates of assets acquired and liabilities assumed and, if so, to determine their estimated amounts.

If the Company cannot reasonably determine the fair value of a pre-acquisition contingency (non-income tax related) by the end of the measurement period, which is generally the case given the nature of such matters, the Company will recognize an asset or a liability for such pre-acquisition contingency if: (i) it is probable that an asset existed or a liability had been incurred at the acquisition date and (ii) the amount of the asset or liability can be reasonably estimated. Subsequent to the measurement period, changes in estimates of such contingencies will affect earnings and could have a material effect on results of operations and financial position.

In addition, uncertain tax positions and tax related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date. The Company reevaluates these items quarterly based upon facts and circumstances that existed as of the acquisition date with any adjustments to the preliminary estimates being recorded to goodwill if identified within the measurement period. Subsequent to the measurement period or final determination of the tax allowance's or contingency's estimated value, whichever comes first, changes to these uncertain tax positions and tax related valuation allowances will affect the provision for income taxes in the consolidated statement of operations and could have a material impact on the results of operations and financial position.

Acquisition of Entropic Communications, Inc.

On April 30, 2015, the Company completed its acquisition of Entropic Communications, Inc. (Entropic). Pursuant to the terms of the merger agreement dated as of February 3, 2015, by and among the Company, Entropic, and two wholly-owned subsidiaries of the Company, all of the Entropic outstanding shares were converted into the right to receive consideration consisting of cash and shares of the Company's Class A common stock. The Company paid an aggregate of $111.1 million and issued an aggregate of 20.4 million shares of the Company's Class A common stock, to the stockholders of Entropic. In addition, the Company assumed all outstanding Entropic stock options and unvested restricted stock units that were held by continuing service providers (as defined in the merger agreement). The Company used Entropic's cash and cash equivalents to fund a significant portion of the cash portion of the merger consideration and, to a lesser extent, its own cash and cash equivalents. The Company has made all of the material remaining disclosures required by ASC 805-10-50-2, *Business Combinations*. See Note 3.

In connection with the Company's acquisition of Entropic and to address issues primarily relating to the integration of the Company and Entropic businesses, the Company terminated the employment of 87 Entropic employees during the year ended December 31, 2015. See Note 4.

Cash and Cash Equivalents

The Company considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are recorded at cost, which approximates market value.

Accounts Receivable

The Company performs ongoing credit evaluations of its customers and adjusts credit limits based on each customer's credit worthiness, as determined by the Company's review of current credit information. The Company monitors collections and payments from its customers and maintains an allowance for doubtful accounts based upon its historical experience, its anticipation of uncollectible accounts receivable and any specific customer collection issues that the Company has identified. As of December 31, 2015 and 2014, the Company had recorded an allowance for doubtful accounts of $0.2 million and $0.1 million, respectively.

Inventory

The Company assesses the recoverability of its inventory based on assumptions about demand and market conditions. Forecasted demand is determined based on historical sales and expected future sales. Inventory is stated at the lower of cost or market. Cost approximates actual cost on a first-in, first-out basis and market reflects current replacement cost (e.g. net replacement value) which cannot exceed net realizable value or fall below net realizable value less an allowance for an approximately normal profit margin. The Company reduces its inventory to its lower of cost or market on a part-by-part basis to account for its obsolescence or lack of marketability. Reductions are calculated as the difference between the cost of inventory and its market value based upon assumptions about future demand and market conditions. Once established, these adjustments are considered permanent and are not revised until the related inventory is sold or disposed of.

Investments, Available-for-Sale

The Company classifies all investments as available-for-sale, as the sale of such investments may be required prior to maturity to implement management strategies. These investments are carried at fair value, with unrealized gains and losses reported as accumulated other comprehensive income until realized. The cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and accretion, as well as interest and dividends, are included in interest income. Realized gains and losses from the sale of available-for-sale investments, if any, are determined on a specific identification basis and are also included in interest income.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and compensation are considered to be representative of their respective fair value because of the short-term nature of these items. Investment securities, available-for-sale, are carried at fair value.

Property and Equipment

Property and equipment is carried at cost and depreciated over the estimated useful lives of the assets, ranging from two to five years, using the straight-line method. Leasehold improvements are stated at cost and amortized over the shorter of the estimated useful lives of the assets or the lease term. Depreciation expense for the years ended December 31, 2015 and 2014 was $8.7 million and $2.6 million, respectively.

Production Masks

Production masks with alternative future uses or discernible future benefits are capitalized and amortized over their estimated useful life of two years. To determine if the production mask has alternative future uses or benefits, the Company evaluates risks associated with developing new technologies and capabilities, and the related risks associated with entering new markets. Production masks that do not meet the criteria for capitalization are expensed as research and development costs.

Goodwill and Intangible Assets

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the acquired net tangible and intangible assets. Intangible assets represent purchased intangible assets including developed technology, in-process research and development, or IPR&D, technologies acquired or licensed from other companies, customer backlog and tradenames. Purchased intangible assets with definitive lives are capitalized and amortized over their estimated useful lives. Technologies acquired or licensed from other companies, customer backlog and tradenames are capitalized and amortized over the lesser of the terms of the agreement, or estimated useful life. The Company capitalizes IPR&D projects acquired as part of a business combination. On completion of each project, IPR&D assets are reclassified to developed technology and amortized over their estimated useful lives.

Impairment of Goodwill and Long-Lived Assets

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations accounted for under the purchase method. Goodwill is not amortized but is tested for impairment using a qualitative assessment, and subsequently the two-step method as needed. Step one is the identification of potential impairment. This involves comparing the fair value of each reporting unit, which the Company has determined to be the entity itself, with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds the carrying amount, the goodwill of the reporting unit is considered not impaired and the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the impairment test is performed to measure the amount of impairment loss, if any. The Company tests by reporting unit, goodwill and other indefinite-lived intangible assets for impairment as of October 31 or more frequently if it believes indicators of impairment exist.

During development, IPR&D is not subject to amortization and is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company reviews indefinite-lived intangible assets for impairment as of October 31, the date of its annual goodwill impairment review or whenever events or changes in circumstances indicate the carrying value may not be recoverable. Recoverability of indefinite-lived intangible assets is measured by comparing the carrying amount of the asset to the future discounted cash flows that asset is expected to generate. In certain cases, the Company utilizes the relief-from-royalty method when appropriate, and a fair value will be obtained based on analysis over the costs saved by owning the right instead of leasing it.

Once an IPR&D project is complete, it becomes a definite lived intangible asset and is evaluated for impairment both immediately prior to its change in classification and thereafter in accordance with the Company's policy for long-lived assets.

The Company regularly reviews the carrying amount of its long-lived assets, as well as the useful lives, to determine whether indicators of impairment may exist which warrant adjustments to carrying values or estimated useful lives. An impairment loss would be recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset. Should impairment exist, the impairment loss would be measured based on the excess of the carrying amount of the asset over the asset's fair value.

During 2015, we performed our annual impairment assessment of goodwill and IPR&D assets on October 31, 2015. As a result, the Company determined there was no impairment associated with goodwill. On the other hand, the Company impaired $21.6 million in IPR&D assets. Refer to *Goodwill and Intangible Assets,* Note 5 for more information.

Revenue Recognition

Revenue is generated from sales of the Company's integrated circuits. The Company recognizes revenue when all of the following criteria are met: 1) there is persuasive evidence that an arrangement exists, 2) delivery of goods has occurred, 3) the sales price is fixed or determinable and 4) collectability is reasonably assured. Title to product transfers to customers either when it is shipped to or received by the customer, based on the terms of the specific agreement with the customer.

Revenue is recorded based on the facts at the time of sale. Transactions for which the Company cannot reliably estimate the amount that will ultimately be collected at the time the product has shipped and title has transferred to the customer are deferred until the amount that is probable of collection can be determined. Items that are considered when determining the amounts that will be ultimately collected are: a customer's overall creditworthiness and payment history; customer rights to return unsold product; customer rights to price protection; customer payment terms conditioned on sale or use of product by the customer; or extended payment terms granted to a customer.

A portion of the Company's revenues are generated from sales made through distributors under agreements allowing for pricing credits and/or stock rotation rights of return. Revenues from sales through the Company's distributors accounted for 13%, 28% and 29% of net revenue for the years ended December 31, 2015, 2014 and 2013, respectively. Pricing credits to the Company's distributors may result from its price protection and unit rebate provisions, among other factors. These pricing credits and/or stock rotation rights prevent the Company from being able to reliably estimate the final sales price of the inventory sold and the amount of inventory that could be returned pursuant to these agreements. As a result, for sales through distributors, the Company has determined that it does not meet all of the required revenue recognition criteria at the time it delivers its products to distributors as the final sales price is not fixed or determinable.

For these distributor transactions, revenue is not recognized until product is shipped to the end customer and the amount that will ultimately be collected is fixed or determinable. Upon shipment of product to these distributors, title to the inventory transfers to the distributor and the distributor is invoiced, generally with 30 day terms. On shipments to the Company's distributors where revenue is not recognized, the Company records a trade receivable for the selling price as there is a legally enforceable right to payment, relieving the inventory for the carrying value of goods shipped since legal title has passed to the distributor, and records the corresponding gross profit in the consolidated balance sheet as a component of deferred revenue and deferred profit, representing the difference between the receivable recorded and the cost of inventory shipped. Future pricing credits and/or stock rotation rights from the Company's distributors may result in the realization of a different amount of profit included in the Company's future consolidated statements of operations than the amount recorded as deferred profit in the Company's consolidated balance sheets.

The Company records reductions in revenue for estimated pricing adjustments related to price protection agreements with the Company's end customers in the same period that the related revenue is recorded. Price protection pricing adjustments are recorded at the time of sale as a reduction to revenue and an increase in the Company's accrued liabilities. The amount of these reductions is based on specific criteria included in the agreements and other factors known at the time. The Company accrues 100% of potential price protection adjustments at the time of sale and does not apply a breakage factor. The Company de-recognizes the accrual for unclaimed price protection amounts as specific programs contractually end and when the Company believes unclaimed amounts are no longer subject to payment and will not be paid. See Note 4 for a summary of the Company's price protection activity.

Warranty

The Company generally provides a warranty on its products for a period of one to three years. The Company makes estimates of product return rates and expected costs to replace the products under warranty at the time revenue is recognized based on historical warranty experience and any known product warranty issues. If actual return rates and/or replacement costs differ significantly from these estimates, adjustments to recognize additional cost of net revenue may be required in future periods. At December 31, 2015 and 2014, the Company recorded $0.2 million, $0.1 million for warranty costs based on the Company's analysis. At December 31, 2013, the Company recorded no warranty costs.

Segment Information

The Company operates in one segment as it has developed, marketed and sold primarily only one class of similar products, integrated radio frequency analog and mixed signal semiconductor solutions for broadband communication applications.

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is its Chief Executive Officer. The Company's Chief Executive Officer reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. The Company has one business activity and there are no segment managers who are held accountable for operations, operating results and plans for products or components below the consolidated unit level. Accordingly, the Company reports as a single operating segment.

Stock-based Compensation

The Company measures the cost of employee services received in exchange for equity incentive awards, including stock options, employee stock purchase rights, restricted stock units and restricted stock awards based on the grant date fair value of the award. The Company uses the Black-Scholes valuation model to calculate the fair value of stock options and employee stock purchase rights granted to employees. The Company calculates the fair value of restricted stock units and restricted stock awards based on the fair market value of its Class A common stock on the grant date. Stock-based compensation expense is recognized over the period during which the employee is required to provide services in exchange for the award, which is usually the vesting period. The Company recognizes compensation expense over the vesting period using the straight-line method and classifies these amounts in the statements of operations based on the department to which the related employee reports.

The Company accounts for stock options issued to non-employees in accordance with authoritative guidance for equity based payments to non-employees. Stock options issued to non-employees are accounted for at their estimated fair value determined using the Black-Scholes option-pricing model. The fair value of options granted to non-employees is re-measured as they vest, and the resulting increase in value, if any, is recognized as expense during the period the related services are rendered. The Company calculates the fair value of restricted stock units issued to non-employees based on the fair market value of our Class A common stock on the grant date and the resulting stock-based compensation expense is recognized over the period during which the non-employee is required to provide services in exchange for the award, which is usually the vesting period.

Research and Development

Costs incurred in connection with the development of the Company's technology and future products are charged to research and development expense as incurred.

Income Taxes

The Company provides for income taxes utilizing the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. As such deferred taxes are presented as net and as noncurrent and presented net in accordance with ASU 2015-17, which was adopted early for the year ended December 31, 2015. The provision for income taxes generally represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from the differences between the financial and tax bases of the Company's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when a judgment is made that is considered more likely than not that a tax benefit will not be realized. A decision to record a

valuation allowance results in an increase in income tax expense or a decrease in income tax benefit. If the valuation allowance is released in a future period, income tax expense will be reduced accordingly.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex global tax regulations. The impact of an uncertain income tax position is recognized at the largest amount that is "more likely than not" to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company will continue to assess the need for a valuation allowance on the deferred tax asset by evaluating both positive and negative evidence that may exist. Any adjustment to the net deferred tax asset valuation allowance would be recorded in the income statement for the period that the adjustment is determined to be required.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity (net assets) of a business entity during a period from transactions and other events and circumstances from nonowner sources. Other comprehensive income (loss) includes certain changes in equity that are excluded from net income (loss), such as unrealized holding gains and losses on available-for-sale investments, net of tax, and translation gains and losses.

Net Income (Loss) per Share

Basic net income (loss) per share is computed by dividing net income (loss) attributable to the Company by the weighted average number of shares of Class A and Class B common stock outstanding during the period. For diluted net income (loss) per share, net income attributable to the Company is divided by the sum of the weighted average number of shares of Class A and Class B common stock outstanding and the potential number of shares of dilutive Class A and Class B common stock outstanding during the period.

Litigation and Settlement Costs

Legal costs are expensed as incurred. The Company is involved in disputes, litigation and other legal actions in the ordinary course of business. The Company continually evaluates uncertainties associated with litigation and records a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available prior to issuance of the financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and (ii) the loss or range of loss can be reasonably estimated.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or FASB, issued new accounting guidance related to revenue recognition. This new standard will replace all current U.S. GAAP guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. This guidance will be effective for the Company beginning in the first quarter of fiscal year 2018 and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is evaluating the impact of adopting this new accounting standard on its financial statements.

In August 2014, the FASB issued new accounting guidance related to the disclosures around going concern. The new standard provides guidance around management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. This guidance will be effective for the Company beginning in the first quarter of fiscal year 2017. Early adoption is permitted. The Company does not expect the adoption of this standard to significantly impact its financial statements.

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory,* which requires inventory to be subsequently measured using the lower of cost and net realizable value, and thereby eliminating the market value approach. The FASB has defined net realizable value to be the "estimated selling prices in the ordinary course of business, less reasonably

predictable costs of completion, disposal and transportation." ASU 2015-11 is effective for reporting periods beginning after December 15, 2016 and is applied prospectively. We are currently evaluating the impact that this guidance will have on our financial statements and disclosure.

In September 2015, the FASB issued *ASU 2015-16, Simplifying the Accounting for Measurement-Period Adjustments,* which affects entities that have reported provisional amounts for items in a business combination for which the accounting is incomplete by the end of the reporting period in which the combination occurs and during the measurement period have an adjustment to provisional amounts recognized. Under this ASU, acquirers must recognize measurement-period adjustments in the period in which they determine the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. For public business entities, the new standard is effective for interim and annual periods beginning after December 15, 2015. Early adoption is permitted for all entities. The Company does not expect the adoption of this standard to significantly impact its financial statements; however, disclosures in accordance with ASU 2015-16 are made within Note 3, *Business Combinations*.

The FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* in November 2015. Currently, entities are required to report deferred taxes for each jurisdiction as a net current asset or liability and net noncurrent asset or liability. With the implementation of this ASU, deferred tax assets and liabilities and the related valuation allowance are classified as noncurrent on the balance sheet. This new guidance will be effective for public business entities in fiscal years beginning after December 15, 2016, including interim periods within those years, i.e. in the first quarter for 2017. Early adoption is permitted. As a result, the Company has opted for early adoption of ASU 2015-17 on a prospective basis during the year ended December 31, 2015, and the related disclosures are made within Note 9, *Income Taxes.* The impact of adoption to the prior year is insignificant due to the Company's valuation allowance.

2. Net Loss Per Share

Net loss per share is computed as required by the accounting standard for earnings per share, or EPS. Basic EPS is calculated by dividing net loss by the weighted-average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted EPS is computed by dividing net income by the weighted-average number of common shares outstanding for the period and the weighted-average number of dilutive common stock equivalents outstanding for the period determined using the treasury-stock method. For purposes of this calculation, common stock options, restricted stock units and restricted stock awards are considered to be common stock equivalents and are only included in the calculation of diluted EPS when their effect is dilutive. The Company did not have any dilutive shares during the years-ended December 31, 2015, 2014 and 2013.

The Company has two classes of stock outstanding, Class A common stock and Class B common stock. The economic rights of the Class A common stock and Class B common stock, including rights in connection with dividends and payments upon a liquidation or merger are identical, and the Class A common stock and Class B common stock will be treated equally, identically and ratably, unless differential treatment is approved by the Class A common stock and Class B common stock, each voting separately as a class. The Company computes basic earnings per share by dividing net loss by the weighted average number of shares of Class A and Class B common stock outstanding during the period. For diluted earnings per share, the Company divides net loss by the sum of the weighted average number of shares of Class A and Class B common stock outstanding and the potential number of shares of dilutive Class A and Class B common stock outstanding during the period.

	Years Ended December 31,		
	2015	2014	2013
	(in thousands, except per share amounts)		
Numerator:			
Net loss	$ (42,331)	$ (7,041)	$ (12,733)
Denominator:			
Weighted average common shares outstanding—basic	53,378	36,472	34,012
Dilutive common stock equivalents	—	—	—
Weighted average common shares outstanding—diluted	53,378	36,472	34,012
Net loss per share:			
Basic	$ (0.79)	$ (0.19)	$ (0.37)
Diluted	$ (0.79)	$ (0.19)	$ (0.37)

The Company excluded 3.0 million, 3.1 million and 3.5 million common stock equivalents for the twelve months ended December 31, 2015, 2014 and 2013, respectively, resulting from outstanding equity awards for the calculation of diluted net loss per share due to their anti-dilutive nature.

3. Business Combination

Acquisition of Entropic Communications, Inc.

On April 30, 2015, the Company completed its acquisition of Entropic Communications, Inc. ("Entropic"). Pursuant to the terms of the merger agreement dated as of February 3, 2015, by and among the Company, Entropic, and two wholly-owned subsidiaries of the Company ("the Merger Agreement"), all of the Entropic outstanding shares were converted into the right to receive consideration consisting of cash and shares of the Company's Class A common stock. The Company paid an aggregate of $111.1 million and issued an aggregate of 20.4 million shares of the Company's Class A common stock, to the stockholders of Entropic. In addition, the Company assumed all outstanding Entropic stock options and unvested restricted stock units that were held by continuing service providers (as defined in the Merger Agreement). The Company used Entropic's cash and cash equivalents to fund a significant portion of the cash portion of the merger consideration and, to a lesser extent, its own cash and cash equivalents.

As a result of the acquisition, the Company has benefitted from the economies of scale across engineering and supply chain operations, as well as from elimination of redundancy across engineering, sales, and general and administrative functions. Entropic has been recognized for pioneering the MoCA® (Multimedia over Coax Alliance) home networking standard and inventing Direct Broadcast Satellite outdoor unit ("DBS ODU") solutions which consist of band translation switch ("BTS") and channel stacking switch ("CSS") products which simplify the installation required to support simultaneous reception of multiple channels from multiple satellites over a single cable. Entropic has a rich history of innovation and deep expertise in RF, analog/mixed signal and digital signal processing technologies. Entropic's silicon solutions have been broadly deployed across major cable, satellite, and fiber service providers. The Company expects the acquisition of Entropic to add significant scale to the Company's analog/mixed-signal business, expand the Company's addressable market and enhance the strategic value of the Company's offerings to broadband and access partners, OEM customers, and service providers.

The merger has been accounted for under the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, with MaxLinear treated as the accounting acquirer. Under this method of accounting, the Company recorded the acquisition based on the fair value of the consideration given and the cash consideration paid. The Company allocated the acquisition consideration paid to the identifiable assets acquired and liabilities assumed based on their respective preliminary fair values at the date of completion of the merger. Any excess of the value of consideration paid over the aggregate fair value of those net assets has been recorded as goodwill.

The total consideration for the Entropic acquisition of $289.4 million is comprised of the equity value of shares of the Company's common stock that were issued in the transaction of $173.8 million, the portion of outstanding equity awards deemed to have been earned as of April 30, 2015 of $4.5 million and cash of $111.1 million. The portion of outstanding equity awards deemed not to have been earned of $9.3 million as of April 30, 2015 will be expensed over the remaining future vesting period, including $3.6 million for year ended December 31, 2015. Assumed equity awards consisted of 1.9 million of the Company's stock options and 1.3 million restricted stock units.

The Company capitalized $0.7 million of costs related to the registration and issuance of the 20.4 million shares of the Company's Class A common stock to Entropic's stockholders upon completion of the merger. In addition, the Company registered an additional 3.2 million shares related to shares of the Company's Class A common stock which may be issued pursuant to outstanding equity awards under the former Entropic Stock Plans.

The estimated fair value of the purchase price consideration consisted of the following:

	Consideration Paid (in thousands)
Cash	$ 111,125
Class A common stock issued	173,781
Equity awards assumed	4,485
Total purchase consideration	$ 289,391

Pursuant to the Company's business combinations accounting policy, the Company estimated the fair values of net tangible and intangible assets acquired and the excess of the consideration transferred over the aggregate of such fair values was recorded as goodwill. At December 31, 2015, the Company completed its purchase price allocation.

The following table summarizes the allocation of the assets acquired and liabilities assumed at the acquisition date:

	Fair Value (in thousands)
Cash, cash equivalents and short-term investments	$ 107,510
Accounts receivable	29,214
Inventory	29,582
Prepaid expenses	5,680
Property and equipment, net	18,914
Other long-term assets	2,419
Intangible assets	92,400
Accounts payable	(17,552)
Accrued price protection liability	(3,486)
Accrued expenses and other current liabilities	(10,968)
Accrued compensation	(3,517)
Deferred tax liability	(1,876)
Other long-term liabilities	(7,507)
Total identifiable net assets	240,813
Goodwill	48,578
Fair value of net assets acquired	$ 289,391

In connection with the acquisition of Entropic, the Company has assumed liabilities related to Entropic product quality issues, warranty claims and contract obligations which are included in accrued expenses and other current liabilities in the purchase price allocation above.

None of the goodwill recognized is expected to be deductible for income tax purposes.

The fair value of inventories acquired included an acquisition accounting fair market value step-up of $14.2 million, which was fully amortized as of December 31, 2015. During the year ended December 31, 2015, the Company recognized the $14.2 million expense as a component of cost of sales as the inventory acquired on April 30, 2015 was sold to the Company's customers.

Acquisition and integration-related costs of $5.5 million were included in selling, general, and administrative expenses in the Company's statement of operations for the year ended December 31, 2015.

The following table presents details of the identified intangible assets acquired through the acquisition of Entropic:

	Estimated Useful Life (in years)	Fair Value (in thousands)
Developed technology	7.0	$ 43,600
In-process research and development	n/a	18,200
Trademarks and trade names	7.0	1,700
Customer relationships	5.0	4,700
Backlog	0.7	24,200
Total intangible assets		$ 92,400

The fair value of the $92.4 million of identified intangible assets acquired in connection with the Entropic acquisition was estimated using an income approach. Under the income approach, an intangible asset's fair value is equal to the present value of future economic benefits to be derived from ownership of the asset. Indications of value are developed by discounting future net cash flows to their present value at market-based rates of return. More specifically, the fair value of the developed technology, IPR&D and backlog assets was determined using the multi-period excess earnings method, or MPEEM. MPEEM is an income approach to fair value measurement attributable to a specific intangible asset being valued from the asset grouping's overall cash-flow stream. MPEEM isolates the expected future discounted cash-flow stream to its net present value. Significant factors considered in the calculation of the developed technology and IPR&D intangible assets were the risks inherent in the development process, including the likelihood of achieving technological success and market acceptance. Each project was analyzed to determine the unique technological innovations, the existence and reliance on core technology, the existence of any alternative future use or current technological feasibility and the complexity, cost, and time to complete the remaining development. Future cash flows for each project were estimated based on forecasted revenue and costs, taking into account the expected product life cycles, market penetration, and growth rates. Developed technology will begin amortization immediately and IPR&D will begin amortization upon the completion of each project. If any of the projects are abandoned, the Company will be required to impair the related IPR&D asset.

In connection with the Company's acquisition of Entropic and to address issues primarily relating to the integration of the Company and Entropic businesses, the Company entered into a restructuring plan. See Note 4.

The following unaudited pro forma financial information presents the combined results of operations for each of the periods presented, as if the acquisition had occurred at the beginning of fiscal year 2014:

	Years Ended December 31,	
	2015	2014
	(in thousands)	
Net revenues	$ 371,730	$ 324,731
Net income (loss)	$ 5,436	$ (138,382)

The following adjustments were included in the unaudited pro forma financial information (negative amounts below represent decreases to expense and positive amounts are increases to expense):

	Years Ended December 31,	
	2015	2014
	(in thousands)	
Amortization and depreciation of intangible assets and property, plant and equipment acquired	$ (24,969)	$ 21,672
Amortization of inventory step-up	(14,244)	14,244
Acquisition and integration expenses	(13,622)	—
Restructuring charges	(14,086)	—
	$ (66,921)	$ 35,916

The pro forma data is presented for illustrative purposes only and is not necessarily indicative of the consolidated results of operations of the combined business had the merger actually occurred at the beginning of fiscal year 2014 or of the results of future operations of the combined business. The unaudited pro forma financial information does not reflect any operating efficiencies and cost saving that may be realized from the integration of the acquisition in the Company's Consolidated Statements of Operations.

For the year ended December 31, 2015, $143.5 million of revenue and $60.5 million of gross profit of former Entropic operations since the acquisition date are included in the Company's Consolidated Statements of Operations.

Acquisition of Physpeed, Co., Ltd.

On October 31, 2014, the Company acquired 100% of the outstanding common shares of Physpeed Co., Ltd. (“Physpeed”), a privately held developer of high-speed physical layer interconnect products addressing enterprise and telecommunications infrastructure market applications. The Company paid $9.3 million in cash in exchange for all outstanding shares of capital stock and equity of Physpeed. $1.1 million of the consideration payable to the former shareholders of Physpeed was placed into escrow pursuant to the terms of the definitive merger agreement. The escrow release date is twelve months following the closing date of October 31, 2014 and has been paid out as of December 31, 2015.

In addition, the definitive merger agreement provided for potential consideration of $1.7 million of held back merger proceeds for the former principal shareholders of Physpeed which will be paid over a two year period contingent upon continued employment and potential earn-out consideration of up to $0.75 million to the former shareholders of Physpeed for the achievement of certain 2015 and 2016 revenue milestones. As of December 31, 2015, $1.0 million of held back merger proceeds have been paid. As of December 31, 2015, we have accrued $0.4 million in earn-out consideration for the achievement of the 2015 actual revenue milestones and 2016 projected revenue milestones. The Company had also entered into retention and performance-based agreements with Physpeed employees for up to$3.25 million to be paid in cash or shares of MaxLinear Class A common stock based on the achievement of certain 2015 and 2016 revenue milestones. As of December 31, 2015, we have accrued $1.9 million related to this arrangement.

As a result of the acquisition, the Company expects to reduce costs through economies of scale. The acquisition of Physpeed significantly accelerates the Company's total addressable market expansion efforts into infrastructure for data center, as well as metro and long-haul telecommunications operators. Physpeed’s expertise in high-speed analog design, combined with the Company's proven low-power digital CMOS mixed signal-integration and DSP capabilities, is expected to bring to market solutions that will uniquely enable the data traffic growth generated from smartphones and tablets, and over-the-top, or OTT, streaming video, in addition to cloud computing and data analytics in hyper-scale data centers. The goodwill of $1.2 million arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Company and Physpeed. None of the goodwill recognized is expected to be deductible for income tax purposes.

In accordance with accounting principles generally accepted in the United States, the Company accounted for the merger using the acquisition method of accounting for business combinations. Under this method of accounting, the Company recorded the acquisition based on the fair value of the consideration given and the cash consideration paid in the merger at the time of the merger. The Company allocated the purchase price to the identifiable assets acquired and liabilities assumed based on their respective fair values at the date of the completion of the merger. Any excess of the value of consideration paid over the aggregate fair value of those net assets has been recorded as goodwill.

The following table summarizes the consideration paid for Physpeed:

	Consideration Paid (in thousands)
Cash	$ 9,250
Contingent consideration	265
Fair value of total consideration transferred	$ 9,515

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date. The Company completed the purchase price allocation for its acquisition of Physpeed as of December 31, 2014:

	Fair Value (in thousands)
Financial assets	$ 114
Accounts receivable	447
Prepaid expenses	28
Inventory	69
Fixed assets	56
Identifiable intangible assets	10,000
Financial liabilities	(65)
Net deferred tax liability	(2,335)
Total identifiable net assets	8,314
Goodwill	1,201
	$ 9,515

Acquisition-related costs of $0.3 million were included in selling, general, and administrative expenses in the Company's statement of operations for the year ended December 31, 2014.

The fair value of the acquired identifiable intangible assets of $10.0 million consists of developed technology of $2.7 million and IPR&D of $7.3 million. Both the developed technology and IPR&D are related to optical interconnect interface physical layers products and the estimated useful lives have been assessed to be seven years for the developed technology. Developed technology will be amortized immediately and IPR&D will begin amortization upon the completion of each project. If any of the projects are abandoned, the Company will be required to impair the related IPR&D asset. The fair value of the developed technology and IPR&D was determined using the multi-period excess earnings method, or MPEEM. MPEEM is an income approach to fair value measurement attributable to a specific intangible asset being valued from the asset grouping's overall cash-flow stream. MPEEM isolates the expected future discounted cash-flow stream to their net present value. Significant factors considered in the calculation were the risks inherent in the development process, including the likelihood of achieving technological success and market acceptance. Each project was analyzed to determine the unique technological innovations, the existence and reliance on core technology, the existence of any alternative future use or current technological feasibility and the complexity, cost, and time to complete the remaining development. Future cash flows for each project were estimated based on forecasted revenue and costs, taking into account the expected product life cycles, market penetration, and growth rates.

Compensation Arrangements

In connection with the acquisition of Physpeed, the Company has agreed to pay additional consideration in future periods. There was a holdback of the merger proceeds whereby the former principal shareholders of Physpeed will be paid a quarterly amount of $0.2 million beginning on January 31, 2015 and ending on October 31, 2016 for a total of $1.7 million. Certain employees of Physpeed will be paid a total of $0.1 million of which $0.07 million will be paid in 2015 and $0.05 million will be paid in 2016. These payments are accounted for as transactions separate from the business combination as the payments are contingent upon continued employment and will be recorded as post-combination compensation expense in the Company's financial statements during the service period. The Company also agreed to a working capital adjustment of $0.04 million that was settled by December 31, 2014.

Earn-Out

The contingent earn-out consideration had an estimated fair value of $0.3 million at the date of acquisition. The earn-out is payable up to $0.75 million to the former shareholders of Physpeed. The 2015 earn-out is based on $0.375 million multiplied by the 2015 revenue percentage as defined in the definitive merger agreement. The 2016 earn-out is based on $0.375 million multiplied by the 2016 revenue percentage as defined in the definitive merger agreement. Subsequent changes to the fair value will be recorded through earnings. The fair value of the earn-out was $0.4 million and $0.3 million at December 31, 2015 and December 31, 2014, respectively. The change in the fair value of the earn-out was primarily due to revisions to the Company's expectations of earn-out achievement.

RSU Awards

The Company will grant restricted stock units, or RSUs, under its equity incentive plan to Physpeed continuing employees if certain 2015 and 2016 revenue targets are met contingent upon continued employment. The total maximum values of these RSUs are $3.25 million. These participants will be eligible to receive $1.625 million of the RSUs in 2015 and $1.625 million in 2016.

The 2015 performance grant, if any earned, will be based on the calculation of the 2015 maximum revenue RSU amount multiplied by the 2015 revenue percentage as defined in the definitive merger agreement. The 2015 maximum revenue RSU amount is 50% of the aggregate maximum RSU award value divided by the 2015 average company share price (the average closing sales prices of stock trading on the New York Stock exchange over five consecutive trading days ending on the trade date that is the third trading date prior to the 2015 determination date (no later than ten business days after filing the Form 10-K for the 2015 fiscal year)). Qualifying revenues are the net revenues recognized in the 2015 fiscal year directly attributable to sales of Physpeed products or the Company's provision of non-recurring engineering services exclusively with respect to the Physpeed products in accordance with U.S. GAAP reflected in the Company's audited financial statements.

The 2016 performance grant, if any earned, will be based on the calculation of the 2016 maximum revenue RSU amount multiplied by the 2016 revenue percentage as defined in the definitive merger agreement. The 2016 maximum revenue RSU amount is 50% of the aggregate maximum RSU award value divided by the 2016 average company share price (the average closing sales prices of stock trading on the New York Stock exchange over five consecutive trading days ending on the trade date that is the third trading date prior to the 2016 determination date (no later than ten business days after filing the Form 10-K for the 2016 fiscal year). Qualifying revenues are the net revenues recognized in the 2016 fiscal year directly attributable to sales of Physpeed products or the Company's provision of non-recurring engineering services exclusively with respect to the Physpeed products in accordance with U.S. GAAP reflected in the Company's audited financial statements.

The Company recorded compensation expense for the 2015 RSUs over a 14 month service period from October 31, 2014 through December 31, 2015. The Company will record compensation expense for the 2016 RSUs over a 26 month service period from October 31, 2014 through December 31, 2016. The Company has recorded an accrual for the stock-based compensation expense for the 2015 and 2016 RSUs of $1.9 million and $0.3 million at December 31, 2015 and 2014, respectively.

4. Restructuring Activity

In connection with the Company's acquisition of Entropic, the Company entered into a restructuring plan to address matters primarily relating to the integration of the Company and Entropic businesses. In connection with this plan, the Company terminated the employment of 87 Entropic employees during the year ended December 31, 2015. The Company recognized associated employee separation charges of approximately $5.5 million in the year ended December 31, 2015 related to these terminations. Included in these employee separation charges is $1.5 million of stock compensation for accelerated stock options and RSUs vesting due to double trigger change of control agreements and other special agreements in effect with certain Entropic employees.

Additionally, in connection with the restructuring plan, the Company ceased use of the majority of Entropic's former headquarters. Accordingly, the Company recognized lease impairment charges of $2.7 million based on the adjustment to the net present value of the remaining lease obligation on the cease use date. The Company also recorded impairment charges of $5.2 million related to leasehold improvements on the unused premises.

The following table presents the activity related to the plan, which is included in restructuring charges in the Consolidated Statements of Operations:

	Year Ended December 31, 2015
	(in thousands)
Employee separation expenses	$ 5,533
Lease related impairment [1]	8,163
Other	390
	$ 14,086

[1] Includes $1.2 million in restructuring charges related to an Entropic lease that was restructured prior to the completion of the acquisition. The Company recorded an adjustment to the lease restructuring due to changes in market conditions.

The following table presents a roll-forward of the Company's restructuring liability as of December 31, 2015, which is included in accrued expenses and other current liabilities in the Consolidated Balance Sheets:

	Employee Separation Expenses	Lease Related Impairment	Other	Total
		(in thousands)		
Liability as of December 31, 2014	$ —	$ —	$ —	$ —
Restructuring charges [1]	5,533	8,163	390	14,086
Cash payments	(3,913)	(1,082)	(100)	(5,095)
Non-cash charges	(1,545)	(5,524)	(289)	(7,358)
Liability as of December 31, 2015	$ 75	$ 1,557	$ 1	$ 1,633

[1] Includes $1.2 million in restructuring charges related to an Entropic lease that was restructured during to the completion of the acquisition. The Company recorded an adjustment to the lease restructuring due to changes in market conditions.

5. Goodwill and Intangible Assets

Goodwill

Goodwill arises from the acquisition method of accounting for business combinations and represents the excess of the purchase price over the fair value of the net assets and other identifiable intangible assets acquired. The preliminary fair values of net tangible assets and intangible assets acquired were based upon preliminary valuations and the Company's estimates and assumptions are subject to change within the measurement period (up to one year from the acquisition date). As of December 31, 2015, the Company completed its purchase price allocation.

The following table presents the changes in the carrying amount of goodwill for the period indicated:

	Goodwill
	(in thousands)
Balance as of December 31, 2014	$ 1,201
Acquisition of Entropic on April 30, 2015	48,578
Balance as of December 31, 2015	$ 49,779

The Company performs an annual impairment review on October 31st. In testing goodwill, the Company utilizes a qualitative assessment, i.e., the “Step 0 Test," as a precursor to the traditional two-step quantitative process. If the Company fails the Step 0 Test, we proceed to test for impairment using the traditional two-step method. Step one is the identification of potential impairment. This involves comparing the fair value of each reporting unit, which the Company has determined to be the entity itself, with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds the carrying amount,

the goodwill of the reporting unit is considered not impaired and the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the impairment test is performed to measure the amount of impairment loss, if any.

Using the Step 0 Test, the Company assessed qualitative factors to determine that it is more likely than not that the fair value of the reporting unit is *not* less than its carrying value. Based on our review of these qualitative factors and their respective weightings, we determined there were no indications of impairment associated with goodwill. As a result, no goodwill impairment was recognized as of October 31, 2015. In addition to its annual review, the Company performs a test of impairment when indicators of impairment are present. As of December 31, 2015, there were no indications of impairment of the Company's goodwill balances.

Acquired Intangibles

Finite-lived Intangible Assets

The following table sets forth the Company's finite-lived intangible assets resulting from business acquisitions and technology licenses purchased, which continue to be amortized:

	Weighted Average Useful Life (in Years)	December 31, 2015			December 31, 2014		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
		(in thousands)					
Licensed technology	3	$ 2,921	$ (2,725)	$ 196	$ 2,821	$ (2,390)	$ 431
Developed technology	7	47,000	(4,652)	42,348	2,700	(45)	2,655
Trademarks and trade names	7	1,700	(162)	1,538	—	—	—
Customer relationships	5	4,700	(627)	4,073	—	—	—
Backlog	1	24,200	(24,200)	—	—	—	—
		$ 80,521	$ (32,366)	$ 48,155	$ 5,521	$ (2,435)	$ 3,086

The amortization expense related to intangible assets for the years ended December 31, 2015, 2014 and 2013 were $29.9 million, $0.4 million and $0.5 million, respectively.

The following table sets forth the Company's activities related to finite-lived intangible assets resulting from purchases, additions and the related amortization of acquired finite-lived intangible assets:

	Gross Carrying Amount
	(in thousands)
Balance as of December 31, 2014	$ 3,086
Purchased finite-lived intangible assets from Entropic	74,200
Addition	100
Transfers to developed technology from IPR&D	700
Amortization	(29,931)
Balance as of December 31, 2015	$ 48,155

The Company regularly reviews the carrying amount of its long-lived assets, as well as the useful lives, to determine whether indicators of impairment may exist which warrant adjustments to carrying values or estimated useful lives. An impairment loss would be recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset. Should impairment exist, the impairment loss would be measured based on the excess of the carrying amount of the asset over the asset's fair value. During the year ended December 31, 2015, no impairment losses related to finite-lived intangible assets were recognized.

Indefinite-lived Intangible Assets

The following table sets forth the Company's indefinite-lived intangible assets from additions to IPR&D through an acquisition, impairments, and transfers to developed technologies:

	Gross Carrying Amount
	(in thousands)
Balance as of December 31, 2014	$ 7,300
Purchased Entropic indefinite-lived intangible asset	18,200
Transfers to developed technology from IPR&D	(700)
IPR&D impairment losses[1]	(21,600)
Balance as of December 31, 2015	$ 3,200

[1] IPR&D impairment losses related to a $3.8 million abandonment of IPR&D and a $17.8 million loss upon an updated fair value analysis of an asset prior to transfer from IPR&D to developed technology.

The Company assessed IPR&D intangible assets and trade name intangible assets with indefinite lives for impairment on October 31, 2015. In testing indefinite-lived intangible assets, the Company utilized the qualitative test as a precursor to the Step 2 fair value determination. Based on the qualitative test, if it was more likely than not that indicators of impairment existed, the Company proceeded to perform fair value determination analysis, unless we determined that an asset would be fully abandoned. As a result, the Company recorded $21.6 million in IPR&D impairment losses during the year ended December 31, 2015. The Company recorded a $17.8 million impairment loss for its CSS/FBC IPR&D asset, which was transferred to developed technology on October 31, 2015. This intangible asset was obtained through the Entropic acquisition, having an initial fair value of $18.1 million. Due to updated customer demand information obtained in the fourth quarter, the Company revised its net revenue forecast and utilized the relief-from-royalty method to determine the fair value of the asset. In addition, the Company fully impaired its CDR IPR&D asset, which contributed to a $3.8 million impairment loss. This asset was obtained as part of the Physpeed acquisition with an initial fair value of $3.8 million.

6. Financial Instruments

The composition of financial instruments is as follows:

	December 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
Assets				
Money market funds	$ 17,144	$ —	$ —	$ 17,144
Government debt securities	17,303	—	(30)	17,273
Corporate debt securities	45,353	—	(84)	45,269
	79,800	—	(114)	79,686
Less amounts included in cash and cash equivalents	(17,144)	—	—	(17,144)
	$ 62,656	$ —	$ (114)	$ 62,542

	Fair Value at December 31, 2015
	(in thousands)
Liabilities	
Contingent Consideration	$ 395
Total	$ 395

	December 31, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
Assets				
Money market funds	$ 1,858	$ —	$ —	$ 1,858
Government debt securities	27,154	5	(8)	27,151
Corporate debt securities	31,543	3	(42)	31,504
	60,555	8	(50)	60,513
Less amounts included in cash and cash equivalents	(1,858)	—	—	(1,858)
	$ 58,697	$ 8	$ (50)	$ 58,655

	Fair Value at December 31, 2014
	(in thousands)
Liabilities	
Contingent Consideration	$ 265
Total	$ 265

As of December 31, 2015, the Company held 36 government and corporate debt securities with an aggregate fair value of $52.8 million that were in an unrealized loss position for less than 12 months. The gross unrealized losses of $0.1 million at December 31, 2015 represent temporary impairments on government and corporate debt securities related to multiple issuers, and were primarily caused by fluctuations in U.S. interest rates. The Company evaluates securities for other-than-temporary impairment on a quarterly basis. Impairment is evaluated considering numerous factors, and their relative significance varies depending on the situation. Factors considered include the length of time and extent to which fair value has been less than the cost basis, the financial condition and near-term prospects of the issuer; including changes in the financial condition of the security's underlying collateral; any downgrades of the security by a rating agency; nonpayment of scheduled interest, or the reduction or elimination of dividends; as well as our intent and ability to hold the security in order to allow for an anticipated recovery in fair value.

All of the Company's long-term available-for-sale securities were due between 1 and 2 years as of December 31, 2015.

The fair values of the Company's financial instruments are the amounts that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants and are recorded using a hierarchal disclosure framework based upon the level of subjectivity of the inputs used in measuring assets and liabilities. The levels are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available.

The Company classifies its financial instruments within Level 1 or Level 2 of the fair value hierarchy on the basis of valuations using quoted market prices or alternate pricing sources and models utilizing market observable inputs, respectively. The Company's money market funds were valued based on quoted prices for the specific securities in an active market and were therefore classified as Level 1. The government and corporate debt securities have been valued on the basis of valuations provided by third-party pricing services, as derived from such services' pricing models. The pricing services may use a consensus price which is a weighted average price based on multiple sources or mathematical calculations to determine the valuation for a security, and have been classified as Level 2. The Company reviews Level 2 inputs and fair value for reasonableness and the values may be further validated by comparison to independent pricing sources. In addition, the Company reviews third-party pricing provider models, key inputs and assumptions and understands the pricing processes at its third-party providers in determining the overall reasonableness of the fair value of its Level 2 financial instruments. As of December 31, 2015 and December 31, 2014, the Company has not made any adjustments to the prices obtained from its third party pricing providers. The contingent liability is classified as Level 3 as of December 31, 2015 and December 31, 2014 and is valued using an internal rate of return model. The assumptions used in preparing the internal rate of return model include estimates for future revenues related to Physpeed products and services and a discount factor of 0.41% at December 31, 2015 and 0.54% and 0.33% at December 31, 2014. The assumptions used in preparing the internal rate of return model include estimates for outcome if milestone goals are achieved, the probability of achieving each outcome and discount rates. Significant changes in any of the unobservable inputs used in the fair value measurement of contingent consideration in isolation could result in a significantly lower or higher fair value. A change in estimated future revenues would be accompanied by a directionally similar change in fair value.

The following table presents a summary of the Company's financial instruments that are measured on a recurring basis:

		Fair Value Measurements at December 31, 2015		
	Balance at December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Assets				
Money market funds	$ 17,144	$ 17,144	$ —	$ —
Government debt securities	17,273	—	17,273	—
Corporate debt securities	45,269	—	45,269	—
	$ 79,686	$ 17,144	$ 62,542	$ —
Liabilities				
Contingent consideration	$ 395	$ —	$ —	$ 395
	$ 395	$ —	$ —	$ 395

		Fair Value Measurements at December 31, 2014		
	Balance at December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Assets				
Money market funds	$ 1,858	$ 1,858	$ —	$ —
Government debt securities	27,151	—	27,151	—
Corporate debt securities	31,504	—	31,504	—
	$ 60,513	$ 1,858	$ 58,655	$ —
Liabilities				
Contingent consideration	$ 265	$ —	$ —	$ 265
	$ 265	$ —	$ —	$ 265

The following summarizes the activity in Level 3 financial instruments:

	Year Ended December 31, 2015
	(in thousands)
Contingent Consideration (1)	
Beginning balance	$ 265
Loss recognized in earnings (2)	130
Ending balance	$ 395
Net loss for the period included in earnings attributable to contingent consideration held at the end of the period:	$ 130

(1) In connection with the acquisition of Physpeed, the Company recorded contingent consideration based upon the expected achievement of certain 2015 and 2016 revenue milestones. Changes to the fair value of contingent consideration due to changes in assumptions used in preparing the valuation model are recorded in selling, general and administrative expense in the statement of operations.

(2) Changes to the estimated fair value of contingent consideration were primarily due to revisions to the Company's expectations of earn-out achievement.

There were no transfers between Level 1, Level 2 or Level 3 securities in the year ended December 31, 2015.

7. Balance Sheet Details

Cash and cash equivalents and investments consist of the following:

	December 31, 2015	December 31, 2014
	(in thousands)	
Cash and cash equivalents	$ 67,956	$ 20,696
Short-term investments	43,300	48,399
Long-term investments	19,242	10,256
	$ 130,498	$ 79,351

Inventory consists of the following:

	December 31, 2015	December 31, 2014
	(in thousands)	
Work-in-process	$ 15,713	$ 4,169
Finished goods	16,730	6,689
	$ 32,443	$ 10,858

Property and equipment consist of the following:

	Useful Life (in Years)	December 31, 2015	December 31, 2014
		(in thousands)	
Furniture and fixtures	5	$ 2,458	$ 735
Machinery and equipment	3 -5	23,679	12,695
Masks and production equipment	2	8,062	8,672
Software	3	3,017	905
Leasehold improvements	4 -5	9,573	4,451
Construction in progress	N/A	62	276
		46,851	27,734
Less accumulated depreciation and amortization		(24,993)	(15,293)
		$ 21,858	$ 12,441

Intangible assets, net consist of the following:

	Weighted Average Amortization Period (in Years)	December 31, 2015	December 31, 2014
		(in thousands)	
Licensed technology	3	$ 2,921	$ 2,821
Developed technology	7	47,000	2,700
Trademarks and trade names	7	1,700	—
Customer relationships	5	4,700	—
Backlog	1	24,200	—
Less accumulated amortization		(32,366)	(2,435)
		48,155	3,086
In-process research and development		3,200	7,300
		$ 51,355	$ 10,386

The following table presents future amortization of the Company's intangible assets at December 31, 2015:

	Amortization (in thousands)
2016	$ 8,043
2017	7,931
2018	7,914
2019	7,897
2020	7,270
Thereafter	9,100
Total	$ 48,155

Deferred revenue and deferred profit consist of the following:

	December 31, 2015	December 31, 2014
	(in thousands)	
Deferred revenue—rebates	$ 118	$ 21
Deferred revenue—distributor transactions	5,695	5,585
Deferred cost of net revenue—distributor transactions	(1,747)	(1,994)
	$ 4,066	$ 3,612

Accrued price protection liability consists of the following activity:

	Year Ended December 31,	
	2015	2014
	(in thousands)	
Beginning balance	$ 10,018	$ 15,017
Additional liability from acquisition	3,486	—
Charged as a reduction of revenue	39,304	22,466
Reversal of unclaimed rebates	(158)	(413)
Payments	(32,624)	(27,052)
Ending balance	$ 20,026	$ 10,018

Accrued expenses and other current liabilities consist of the following:

	December 31, 2015	December 31, 2014
	(in thousands)	
Accrued technology license payments	$ 3,000	$ 3,000
Accrued professional fees	1,196	422
Accrued restructuring	1,633	—
Accrued litigation costs	534	560
Accrued royalty	2,042	195
Other	6,963	1,371
	$ 15,368	$ 5,548

8. Stock-Based Compensation and Employee Benefit Plans

Common Stock

At December 31, 2015, the Company had 500 million authorized shares of Class A common stock and 500 million authorized shares of Class B common stock. Holders of the Company's Class A and Class B common stock have identical voting rights, except that holders of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to ten votes per share with respect to transactions that would result in a change of control of the Company or that relate to the Company's equity incentive plans. In addition, holders of Class B common stock have the exclusive right to elect two members of the Company's Board of Directors, each referred to as a Class B Director. The shares of Class B common stock are not publicly traded. Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock and in most instances automatically converts upon sale or other transfer.

Employee Benefit Plans

At December 31, 2015, the Company had stock-based compensation awards outstanding under the following plans: the 2004 Stock Plan, the 2010 Equity Incentive Plan and the 2010 Employee Stock Purchase Plan as well as the following former Entropic plans: the RF Magic 2000 Incentive Stock Plan, the 2001 Stock Option Plan, the 2007 Equity Incentive Plan, the 2007 Non-Employee Director's Plan and the 2012 Inducement Award Plan. All current stock awards are issued under the 2010 Equity Incentive Plan and 2010 Employee Stock Purchase Plan.

2010 Equity Incentive Plan

The 2010 Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights, performance-based stock awards, and other forms of equity compensation, or collectively, stock awards. The aggregate number of shares of Class A common stock that may be issued pursuant to stock awards under the 2010 Plan will increase by any shares subject to stock options or other awards granted under the 2004 Stock Plan that expire or otherwise terminate without having been exercised in full and shares issued pursuant to awards granted under the 2004 Stock Plan that are forfeited to or repurchased by the Company. In addition, the number of shares of common stock reserved for issuance will automatically increase on the first day of each fiscal year, equal to the lesser of: 2.6 million shares of the Company's Class A common stock; four percent (4%) of the outstanding shares of the Company's Class A common stock and Class B common stock on the last day of the immediately preceding fiscal year; or such lesser amount as the Company's board of directors may determine. Options granted will generally vest over a four year period and the term can be from seven to ten years.

2010 Employee Stock Purchase Plan

The ESPP authorizes the issuance of shares of the Company's Class A common stock pursuant to purchase rights granted to the Company's employees. The number of shares of the Company's common stock reserved for issuance will automatically increase on the first day of each fiscal year, equal to the least of: 1.0 million shares of the Company's Class A common stock; one and a quarter percent (1.25%) of the outstanding shares of the Company's Class A common stock and Class B common stock on the first day of the fiscal year; or such lesser amount as may be determined by our board of directors or a committee appointed by our board of directors to administer the ESPP. The ESPP is implemented through a series of offerings of purchase rights to eligible employees. Under the ESPP, the Company may specify offerings with a duration of not more than 27 months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of the Company's common stock will be purchased for employees participating in the offering. An offering may be terminated under certain circumstances. Generally, all regular employees, including executive officers, employed by the Company may participate in the ESPP and may contribute up to 15% of their earnings for the purchase of the Company's common stock under the ESPP. Unless otherwise determined by the Company's board of directors, Class A common stock will be purchased for accounts of employees participating in the ESPP at a price per share equal to the lower of (a) 85% of the fair market value of a share of the Company's Class A common stock on the first date of an offering or (b) 85% of the fair market value of a share of the Company's Class A common stock on the date of purchase.

Executive Incentive Bonus Plan

In April 2012, the Company's compensation committee amended its Executive Incentive Bonus Plan to, among other things, permit the settlement of awards under the plan in the form of shares of its Class A common stock. In May 2013, the Company's compensation committee amended its Executive Incentive Bonus Plan to permit the settlement of awards under the plan in any combination of cash or shares of its Class A common stock. For the January 1, 2015 to June 30, 2015, 2014 and 2013 performance period, actual awards under the Executive Incentive Bonus Plan were settled in Class A common stock issued under its 2010 Equity Incentive Plan with the number of shares issuable to plan participants determined based on the closing sales price of the Company's Class A common stock as determined in trading on the New York Stock Exchange on August 20, 2015, May 14, 2015 and May 9, 2014, respectively. Additionally, the Company settled all bonus awards for all other employees for the January 1, 2015 to June 30, 2015, 2014 and 2013 performance period in shares of its Class A common stock. The Company issued 0.3 million shares of its Class A common stock for the January 1, 2015 to June 30, 2015 performance period upon settlement of the bonus awards on August 20, 2015. The Company issued 0.2 million shares of its Class A common stock for the 2014 performance period upon settlement of the bonus awards on May 14, 2015. The Company issued 0.6 million shares of its Class A common stock for the 2013 performance period upon settlement of the bonus awards on May 9, 2014.

At December 31, 2015, an accrual of $4.1 million was recorded for bonus awards for employees for the July 1, 2015 - December 31, 2015 performance period, which the Company intends to settle in shares of its Class A common stock issued under its 2010 Equity Incentive Plan, as amended, with the number of shares issuable to plan participants determined based on the closing sales price of the Company's Class A common stock as determined in trading on the New York Stock Exchange at a date to be determined. The Company's compensation committee retains discretion to effect payment in cash, stock, or a combination of cash and stock.

Stock-Based Compensation

Stock-based compensation expense is classified in the consolidated statements of operations based on the department to which the related employee reports. The Company recognized stock-based compensation in the statements of operations as follows:

	Years Ended December 31,		
	2015	2014	2013
		(in thousands)	
Cost of net revenue	$ 213	$ 131	$ 108
Research and development	13,205	9,686	8,258
Selling, general and administrative	5,850	5,191	4,320
	$ 19,268	$ 15,008	$ 12,686

The total unrecognized compensation cost related to unvested stock options as of December 31, 2015 was $1.6 million, and the weighted average period over which these equity awards are expected to vest is 1.42 years. The total unrecognized compensation cost related to unvested restricted stock units and restricted stock awards as of December 31, 2015 was $26.6 million, and the weighted average period over which these equity awards are expected to vest is 2.59 years.

The Company records equity instruments issued to non-employees as expense at their fair value over the related service period as determined in accordance with the authoritative guidance and periodically revalues the equity instruments as they vest. Stock-based compensation expense related to non-employee consultants totaled $0.7 million, $0.1 million and $0.2 million for 2015, 2014 and 2013, respectively.

In connection with the acquisition of Entropic, the Company assumed stock options and RSUs originally granted by Entropic. Stock-based compensation expense in the year ended December 31, 2015 included $0.2 million and $3.4 million, respectively, related to assumed Entropic stock options and RSUs.

Stock Options

The Company uses the Black-Scholes valuation model to calculate the fair value of stock options and employee stock purchase rights granted to employees. Stock-based compensation expense is recognized over the vesting period using the straight-line method and is classified in the consolidated statements of operations based on the department to which the related employee reports.

The fair values of stock options and employee stock purchase rights (related to the Company's ESPP) were estimated at their respective grant date using the following assumptions:

Stock Options

	Years Ended December 31,		
	2015 [1]	2014	2013
Weighted-average grant date fair value per share	N/A	$ 4.03	$ 3.24
Risk-free interest rate	N/A	1.70%	0.71%
Dividend yield	N/A	—%	—%
Expected life (in years)	N/A	4.56	4.75
Volatility	N/A	51.00%	56.00%

(1) No options granted during 2015.

Employee Stock Purchase Rights

	Years Ended December 31,		
	2015	2014	2013
Weighted-average grant date fair value per share	$2.25 - $5.02	$2.03 - $2.47	$1.85 - $2.09
Risk-free interest rate	0.09 - 0.33%	0.05 - 0.07%	0.09 - 0.10%
Dividend yield	—%	—%	—%
Expected life (in years)	0.50	0.50	0.50
Volatility	32.65 - 59.14%	47.75 - 46.82%	39.24 - 41.58%

The risk-free interest rate assumption was based on the United States Treasury's rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the award being valued. The assumed dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future. The weighted-average expected life of options was calculated using the simplified method as prescribed by guidance provided by the SEC. This decision was based on the lack of historical data due to the Company's limited number of stock option exercises under the 2010 Equity Incentive Plan. In addition, due to the Company's limited historical data, the estimated volatility incorporates the historical volatility of comparable companies whose share prices are publicly available. Effective for the year ended December 31, 2014, the Company is no longer incorporating the historical volatility of comparable companies in determining estimated volatility.

A summary of the Company's stock option activity is as follows:

	Number of Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2014	3,963	$ 5.69		
Granted [1]	—	N/A		
Assumed [2]	1,894	13.83		
Exercised	(1,080)	5.97		
Canceled	(1,205)	14.86		
Outstanding at December 31, 2015	3,572	$ 6.83	3.66	$ 29,567
Vested and expected to vest at December 31, 2015	3,549	$ 6.82	3.64	$ 29,408
Exercisable at December 31, 2015	2,887	$ 6.75	3.45	$ 24,362

(1) No options granted during 2015.

(2) Assumed options from the Entropic acquisition.

The intrinsic value of stock options exercised during 2015, 2014 and 2013 was $6.6 million, $0.6 million and $0.3 million, respectively.

Restricted Stock Units and Restricted Stock Awards

The Company calculates the fair value of restricted stock units and restricted stock awards based on the fair market value of the Company's Class A common stock on the grant date. Stock-based compensation expense is recognized over the vesting period using the straight-line method and is classified in the consolidated statements of operations based on the department to which the related employee reports.

A summary of the Company's restricted stock unit and restricted stock award activity is as follows:

	Number of Shares (in thousands)	Weighted-Average Grant-Date Fair Value per Share
Outstanding at December 31, 2014	3,512	$ 7.00
Granted	2,963	10.41
Assumed [1]	1,303	8.79
Vested	(3,022)	7.92
Canceled	(1,114)	8.45
Outstanding at December 31, 2015	3,642	9.19

[1] Assumed awards from the Entropic acquisition.

The intrinsic value of restricted stock units and restricted stock awards vested during 2015, 2014 and 2013 was $53.6 million, $21.9 million, and $14.9 million, respectively. The intrinsic value of restricted stock units and restricted stock awards outstanding at December 31, 2015 was $31.4 million.

Shares Reserved for Future Issuance

As of December 31, 2015, common stock reserved for future issuance is as follows:

	Number of Shares (in thousands)
Stock options outstanding	3,572
Restricted stock units and restricted stock awards outstanding	3,642
Authorized for future grants under 2010 Equity Incentive Plan	4,694
Authorized for future issuance under 2010 Employee Stock Purchase Plan	1,247
Total	13,155

9. Income Taxes

The domestic and international components of loss before provision (benefit) from income taxes are presented as follows:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Domestic	$ (44,094)	$ (9,631)	$ (12,770)
Foreign	1,188	886	439
Loss before income taxes	$ (42,906)	$ (8,745)	$ (12,331)

Income tax provision (benefit) consists of the following:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Current:			
Federal	$ —	$ —	$ —
State	16	1	—
Foreign	942	577	574
Total current	958	578	574
Deferred:			
Federal	(13,759)	(3,341)	(5,217)
State	(1,034)	253	(1,174)
Foreign	126	54	(166)
Valuation allowance release due to acquisition	(1,757)	(2,335)	—
Change in valuation allowance	14,891	3,087	6,385
Total deferred	(1,533)	(2,282)	(172)
Total income tax provision (benefit)	$ (575)	$ (1,704)	$ 402

The actual income tax provision (benefit) differs from the amount computed using the federal statutory rate as follows:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Provision (benefit) at statutory rate	$ (14,588)	$ (2,973)	$ (4,191)
State income taxes (net of federal benefit)	275	(391)	1
Research and development credits	(2,083)	(66)	(3,630)
Foreign rate differential	(62)	(31)	(80)
Stock compensation	549	609	460
Foreign deemed dividend	279	—	835
Transaction costs	1,329	—	—
Uncertain tax positions	600	304	266
Foreign tax credits	(144)	—	—
Permanent and other	96	92	356
Valuation allowance release due to acquisition	(1,757)	(2,335)	—
Valuation allowance	14,931	3,087	6,385
Total provision (benefit) for income taxes	$ (575)	$ (1,704)	$ 402

The components of the deferred income tax assets are as follows:

	December 31,	
	2015	2014
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$ 27,996	$ 9,878
Research and development credits	48,531	12,784
Accrued expenses and other	13,654	1,271
Accrued compensation	1,747	1,380
Stock-based compensation	4,245	4,516
Intangible assets	7,198	3,173
	103,371	33,002
Less valuation allowance	(98,535)	(28,753)
	4,836	4,249
Deferred tax liability:		
Fixed assets	(2,322)	(3,523)
Unremitted foreign earnings	(2,628)	(614)
Net deferred tax assets	$ (114)	$ 112

At December 31, 2015, the Company had federal and state tax net operating loss carryforwards of approximately $96.5 million and $37.1 million, respectively. These amounts include share-based compensation for federal and state of $22.9 million and $3.8 million, that will be recorded to contributed capital when realized. The federal and state tax loss carryforwards will begin to expire in 2020 and 2016, respectively, unless previously utilized.

At December 31, 2015, the Company had federal and state tax credit carryforwards of approximately $33.2 million and $37.0 million, respectively. The federal tax credit carryforward will begin to expire in 2020, unless previously utilized. The state tax credits do not expire. In addition, the Company has federal alternative minimum tax credit carryforwards of $1.0 million that can be carried forward indefinitely.

The Company evaluated its net deferred income taxes, which included an assessment of the cumulative income or loss over the prior three-year period and future periods, to determine if a valuation allowance is required. After considering its recent history of losses and management's expectations of additional near-term losses, the Company recorded a valuation allowance on its net federal and state deferred tax assets net of deferred tax liabilities related to indefinite-lived intangibles for which no future realization can be expected. During 2015, the Company maintained a valuation allowance against all of its federal and state deferred tax assets as realization of such assets does not meet the more-likely-than-not threshold required under accounting guidelines. The Company will continue to assess the need for a valuation allowance on the deferred tax assets by evaluating positive and negative evidence that may exist.

The change in valuation allowance during 2015 related to operations was $14.9 million. Additionally, the Company completed the acquisition of Entropic in the second quarter. As a result of the acquisition, there was a valuation allowance release resulting in a tax benefit of $1.8 million.

At December 31, 2015, the Company’s unrecognized tax benefits totaled $26.1 million, $20.7 million of which, if recognized at a time when the valuation allowance no longer exists, would affect the effective tax rate. The Company will recognize interest and penalties related to unrecognized tax benefits as a component of income tax expense. At December 31, 2015, the Company had accrued approximately $0.1 million of interest and penalties. The Company expects a decrease to its unrecognized tax benefits of $0.1 million within twelve months.

The following table summarizes the changes to the unrecognized tax benefits during 2015, 2014 and 2013:

	(in thousands)
Balance as of December 31, 2012	$ 3,750
Additions based on tax positions related to the current year	1,689
Additions based on tax positions of prior years	23
Balance as of December 31, 2013	5,462
Additions based on tax positions related to the current year	3,158
Additions based on tax positions of prior years	2,188
Balance as of December 31, 2014	10,808
Additions based on tax positions related to the current year	2,585
Additions related to Entropic acquisition	13,733
Decreases based on tax positions of prior year	(1,073)
Balance as of December 31, 2015	$ 26,053

The Company is subject to federal and state income tax in the United States and is also subject to income tax in certain other foreign tax jurisdictions. At December 31, 2015, the Company is no longer subject to federal, state or foreign income tax examinations for the years before 2012, 2011 and 2007, respectively. However, to the extent allowed by law, the tax authorities may have the right to examine prior periods where net operating losses or tax credits were generated and carried forward, and make adjustments up to the amount of the net operating loss or credit carryforward amount.

At December 31, 2013, the Company was under examination by the federal tax authorities for the tax years 2010 and 2011. This examination closed in January, 2014. The impact of any adjustments was reflected in 2013. At December 31, 2012, the Company was under examination by the California tax authorities for the tax years 2008 and 2009. This examination closed during the three months ended March 31, 2013 with no adjustment to taxable income. The Company is not currently under federal, state or foreign examination.

On January 2, 2013, the American Taxpayer Relief Act of 2012 was enacted. The Act included several provisions related to corporate income tax including the reinstatement of the credit for qualified research and development. The credit was reinstated for years beginning after January 1, 2012. On December 19, 2014, the Tax Increase Prevention Act was enacted. The Act included several business tax provisions including the extension of the credit for qualified research and development through 2014. On December 18, 2015, the Protecting Americans from Tax Hikes Act of 2015 was enacted. The Act included several business tax provisions including the permanent extension of the credit for qualified research and development.

10. Employee Retirement Plan

The Company has a 401(k) defined contribution retirement plan (the 401(k) Plan) covering all eligible employees. Participants may voluntarily contribute on a pre-tax basis an amount not to exceed a maximum contribution amount pursuant to Section 401(k) of the Internal Revenue Code. The Company is not required to contribute, nor has it contributed, to the 401(k) Plan for any of the periods presented.

11. Commitments and Contingencies

Lease Commitments and Other Contractual Obligations

The Company leases facilities and certain equipment under operating lease arrangements expiring at various years through fiscal 2022. As of December 31, 2015, future minimum payments under non-cancelable operating leases, other obligations and inventory purchase obligations are as follows:

	Operating Leases	Other Obligations	Inventory Purchase Obligations
		(in thousands)	
2016	$ 8,178	$ 10,282	$ 13,625
2017	6,814	4,687	—
2018	5,935	700	—
2019	5,678	—	—
2020	5,947	—	—
Thereafter	7,667	—	—
Total minimum payments	$ 40,219	$ 15,669	$ 13,625

On December 17, 2013, the Company amended a lease arrangement with The Campus Carlsbad, LLC, so that the current Carlsbad office space of approximately 45,000 square feet will be expanded to include an additional 24,000 square feet of space. The original lease, which had a term of three years and seven months with an original expiration date of November 30, 2019, was extended to an expiration date of June 30, 2022. During 2015, the Company has begun significant tenant improvement activities to expand into this office space. The Company was provided a tenant improvement allowance of approximately $1,543,000 for tenant improvement costs and related fees and expenses.

On November 11, 2015, the Company entered into a real property lease with The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, with respect to the lease of approximately 50,235 square feet of office and laboratory space located at 50 Parker in Irvine, California. The Company expects to relocate current operations in Irvine, California to the new facility in 2016.

The lease has an initial term of six years and two months, commencing on the later of (i) April 1, 2016 or (i) the date upon which certain building and tenant improvements have been substantially completed and possession of the substantially completed premises has been tendered by the landlord to us. The base monthly rent under the lease is approximately $68,000 per month during the first year of the initial lease term, increasing to approximately $86,000 per month during the last year of the initial lease term. The lease contains an option to extend the lease term for a single, five-year period. If the lease term is extended for the optional five-year period, the monthly base rent will be adjusted based on the fair market rental value. In addition to base rent, the Company has agreed to pay for a proportional share of the common area operating expenses and real property taxes. The lease includes customary provisions providing for late fees for unpaid rent, landlord access to the property, insurance obligations and events of default. In addition, this agreement includes tenant improvement incentives of $2.7 million.

Entropic Communications Merger Litigation

The Delaware Actions

Beginning on February 9, 2015, eleven stockholder class action complaints (captioned *Langholz v. Entropic Communications, Inc., et al.*, C.A. No. 10631-VCP (filed Feb. 9, 2015); *Tomblin v. Entropic Communications, Inc.*, C.A. No. 10632-VCP (filed Feb. 9, 2015); *Crill v. Entropic Communications, Inc., et al.*, C.A. No. 10640-VCP (filed Feb. 11, 2015); *Wohl v. Entropic Communications, Inc., et al.*, C.A. No. 10644-VCP (filed Feb. 11, 2015); *Parshall v. Entropic Communications, Inc., et al.*, C.A. No. 10652-VCP (filed Feb. 12, 2015); *Saggar v. Padval, et al.*, C.A . No. 10661-VCP (filed Feb. 13, 2015); *Iyer v. Tewksbury, et al.*, C.A. No. 10665-VCP (filed Feb. 13, 2015); *Respler v. Entropic Communications, Inc., et al.*, C.A. No. 10669-VCP (filed Feb. 17, 2015); *Gal v. Entropic Communications, Inc., et al.*, C.A. No. 10671-VCP (filed Feb. 17, 2015); *Werbowsky v. Padval, et al.*, C.A. No. 10673-VCP (filed Feb. 18, 2015); and *Agosti v. Entropic Communications, Inc.*, C.A. No. 10676-VCP (filed Feb. 18, 2015)) were filed in the Court of Chancery of the State of Delaware on behalf of a putative class of Entropic Communications, Inc. stockholders. The complaints name Entropic, the board of directors of Entropic, MaxLinear, Excalibur Acquisition Corporation, and Excalibur Subsidiary, LLC as defendants. The complaints

generally allege that, in connection with the proposed acquisition of Entropic by MaxLinear, the individual defendants breached their fiduciary duties to Entropic stockholders by, among other things, purportedly failing to take steps to maximize the value of Entropic to its stockholders and agreeing to allegedly preclusive deal protection devices in the merger agreement. The complaints further allege that Entropic, MaxLinear, and/or the merger subsidiaries aided and abetted the individual defendants in the alleged breaches of their fiduciary duties. The complaints seek, among other things, an order enjoining the defendants from consummating the proposed transaction, an order declaring the merger agreement unlawful and unenforceable, in the event that the proposed transaction is consummated, an order rescinding it and setting it aside or awarding rescissory damages to the class, imposition of a constructive trust, damages, and/or attorneys' fees and costs.

On March 27, 2015, plaintiffs Ankur Saggar, Jon Werbowsky, and Angelo Agosti filed an amended class action complaint. Also on March 27, 2015, plaintiffs Martin Wohl and Jeffrey Park filed an amended class action complaint. On April 1, 2015, plaintiff Mark Respler filed an amended class action complaint.

On April 16, 2015, the Court entered an order consolidating the Delaware actions, captioned *In re Entropic Communications, Inc. Consolidated Stockholders Litigation*, C.A. No. 10631-VCP (the "Consolidated Action"). The April 16, 2015 order appointed plaintiffs Rama Iyer and Jon Werbowsky as Co-Lead Plaintiffs and designated the amended complaint filed by plaintiffs Ankur Saggar, Jon Werbowsky, and Angelo Agosti as the operative complaint (the "Amended Complaint").

The Amended Complaint names as defendants Entropic, the board of directors of Entropic, the Company, Excalibur Acquisition Corporation, and Excalibur Subsidiary, LLC. The Amended Complaint generally alleges that, in connection with the proposed acquisition of Entropic by the Company, the individual defendants breached their fiduciary duties to Entropic stockholders by, among other things, purportedly failing to maximize the value of Entropic to its stockholders, engaging in a purportedly unfair and conflicted sale process, agreeing to allegedly preclusive deal protection devices in the merger agreement, and allegedly misrepresenting and/or failing to disclose all material information in connection with the proposed transaction. The Amended Complaint further alleges that the Company and the merger subsidiaries aided and abetted the individual defendants in the alleged breaches of their fiduciary duties. The Amended Complaint seeks, among other things: an order declaring the merger agreement unlawful and unenforceable, an order rescinding, to the extent already implemented, the merger agreement, an order enjoining defendants from consummating the proposed transaction, imposition of a constructive trust, and attorneys' and experts' fees and costs.

On April 24, 2015, the parties to the Consolidated Action entered into a memorandum of understanding regarding a proposed settlement of the Delaware actions. The proposed settlement is subject to negotiation of the settlement papers by the parties and is subject to court approval after notice and an opportunity to object is provided to the proposed settlement class. There can be no assurance that the parties will reach agreement regarding the final terms of the settlement agreement or that the Court of Chancery will approve the settlement.

Based on the above, we have determined that an unfavorable outcome is probable or reasonably possible; or determined that the amount or range of any possible loss is reasonably estimable. The reasonably estimable loss is not material.

CrestaTech Litigation

On January 21, 2014, CrestaTech Technology Corporation, or CrestaTech, filed a complaint for patent infringement against us in the United States District Court of Delaware (the "District Court Litigation"). In its complaint, CrestaTech alleges that we infringe U.S. Patent Nos. 7,075,585 (the "'585 Patent") and 7,265,792. In addition to asking for compensatory damages, CrestaTech alleges willful infringement and seeks a permanent injunction. CrestaTech also names Sharp Corporation, Sharp Electronics Corp. and VIZIO, Inc. as defendants based upon their alleged use of our television tuners. On January 28, 2014, CrestaTech filed a complaint with the U.S. International Trade Commission, or ITC, again naming, among others, us, Sharp, Sharp Electronics, and VIZIO ("the "ITC Investigation"). On May 16, 2014 the ITC granted CrestaTech's motion to file an amended complaint adding six OEM Respondents, namely, SIO International, Inc., Hon Hai Precision Industry Co., Ltd., Wistron Corp., Wistron Infocomm Technology (America) Corp., Top Victory Investments Ltd. and TPV International (USA), Inc. (collectively, with us, Sharp and VIZIO, the "Company Respondents"). CrestaTech's ITC complaint alleged a violation of 19 U.S.C. § 1337 through the importation into the United States, the sale for importation, or the sale within the United States after importation of the Company's accused products that CrestaTech alleges infringe the same two patents asserted in the Delaware action. Through its ITC complaint, CrestaTech sought an exclusion order preventing entry into the United States of certain of our television tuners and televisions containing such tuners from Sharp, Sharp Electronics, and VIZIO. CrestaTech also sought a cease and desist order prohibiting the Company Respondents from engaging in the importation into, sale for importation into, the sale after importation of, or otherwise transferring within the United States certain of our television tuners or televisions containing such tuners.

On December 1-5, 2014, the ITC held a trial in the ITC Investigation. On February 27, 2015, the Administrative Law Judge issued a written Initial Determination (“ID”), ruling that the Company Respondents do not violate Section 1337 in connection with CrestaTech’s asserted patents because CrestaTech failed to satisfy the economic prong of the domestic industry requirement pursuant to Section 1337(a)(2). In addition, the ID stated that certain of our television tuners and televisions incorporating those tuners manufactured and sold by certain customers infringe three claims of the ‘585 Patent, and these three claims were not determined to be invalid. On April 30, 2015, the ITC issued a notice indicating that it intended to review portions of the ID finding no violation of Section 1337, including the ID’s findings of infringement with respect to, and validity of, the ‘585 Patent, and the ID’s finding that CrestaTech failed to establish the existence of a domestic industry within the meaning of Section 1337.

The ITC has subsequently issued its opinion, which terminated its investigation. The opinion affirmed the findings of the administrative law judge that no violation of Section 1337 had occurred because CrestaTech had failed to establish the economic prong of the domestic industry requirement. The ITC also affirmed the administrative law judge's finding of infringement with respect to the three claims of the '585 Patent that were not held to be invalid. On November 30, 2015, CrestaTech filed an appeal of the ITC decision with the United States Court of Appeals for the Federal Circuit (the "Federal Circuit").

The District Court Litigation remains stayed pending resolution of the appeal to the ITC. In addition, we have filed four petitions for inter partes review ("IPR") by the US Patent Office of the two CrestaTech patents asserted against us. The Patent Trial and Appeal Board (“PTAB”) did not institute two of these IPRs as being redundant to IPRs filed by another party that are already underway for the same CrestaTech patent. The remaining two petitions were instituted or instituted-in-part and, together with the IPRs filed by third parties, there are currently six IPR proceedings filed involving the two CrestaTech patents asserted against us. In October 2015, the PTAB issued final decisions in two of the six IPR proceedings, holding that all of the reviewed claims are unpatentable. Included in these decisions was one of the three claims mentioned above. CrestaTech is appealing the PTAB’s decisions at the Federal Circuit.

We cannot predict the outcome of any appeal by CrestaTech, the District Court Litigation, or the IPRs. Any adverse determination in the District Court Litigation could have a material adverse effect on our business and operating results.

12. Concentration of Credit Risk and Significant Customers

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and cash equivalents and accounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. At times, such deposits may be in excess of insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents.

The Company markets its products and services to manufacturers of wired and wireless communications equipment throughout the world. The Company makes periodic evaluations of the credit worthiness of its customers and does not require collateral for credit sales.

(in thousands, except per share amounts and percentage data)

Customers greater than 10% of net revenues for each of the periods presented are as follows:

	Years Ended December 31,		
	2015	2014	2013
Percentage of total net revenue			
Arris[1]	28%	31%	28%
Cisco[2]	13%	*	*

* Represents less than 10% of the net revenue for the respective period.
[1] Includes sales to Motorola Home, which was acquired by Arris in April 2013, for all periods presented.
[2] In November 2015, Technicolor completed its purchase of Cisco's connected devices business. The revenue percentage did not include the 1% revenue percentage for Technicolor.

Products shipped to international destinations representing greater than 10% of net revenue for each of the periods presented are as follows:

	Years Ended December 31,		
	2015	2014	2013
Percentage of total net revenue			
China	77%	71%	68%

The determination of which country a particular sale is allocated to is based on the destination of the product shipment.

Balances greater than 10% of accounts receivable are as follows:

	December 31,	
	2015	2014
Percentage of gross accounts receivable		
Pegatron Corporation	17%	41%
WNC Corporation	16%	*
Sernet Technologies Corporation	14%	11%
MTI Jupiter Technologies	13%	*

* Represents less than 10% of the gross accounts receivable for the respective period end.

13. Selected Quarterly Financial Data (Unaudited)

The following table presents the Company's unaudited quarterly financial data for each of the eight quarters in the period ended December 31, 2015. In management's opinion, this information has been presented on the same basis as the audited consolidated financial statements included in a separate section of this report, and all necessary adjustments, consisting only of normal recurring adjustments, have been included in the amounts below to present fairly the unaudited quarterly results when read in conjunction with the audited consolidated financial statements and related notes. The operating results for any quarter should not be relied upon as necessarily indicative of results for any future period.

MAXLINEAR, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except per share amounts and percentage data)

	Year Ended December 31, 2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands, except per share amounts)			
Net revenue	$ 35,396	$ 70,824	$ 95,191	$ 98,949
Gross profit	$ 21,671	$ 26,942	$ 51,050	$ 55,760
Net income (loss)	$ (4,722)	$ (30,647)	$ 1,582	$ (8,544)
Net income (loss) per share:				
Basic	$ (0.12)	$ (0.58)	$ 0.03	$ (0.14)
Diluted	$ (0.12)	$ (0.58)	$ 0.03	$ (0.14)

	Year Ended December 31, 2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands, except per share amounts)			
Net revenue	$ 32,501	$ 35,592	$ 32,541	$ 32,478
Gross profit	$ 20,053	$ 22,246	$ 19,909	$ 19,750
Net loss	$ (862)	$ (612)	$ (3,205)	$ (2,362)
Net loss per share:				
Basic	$ (0.02)	$ (0.02)	$ (0.09)	$ (0.06)
Diluted	$ (0.02)	$ (0.02)	$ (0.09)	$ (0.06)

EXHIBIT 10.12

[CEO/CFO FORM OF CHANGE IN CONTROL AGREEMENT]

MAXLINEAR, INC.

CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Change in Control and Severance Agreement (the "Agreement") is made and entered into by and between _____ ("Executive") and MaxLinear, Inc. (the "Company" and, together with the "Executive," the "Parties"), effective as of _____ (the "Effective Date").

RECITALS

1. It is expected that the Company from time to time will consider the possibility of an acquisition by another company or other change in control. The Board of Directors of the Company (the "Board") recognizes that such consideration can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined herein) of the Company.

2. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with certain severance benefits upon Executive's termination of employment under certain circumstances, provided that Executive is a Section 16 Officer immediately prior to the Change in Control or date of termination. For this purpose, a "Section 16 Officer" is an employee of the Company who has been designated by the Board, at its discretion and consistent with applicable law, as being subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change in Control.

3. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement. This Agreement will have an initial term of three (3) years commencing on the Effective Date (the "Initial Term"). On the third anniversary of the Effective Date, the Agreement will renew automatically for an additional three (3) year term (each, an "Additional Term"), unless either party provides the other party with written notice of non-renewal at least ninety (90) days prior to the date of automatic renewal. This Agreement will terminate upon the earlier of (A) the date the term of the Agreement expires, as described above, (B) the date that all of the obligations

of the Parties with respect to this Agreement have been satisfied, or (C) any time prior to the Change in Control if the Executive has ceased to be a Section 16 Officer. Notwithstanding the foregoing, (a) if a Change in Control occurs and there are less than twenty-four (24) months remaining in the term of this Agreement, the term of this Agreement will extend automatically through the date that is twenty-four (24) months following the effective date of the Change in Control, or (b) if an initial occurrence of an act or omission by the Company constituting the grounds for "Good Reason" in accordance with Section 6(f) hereof has occurred (the "Initial Grounds"), and the expiration date of the Company cure period (as described in Section 6(f)(B)) with respect to such Initial Grounds could occur following the expiration of the Initial Term or the Additional Term, the term of this Agreement will extend automatically through the date that is fifteen (15) days following the expiration of such cure period, but such extension of the term will only apply with respect to the Initial Grounds.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and will continue to be at-will, as defined under applicable law.

3. Severance Benefits.

(a) Involuntary Termination Not in Connection with a Change in Control . If (i) Executive terminates his or her employment with the Company (or any parent, subsidiary, or successor of the Company) for Good Reason or (ii) the Company (or any parent, subsidiary or successor of the Company) terminates Executive's employment without Cause, and, in each case, such termination occurs outside of the Change in Control Period, then, subject to the Executive signing and not revoking the release of claims as required by Section 4, Executive will receive the following severance benefits from the Company:

(i) Severance Payment. Executive will receive a single lump sum severance payment (less applicable withholding taxes) in an amount equal to six (6) months of Executive's annual salary determined at a rate equal to the Executive's then-current annual salary as of the date of such termination.

(ii) Extended Post-Termination Exercise Period / Equity Awards . Notwithstanding any other provision in any applicable equity compensation plan and/or individual Equity Award agreement, (i) Executive's outstanding and vested stock options and/or stock appreciation rights as of the Executive's termination of employment date will remain exercisable until the six (6) month anniversary of the termination date; provided, however, that the post-termination exercise period for any individual stock option will not extend beyond its original maximum term, and (ii) Executive's outstanding Equity Awards (other than the Equity Awards described in (i) of this sentence) will remain outstanding until the three (3) month anniversary of Executive's termination of employment date, and if no Change in Control has occurred as of such date, such Equity Awards (other than the Equity Awards described in (i) of this sentence) will terminate.

(iii) Continuation Coverage. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") within the time period prescribed pursuant to COBRA for Executive and Executive's eligible dependents, then the Company will reimburse Executive for the COBRA premiums for such

coverage (at the coverage levels in effect immediately prior to Executive's termination) until the earlier of (A) a period of twelve (12) months from the date of termination or (B) the date upon which Executive and/or Executive's eligible dependents become covered under similar plans. The reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy. Notwithstanding the first sentence of this Section 3(a)(iii), if the Company determines in its sole discretion that it cannot provide the foregoing benefit without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the termination of employment date (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence on the month following Executive's termination of employment and will end on the earlier of (x) the date upon which Executive obtains other employment or (y) the date the Company has paid an amount equal to twelve (12) months. For the avoidance of doubt, the taxable payments in lieu of COBRA reimbursements may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

(b) Involuntary Termination in Connection with a Change in Control . If (i) Executive terminates his or her employment with the Company (or any parent, subsidiary, or successor of the Company) for Good Reason or (ii) the Company (or any parent, subsidiary or successor of the Company) terminates Executive's employment without Cause, and, in each case, such termination occurs within the Change in Control Period, then, subject to the Executive signing and not revoking the release of claims as required by Section 4, Executive will receive the following severance benefits from the Company:

(i) Severance Payment. Executive will receive a single lump sum severance payment (less applicable withholding taxes) in an amount equal to twenty-four (24) months of Executive's annual salary determined at a rate equal to the greater of (A) Executive's annual salary as in effect immediately prior to the Change in Control, or (B) Executive's then-current annual salary as of the date of such termination. For the avoidance of doubt, if (x) Executive incurred a termination prior to a Change in Control that qualifies Executive for severance payments under Section 3(a)(i); and (y) a Change in Control occurs within the three (3)-month period following Executive's termination of employment that qualifies Executive for the superior benefits under this Section 3(b)(i), then Executive shall be entitled to a lump-sum payment of the amount calculated under this Section 3(b)(i), *less* amounts already paid under Section 3(a)(i) and such lump-sum amount shall be payable upon the later of: (A) the Change in Control, (B) the date the release of claims required by Section 4 is effective and irrevocable; or (C) such later date required by Section 10.

(ii) Bonus Payment. Executive will receive a lump sum cash payment (less applicable withholding taxes) in an amount equal to (A) the Executive's target annual bonus for the year immediately preceding the year of the Change in Control multiplied by (B) a fraction, the numerator of which is the number of days between (and including) the start of the year in which the Executive's termination occurs and the date of termination and the denominator of which is 365.

(iii) Accelerated Vesting of Equity Awards . One hundred percent (100%) of Executive's unvested Equity Awards will become vested and will otherwise remain subject to the terms and conditions of the applicable Equity Award agreement.

(iv) Extended Post-Termination Exercise Period . Notwithstanding any other provision in any applicable equity compensation plan and/or individual stock option agreement, Executive's outstanding and vested stock options and/or stock appreciation rights as of the Executive's termination of employment date will remain exercisable until the twelve (12) month anniversary of the termination date; provided, however, that the post-termination exercise period for any individual stock option will not extend beyond its original maximum term.

(v) Continuation Coverage. If Executive elects continuation coverage pursuant COBRA within the time period prescribed pursuant to COBRA for Executive and Executive's eligible dependents, then the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination) until the earlier of (A) a period of eighteen (18) months from the date of termination or (B) the date upon which Executive and/or Executive's eligible dependents become covered under similar plans. The reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy. Notwithstanding the first sentence of this Section 3(b)(v), if the Company determines in its sole discretion that it cannot provide the foregoing benefit without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the termination of employment date (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence on the month following Executive's termination of employment and will end on the earlier of (x) the date upon which Executive obtains other employment or (y) the date the Company has paid an amount equal to eighteen (18) months. For the avoidance of doubt, the taxable payments in lieu of COBRA reimbursements may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

(c) Timing of Severance Payments. Unless otherwise required pursuant to Section 10 of this Agreement, the Company will pay the cash severance payments to which Executive is entitled under Sections 3(a)(i) and 3(b)(i) and (ii) of this Agreement in a lump sum on the first regularly scheduled payroll date following the date the release of claims required by Section 4 becomes effective and irrevocable, provided, however, that such payment will be delayed to the extent required by Section 3(b)(i), Section 4 and/or Section 10 of this Agreement. Except to the extent payment is delayed pursuant to Section 3(b)(i) or Section 10(b), all cash severance payments under Sections 3(a)(i) and 3(b)(i) and (ii) of this Agreement will be paid no later than March 15 of the year following the year in which the termination occurs. If taxable cash payments become required under Sections 3(a)(iii) and 3(b)(v), such payments shall be paid on the last day of a given month that Executive would have otherwise been entitled to COBRA premium reimbursements, subject to the provisions of Sections 4(a) and 10.

(d) Voluntary Resignation; Termination For Cause . If Executive's employment with the Company terminates (i) voluntarily by Executive (other than for Good Reason) or (ii) for Cause by the Company, then Executive will not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and practices or pursuant to other written agreements with the Company, including, without limitation, any Equity Award agreement.

(e) Disability; Death. If the Company terminates Executive's employment as a result of Executive's Disability, or Executive's employment terminates due to his or her death, then Executive will not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing written severance and benefits plans and practices or pursuant to other written agreements with the Company, including, without limitation, any Equity Award agreement.

(f) Exclusive Remedy. In the event of a termination of Executive's employment upon or within twenty-four (24) months following a Change in Control, the provisions of this Section 3 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement. Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment following a Change in Control other than those benefits expressly set forth in this Section 3, except as may be provided in any Equity Award agreement.

4. Conditions to Receipt of Severance .

(a) Release of Claims Agreement. The receipt of any severance or other benefits pursuant to Section 3 will be subject to Executive signing and not revoking a release of claims agreement in a form reasonably acceptable to the Company, and such release becoming effective and irrevocable within sixty (60) days of Executive's termination or such earlier deadline required by the release (such deadline, the "Release Deadline"). No severance or other benefits will be paid or provided until the release of claims agreement becomes effective and irrevocable, and any severance amounts or benefits otherwise payable between the date of Executive's termination and the date such release becomes effective shall be paid on the effective date of such release. Notwithstanding the foregoing, and subject to the release becoming effective and irrevocable by the Release Deadline, any severance payments or benefits under this Agreement that would be considered Deferred Compensation Separation Benefits (as defined in Section 10(b)) shall be paid on the sixtieth (60^{th}) day following Executive's "separation from service" within the meaning of Section 409A of the Code, or, if later, such time as required by Section 3(b)(i) or Section 10(b). If the release does not become effective by the Release Deadline, Executive will forfeit all rights to severance payments and benefits under this Agreement.

(b) Other Requirement. Executive's receipt of any payments or benefits under Section 3 will be subject to Executive continuing to comply with the terms of any form of confidential information agreement.

(c) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

5. Limitation on Payments. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive's severance benefits under Section 3 will be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by the Company's independent public accountants immediately prior to a Change in Control or a "Big Four" national accounting firm selected by the Company and approved by Executive (the "Accountants"), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company will bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 5. Any reduction in payments and/or benefits required by this Section 5 shall occur in the following order: (1) reduction of cash payments in reverse chronological order (that is, the cash payment owed on the latest date following the occurrence of the event triggering the excise tax will be the first cash payment to be reduced); (2) cancellation of Equity Awards that were granted "contingent on a change in ownership or control" within the meaning of Code Section 280G (if two or more Equity Awards are granted on the same date, each award will be reduced on a pro-rata basis); (3) reduction of the accelerated vesting of Equity Awards in the reverse order of date of grant of the awards (i.e., the vesting of the most recently granted Equity Awards will be cancelled first and if more than one Equity Award was made to Executive on the same date of grant, all such awards will have their acceleration of vesting reduced pro rata); and (4) reduction of employee benefits in reverse chronological order (i.e., the benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first benefit to be reduced). In no event

will Executive exercise any discretion with respect to the ordering of any reduction of payments or benefits pursuant to this Section 5.

6. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Cause. For purposes of this Agreement, "Cause" will mean:

(i) Executive's willful and continued failure to perform the duties and responsibilities of his position (other than as a result of Executive's illness or injury) after there has been delivered to Executive a written demand for performance from the Board which describes the basis for the Board's belief that Executive has not substantially performed his duties and provides Executive with a reasonable period (as determined in the sole discretion of the Board, but not to exceed twenty (20) days) to take corrective action;

(ii) Any material act of personal dishonesty taken by Executive in connection with his responsibilities as an employee of the Company with the intention that such action may result in the substantial personal enrichment of Executive;

(iii) Executive's conviction of, or plea of nolo contendere to, a felony that the Board reasonably believes has had or will have a material detrimental effect on the Company's reputation or business;

(iv) A willful breach of any fiduciary duty owed to the Company by Executive that has a material detrimental effect on the Company's reputation or business;

(v) Executive being found liable in any Securities and Exchange Commission or other civil or criminal securities law action (regardless of whether or not Executive admits or denies liability), which the Board determines, in its reasonable discretion, will have a material detrimental effect on the Company's reputation or business;

(vi) Executive entering any cease and desist order with respect to any action which would bar Executive from service as an executive officer or member of a board of directors of any publicly-traded company (regardless of whether or not Executive admits or denies liability);

(vii) Executive (A) obstructing or impeding; (B) endeavoring to obstruct or impede, or (C) failing to materially cooperate with, any investigation authorized by the Board or any governmental or self-regulatory entity (an "Investigation"). However, Executive's failure to waive attorney-client privilege relating to communications with Executive's own attorney in connection with an Investigation will not constitute "Cause"; or

(viii) Executive's disqualification or bar by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement, if (A) the disqualification or bar continues for more than thirty (30) days, and (B) during that period the Company uses its commercially reasonable efforts to cause the disqualification or bar to be lifted. While any disqualification or bar continues during Executive's employment, Executive will serve in the capacity

contemplated by this Agreement to whatever extent legally permissible and, if Executive's employment is not permissible, Executive will be placed on administrative leave (which will be paid to the extent legally permissible).

Other than for a termination pursuant to Section 6(a)(iii), Executive shall receive notice and an opportunity to be heard before the Board with Executive's own attorney before any termination for Cause is deemed effective. Notwithstanding anything to the contrary, the Board may immediately place Executive on administrative leave (with full pay and benefits to the extent legally permissible) and suspend all access to Company information, employees and business should Executive wish to avail himself of his opportunity to be heard before the Board prior to the Board's termination for Cause. If Executive avails himself of his opportunity to be heard before the Board, and then fails to make himself available to the Board within five (5) business days of such request to be heard, the Board may thereafter cancel the administrative leave and terminate Executive for Cause.

(b) Change in Control. For purposes of this Agreement, "Change in Control" shall mean the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection (i), the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the

value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Section 6(b), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

(c) Change in Control Period For the purposes of this Agreement, "Change in Control Period" means the period beginning three (3) months prior to, and ending twenty-four (24) months following, a Change in Control.

(d) Disability. For purposes of this Agreement, "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(e) Equity Award. For purposes of this Agreement, "Equity Award" shall mean each then outstanding award relating to the Company's common stock (whether stock options, stock appreciation rights, shares of restricted stock, restricted stock units, performance shares, performance units or other similar awards.

(f) Good Reason. For purposes of this Agreement and any Equity Award agreement, "Good Reason" means the occurrence of any of the following, without Executive's express written consent:

(i) A material reduction of Executive's authority, duties or responsibilities;

(ii) A material reduction in Executive's base compensation;

(iii) A material change in the geographic location at which Executive must perform his or her services; provided that in no instance will the relocation of Executive to a facility or a location of fifty (50) miles or less from Executive's then current office location be deemed material for purposes of this Agreement;

(iv) failure of the Company to obtain the assumption of this Agreement by any successor to the Company; or

(v) any material breach or material violation of a material provision of this Agreement by the Company (or any successor to the Company. provided, however, that before Executive may resign for Good Reason, (A) Executive must provide the Company with written notice within ninety (90) days of the initial event that Executive believes constitutes "Good Reason" specifically identifying the facts and circumstances claimed to constitute the grounds for Executive's resignation for Good Reason and the proposed termination date (which will not be more than forty-five (45) days after the giving of written notice hereunder by Executive to the Company), and (B) the Company must have an opportunity of at least thirty (30) days following delivery of such notice to cure the Good Reason condition and the Company must have failed to cure such Good Reason condition.

Executive specifically acknowledges and agrees that the definition of "Good Reason" in this Section 6(f) shall operate with respect to all rights to severance and/or accelerated vesting of any Equity Award

paid upon a termination upon or after a Change in Control and shall supersede and replace in its entirety any other definitions of "Good Reason," "Involuntary Termination," or other similar terms that may exist in any other employment agreement, offer letter, severance plan or policy, Equity Award agreement or Company stock incentive plan document.

7. Successors.

(a) Company Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets will assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" will include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 7(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its President.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason or as a result of a voluntary resignation will be communicated by a notice of termination to the other party hereto given in accordance with Section 8(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date. The failure by Executive to include in the notice any fact or circumstance which contributes to a showing of Good Reason will not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing his or her rights hereunder.

9. Arbitration. The Company and Executive each agree that any and all disputes arising out of the terms of this Agreement, Executive's employment by the Company, Executive's service as an officer or director of the Company, or Executive's compensation and benefits, their interpretation and any of the matters herein released, will be subject to binding arbitration. In the event of a dispute, the parties (or their legal representatives) will promptly confer to select a single arbitrator mutually acceptable to both parties. If the parties cannot agree on an arbitrator, then the moving party may file

a demand for arbitration with the Judicial Arbitration and Mediation Services ("JAMS") in San Diego County, California, who will be selected and appointed consistent with the Employment Arbitration Rules and Procedures of JAMS (the "JAMS Rules"), except that such arbitrator must have the qualifications set forth in this paragraph. Any arbitration will be conducted in a manner consistent with the JAMS Rules, supplemented by the California Rules of Civil Procedure. The parties further agree that the prevailing party in any arbitration will be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. **The parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury.** This paragraph will not prevent either party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the parties and the subject matter of their dispute relating to Executive's obligations under this Agreement and the Company's form of confidential information agreement.

10. Code Section 409A.

(a) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the regulations issued under Section 409A of the Code (the "Treasury Regulations") shall not constitute Deferred Compensation Separation Benefits for purposes of Section 10(b) below, and consequently shall be paid to Executive promptly following termination as required by Section 3 of this Agreement. It is intended that all cash severance payments under this Agreement, if any, satisfy the short-term deferral rule.

(b) Notwithstanding anything to the contrary in this Agreement, no Deferred Compensation Separation Benefits (as defined in this Section 10(b)) will become payable under this Agreement until Executive has a "separation from service" within the meaning of Section 409A of the Code, and any proposed or final regulations and guidance promulgated thereunder ("Section 409A"). Further, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's separation from service (other than due to Executive's death), and the severance payable to Executive, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits"), such Deferred Compensation Separation Payments that are otherwise payable within the first six (6) months following Executive's termination of employment will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following his or her separation from service but prior to the six (6) month anniversary of his or her separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(c) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury

Regulations that does not exceed the Section 409A Limit (as defined below) shall not constitute Deferred Compensation Separation Benefits for purposes of Section 10(b) above. For purposes of this Section 10(c), "Section 409A Limit" will mean two (2) times the lesser of: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during Executive's taxable year preceding the Executive's taxable year of Executive's separation from service as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1); or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's separation from service occurs.

(d) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply.

11. Miscellaneous Provisions.

(a) Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(b) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(c) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of California (with the exception of its conflict of laws provisions).

(d) Integration. This Agreement, together with the form of confidential information agreement and the standard forms of Equity Award agreement that describe Executive's outstanding Equity Awards (other than as such Equity Award agreements have been revised pursuant to this Agreement), represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral. With respect to Equity Awards granted on or after the date of this Agreement, the acceleration of vesting provisions provided herein will apply to such Equity Awards except to the extent otherwise explicitly provided in the applicable Equity Award agreement. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in a writing and signed by duly authorized representatives of the parties hereto. In entering into this Agreement, no party has relied on or made any representation, warranty, inducement, promise, or understanding that is not in this Agreement. To the extent that any provisions of this Agreement conflict with those of any other agreement between the Executive and the Company, the terms in this Agreement will prevail.

(e) Severability. In the event that any provision or any portion of any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this

Agreement will continue in full force and effect without said provision or portion of provision. The remainder of this Agreement shall be interpreted so as best to effect the intent of the Company and Executive.

(f) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(g) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

Executive understands and acknowledges that the definition of "Good Reason" contained in this Agreement shall supersede any and all such similar definitions contained in employment agreements, offer letters, severance policies and plans and Equity Award agreements to the extent such other agreements provide for benefits contingent on a Change in Control, and that by executing this Agreement, Executive acknowledges such other arrangements have been amended accordingly.

COMPANY MAXLINEAR, INC.

By: _____

Title: _____

EXECUTIVE By: _____

Title: _____

EXHIBIT 10.13

MAXLINEAR, INC.

CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Change in Control and Severance Agreement (the "Agreement") is made and entered into by and between _____ ("Executive") and MaxLinear, Inc. (the "Company," and, together with the "Executive," the "Parties"), effective as of __ __ (the "Effective Date").

RECITALS

1. It is expected that the Company from time to time will consider the possibility of an acquisition by another company or other change in control. The Board of Directors of the Company (the "Board") recognizes that such consideration can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined herein) of the Company.

2. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with certain severance benefits upon Executive's termination of employment under certain circumstances, provided that Executive is a Section 16 Officer immediately prior to the Change in Control or date of termination. For this purpose, a "Section 16 Officer" is an employee of the Company who has been designated by the Board, at its discretion and consistent with applicable law, as being subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change in Control.

3. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement . This Agreement will have an initial term of three (3) years commencing on the Effective Date (the "Initial Term"). On the third anniversary of the Effective Date, the Agreement will renew automatically for an additional three (3) year term (each, an "Additional Term"), unless either party provides the other party with written notice of non-renewal at least ninety (90) days prior to the date of automatic renewal. This Agreement will terminate upon the earlier of (A) the date the term of the Agreement expires, as described above, (B) the date that all of the obligations of the Parties with respect to this Agreement have been satisfied, or (C) any time prior to the Change in Control if the Executive has ceased to be a Section 16 Officer. Notwithstanding the foregoing, (a) if a Change in Control occurs and there are less than twenty-four (24) months remaining in the term of this Agreement, the term of this Agreement will extend automatically through the date that is twenty-four (24) months following the effective date of the Change in Control, or (b) if an initial occurrence

of an act or omission by the Company constituting the grounds for "Good Reason" in accordance with Section 6(f) hereof has occurred (the "Initial Grounds"), and the expiration date of the Company cure period (as described in Section 6(f)(B)) with respect to such Initial Grounds could occur following the expiration of the Initial Term or the Additional Term, the term of this Agreement will extend automatically through the date that is fifteen (15) days following the expiration of such cure period, but such extension of the term will only apply with respect to the Initial Grounds.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and will continue to be at-will, as defined under applicable law.

3. Severance Benefits.

(a) Involuntary Termination Not in Connection with a Change in Control . If the Company (or any parent, subsidiary, or successor of the Company) terminates Executive's employment without Cause and such termination occurs outside of the Change in Control Period, then, subject to the Executive signing and not revoking the release of claims as required by Section 4, Executive will receive the following severance benefits from the Company:

(i) Severance Payment. Executive will receive a single lump sum severance payment (less applicable withholding taxes) in an amount equal to six (6) months of Executive's annual salary determined at a rate equal to the Executive's then-current annual salary as of the date of such termination.

(ii) Extended Post-Termination Exercise Period / Equity Awards . Notwithstanding any other provision in any applicable equity compensation plan and/or individual Equity Award agreement, (i) Executive's outstanding and vested stock options and/or stock appreciation rights as of the Executive's termination of employment date will remain exercisable until the three (3) month anniversary of the termination date; provided, however, that the post-termination exercise period for any individual stock option will not extend beyond its original maximum term, and (ii) Executive's outstanding Equity Awards (other than the Equity Awards described in (i) of this sentence) will remain outstanding until the three (3) month anniversary of Executive's termination of employment date, and if no Change in Control has occurred as of such date, such Equity Awards (other than the Equity Awards described in (i) of this sentence) will terminate.

(iii) Continuation Coverage. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") within the time period prescribed pursuant to COBRA for Executive and Executive's eligible dependents, then the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination) until the earlier of (A) a period of six (6) months from the date of termination or (B) the date upon which Executive and/or Executive's eligible dependents become covered under similar plans. The reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy. Notwithstanding the first sentence of this Section 3(a)(iii), if the Company determines in its sole discretion that it cannot provide the foregoing benefit without

potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the termination of employment date (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence on the month following Executive's termination of employment and will end on the earlier of (x) the date upon which Executive obtains other employment or (y) the date the Company has paid an amount equal to six (6) months. For the avoidance of doubt, the taxable payments in lieu of COBRA reimbursements may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

(b) Involuntary Termination in Connection with a Change in Control . If (i) Executive terminates his or her employment with the Company (or any parent, subsidiary, or successor of the Company) for Good Reason or (ii) the Company (or any parent, subsidiary or successor of the Company) terminates Executive's employment without Cause, and, in each case, such termination occurs within the Change in Control Period, then, subject to the Executive signing and not revoking the release of claims as required by Section 4, Executive will receive the following severance benefits from the Company:

(i) Severance Payment. Executive will receive a single lump sum severance payment (less applicable withholding taxes) in an amount equal to twelve (12) months of Executive's annual salary determined at a rate equal to the greater of (A) Executive's annual salary as in effect immediately prior to the Change in Control, or (B) Executive's then-current annual salary as of the date of such termination. For the avoidance of doubt, if (x) Executive incurred a termination prior to a Change in Control that qualifies Executive for severance payments under Section 3(a)(i); and (y) a Change in Control occurs within the three (3)-month period following Executive's termination of employment that qualifies Executive for the superior benefits under this Section 3(b)(i), then Executive shall be entitled to a lump-sum payment of the amount calculated under this Section 3(b)(i), *less* amounts already paid under Section 3(a)(i) and such lump-sum amount shall be payable upon the later of: (A) the Change in Control, (B) the date the release of claims required by Section 4 is effective and irrevocable; or (C) such later date required by Section 10.

(ii) Bonus Payment. Executive will receive a lump sum cash payment (less applicable withholding taxes) in an amount equal to (A) the Executive's target annual bonus for the year immediately preceding the year of the Change in Control multiplied by (B) a fraction, the numerator of which is the number of days between (and including) the start of the year in which the Executive's termination occurs and the date of termination and the denominator of which is 365.

(iii) Accelerated Vesting of Equity Awards . One hundred percent (100%) of Executive's unvested Equity Awards will become vested and will otherwise remain subject to the terms and conditions of the applicable Equity Award agreement.

(iv) Extended Post-Termination Exercise Period. Notwithstanding any other provision in any applicable equity compensation plan and/or individual stock option agreement, Executive's outstanding and vested stock options and/or stock appreciation rights as of the Executive's termination of employment date will remain exercisable until the six (6) month anniversary of the termination date; provided, however, that the post-termination exercise period for any individual stock option will not extend beyond its original maximum term.

(v) Continuation Coverage. If Executive elects continuation coverage pursuant COBRA within the time period prescribed pursuant to COBRA for Executive and Executive's eligible dependents, then the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination) until the earlier of (A) a period of twelve (12) months from the date of termination or (B) the date upon which Executive and/or Executive's eligible dependents become covered under similar plans. The reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy. Notwithstanding the first sentence of this Section 3(b)(v), if the Company determines in its sole discretion that it cannot provide the foregoing benefit without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the termination of employment date (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence on the month following Executive's termination of employment and will end on the earlier of (x) the date upon which Executive obtains other employment or (y) the date the Company has paid an amount equal to twelve (12) months. For the avoidance of doubt, the taxable payments in lieu of COBRA reimbursements may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

(c) Timing of Severance Payments. Unless otherwise required pursuant to Section 10 of this Agreement, the Company will pay the cash severance payments to which Executive is entitled under Sections 3(a)(i) and 3(b)(i) and (ii) of this Agreement in a lump sum on the first regularly scheduled payroll date following the date the release of claims required by Section 4 becomes effective and irrevocable, provided, however, that such payment will be delayed to the extent required by Section 3(b)(i), Section 4 and/or Section 10 of this Agreement. Except to the extent payment is delayed pursuant to Section 3(b)(i) or Section 10(b), all cash severance payments under Sections 3(a)(i) and 3(b)(i) and (ii) of this Agreement will be paid no later than March 15 of the year following the year in which the termination occurs. If taxable cash payments become required under Sections 3(a)(iii) and 3(b)(v), such payments shall be paid on the last day of a given month that Executive would have otherwise been entitled to COBRA premium reimbursements, subject to the provisions of Sections 4(a) and 10.

(d) Voluntary Resignation; Termination For Cause. If Executive's employment with the Company terminates (i) voluntarily by Executive (other than for Good Reason) or (ii) for Cause by the Company, then Executive will not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and

practices or pursuant to other written agreements with the Company, including, without limitation, any Equity Award agreement.

(e) Disability; Death. If the Company terminates Executive's employment as a result of Executive's Disability, or Executive's employment terminates due to his or her death, then Executive will not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing written severance and benefits plans and practices or pursuant to other written agreements with the Company, including, without limitation, any Equity Award agreement.

(f) Exclusive Remedy. In the event of a termination of Executive's employment upon or within twenty-four (24) months following a Change in Control, the provisions of this Section 3 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement. Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment following a Change in Control other than those benefits expressly set forth in this Section 3, except as may be provided in any Equity Award agreement.

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance or other benefits pursuant to Section 3 will be subject to Executive signing and not revoking a release of claims agreement in a form reasonably acceptable to the Company, and such release becoming effective and irrevocable within sixty (60) days of Executive's termination or such earlier deadline required by the release (such deadline, the "Release Deadline"). No severance or other benefits will be paid or provided until the release of claims agreement becomes effective and irrevocable, and any severance amounts or benefits otherwise payable between the date of Executive's termination and the date such release becomes effective shall be paid on the effective date of such release. Notwithstanding the foregoing, and subject to the release becoming effective and irrevocable by the Release Deadline, any severance payments or benefits under this Agreement that would be considered Deferred Compensation Separation Benefits (as defined in Section 10(b)) shall be paid on the sixtieth (60^{th}) day following Executive's "separation from service" within the meaning of Section 409A of the Code, or, if later, such time as required by Section 3(b)(i) or Section 10(b). If the release does not become effective by the Release Deadline, Executive will forfeit all rights to severance payments and benefits under this Agreement.

(b) Other Requirement. Executive's receipt of any payments or benefits under Section 3 will be subject to Executive continuing to comply with the terms of any form of confidential information agreement.

(c) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

5. Limitation on Payments. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the

meaning of Section 280G of the Code and (ii) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive's severance benefits under Section 3 will be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by the Company's independent public accountants immediately prior to a Change in Control or a "Big Four" national accounting firm selected by the Company (the "Accountants"), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company will bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 5. Any reduction in payments and/or benefits required by this Section 5 shall occur in the following order: (1) reduction of cash payments in reverse chronological order (that is, the cash payment owed on the latest date following the occurrence of the event triggering the excise tax will be the first cash payment to be reduced); (2) cancellation of Equity Awards that were granted "contingent on a change in ownership or control" within the meaning of Code Section 280G (if two or more Equity Awards are granted on the same date, each award will be reduced on a pro-rata basis); (3) reduction of the accelerated vesting of Equity Awards in the reverse order of date of grant of the awards (i.e., the vesting of the most recently granted Equity Awards will be cancelled first and if more than one Equity Award was made to Executive on the same date of grant, all such awards will have their acceleration of vesting reduced pro rata); and (4) reduction of employee benefits in reverse chronological order (i.e., the benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first benefit to be reduced). In no event will Executive exercise any discretion with respect to the ordering of any reduction of payments or benefits pursuant to this Section 5.

6. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Cause. For purposes of this Agreement, "Cause" will mean:

(i) Executive's willful and continued failure to perform the duties and responsibilities of his position (other than as a result of Executive's illness or injury) after there has been delivered to Executive a written demand for performance from the Board which describes the basis for the Board's belief that Executive has not substantially performed his duties and provides

Executive with a reasonable period (as determined in the sole discretion of the Board, but not to exceed twenty (20) days) to take corrective action;

(ii) Any material act of personal dishonesty taken by Executive in connection with his responsibilities as an employee of the Company with the intention that such action may result in the substantial personal enrichment of Executive;

(iii) Executive's conviction of, or plea of nolo contendere to, a felony that the Board reasonably believes has had or will have a material detrimental effect on the Company's reputation or business;

(iv) A willful breach of any fiduciary duty owed to the Company by Executive that has a material detrimental effect on the Company's reputation or business;

(v) Executive being found liable in any Securities and Exchange Commission or other civil or criminal securities law action (regardless of whether or not Executive admits or denies liability), which the Board determines, in its reasonable discretion, will have a material detrimental effect on the Company's reputation or business;

(vi) Executive entering any cease and desist order with respect to any action which would bar Executive from service as an executive officer or member of a board of directors of any publicly-traded company (regardless of whether or not Executive admits or denies liability);

(vii) Executive (A) obstructing or impeding; (B) endeavoring to obstruct or impede, or (C) failing to materially cooperate with, any investigation authorized by the Board or any governmental or self-regulatory entity (an "Investigation"). However, Executive's failure to waive attorney-client privilege relating to communications with Executive's own attorney in connection with an Investigation will not constitute "Cause"; or

(viii) Executive's disqualification or bar by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement, if (A) the disqualification or bar continues for more than thirty (30) days, and (B) during that period the Company uses its commercially reasonable efforts to cause the disqualification or bar to be lifted. While any disqualification or bar continues during Executive's employment, Executive will serve in the capacity contemplated by this Agreement to whatever extent legally permissible and, if Executive's employment is not permissible, Executive will be placed on administrative leave (which will be paid to the extent legally permissible).

Other than for a termination pursuant to Section 6(a)(iii), Executive shall receive notice and an opportunity to be heard before the Board with Executive's own attorney before any termination for Cause is deemed effective. Notwithstanding anything to the contrary, the Board may immediately place Executive on administrative leave (with full pay and benefits to the extent legally permissible) and suspend all access to Company information, employees and business should Executive wish to avail himself of his opportunity to be heard before the Board prior to the Board's termination for Cause. If Executive avails himself of his opportunity to be heard before the Board, and then fails to make himself

available to the Board within five (5) business days of such request to be heard, the Board may thereafter cancel the administrative leave and terminate Executive for Cause.

(b) Change in Control. For purposes of this Agreement, "Change in Control" shall mean the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection (i), the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Section 6(b), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

(c) Change in Control Period. For the purposes of this Agreement, "Change in Control Period" means the period beginning three (3) months prior to, and ending twenty-four (24) months following, a Change in Control.

(d) Disability. For purposes of this Agreement, "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(e) Equity Award. For purposes of this Agreement, "Equity Award" shall mean each then outstanding award relating to the Company's common stock (whether stock options, stock appreciation rights, shares of restricted stock, restricted stock units, performance shares, performance units or other similar awards.

(f) Good Reason. For purposes of this Agreement and any Equity Award agreement, "Good Reason" means the occurrence of any of the following, without Executive's express written consent:

(i) A material reduction of Executive's authority, duties or responsibilities;

(ii) A material reduction in Executive's base compensation;

(iii) A material change in the geographic location at which Executive must perform his or her services; provided that in no instance will the relocation of Executive to a facility or a location of fifty (50) miles or less from Executive's then current office location be deemed material for purposes of this Agreement;

(iv) failure of the Company to obtain the assumption of this Agreement by any successor to the Company; or

(v) any material breach or material violation of a material provision of this Agreement by the Company (or any successor to the Company.

provided, however, that before Executive may resign for Good Reason, (A) Executive must provide the Company with written notice within ninety (90) days of the initial event that Executive believes constitutes "Good Reason" specifically identifying the facts and circumstances claimed to constitute the grounds for Executive's resignation for Good Reason and the proposed termination date (which will not be more than forty-five (45) days after the giving of written notice hereunder by Executive to the Company), and (B) the Company must have an opportunity of at least thirty (30) days following delivery of such notice to cure the Good Reason condition and the Company must have failed to cure such Good Reason condition.

Executive specifically acknowledges and agrees that the definition of "Good Reason" in this Section 6(f) shall operate with respect to all rights to severance and/or accelerated vesting of any Equity Award paid upon a termination upon or after a Change in Control and shall supersede and replace in its entirety any other definitions of "Good Reason," "Involuntary Termination," or other similar terms that may exist in any other employment agreement, offer letter, severance plan or policy, Equity Award agreement or Company stock incentive plan document.

7. Successors.

(a) Company Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the

Company's business and/or assets will assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" will include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 7(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its President.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason or as a result of a voluntary resignation will be communicated by a notice of termination to the other party hereto given in accordance with Section 8(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date. The failure by Executive to include in the notice any fact or circumstance which contributes to a showing of Good Reason will not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing his or her rights hereunder.

9. Arbitration. The Company and Executive each agree that any and all disputes arising out of the terms of this Agreement, Executive's employment by the Company, Executive's service as an officer or director of the Company, or Executive's compensation and benefits, their interpretation and any of the matters herein released, will be subject to binding arbitration. In the event of a dispute, the parties (or their legal representatives) will promptly confer to select a single arbitrator mutually acceptable to both parties. If the parties cannot agree on an arbitrator, then the moving party may file a demand for arbitration with the Judicial Arbitration and Mediation Services ("JAMS") in San Diego County, California, who will be selected and appointed consistent with the Employment Arbitration Rules and Procedures of JAMS (the "JAMS Rules"), except that such arbitrator must have the qualifications set forth in this paragraph. Any arbitration will be conducted in a manner consistent with the JAMS Rules, supplemented by the California Rules of Civil Procedure. The parties further agree that the prevailing party in any arbitration will be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. **The parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury.** This paragraph will not prevent either party from seeking injunctive relief (or any other provisional remedy) from any court

having jurisdiction over the parties and the subject matter of their dispute relating to Executive's obligations under this Agreement and the Company's form of confidential information agreement.

10. Code Section 409A.

(a) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the regulations issued under Section 409A of the Code (the "Treasury Regulations") shall not constitute Deferred Compensation Separation Benefits for purposes of Section 10(b) below, and consequently shall be paid to Executive promptly following termination as required by Section 3 of this Agreement. It is intended that all cash severance payments under this Agreement, if any, satisfy the short-term deferral rule.

(b) Notwithstanding anything to the contrary in this Agreement, no Deferred Compensation Separation Benefits (as defined in this Section 10(b)) will become payable under this Agreement until Executive has a "separation from service" within the meaning of Section 409A of the Code, and any proposed or final regulations and guidance promulgated thereunder ("Section 409A"). Further, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's separation from service (other than due to Executive's death), and the severance payable to Executive, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits"), such Deferred Compensation Separation Payments that are otherwise payable within the first six (6) months following Executive's termination of employment will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following his or her separation from service but prior to the six (6) month anniversary of his or her separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(c) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) shall not constitute Deferred Compensation Separation Benefits for purposes of Section 10(b) above. For purposes of this Section 10(c), "Section 409A Limit" will mean two (2) times the lesser of: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during Executive's taxable year preceding the Executive's taxable year of Executive's separation from service as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1); or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's separation from service occurs.

(d) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply.

11. Miscellaneous Provisions.

(a) Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(b) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(c) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of California (with the exception of its conflict of laws provisions).

(d) Integration. This Agreement, together with the form of confidential information agreement and the standard forms of Equity Award agreement that describe Executive's outstanding Equity Awards (other than as such Equity Award agreements have been revised pursuant to this Agreement), represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral. With respect to Equity Awards granted on or after the date of this Agreement, the acceleration of vesting provisions provided herein will apply to such Equity Awards except to the extent otherwise explicitly provided in the applicable Equity Award agreement. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in a writing and signed by duly authorized representatives of the parties hereto. In entering into this Agreement, no party has relied on or made any representation, warranty, inducement, promise, or understanding that is not in this Agreement. To the extent that any provisions of this Agreement conflict with those of any other agreement between the Executive and the Company, the terms in this Agreement will prevail.

(e) Severability. In the event that any provision or any portion of any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision or portion of provision. The remainder of this Agreement shall be interpreted so as best to effect the intent of the Company and Executive.

(f) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(g) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

Executive understands and acknowledges that the definition of "Good Reason" contained in this Agreement shall supersede any and all such similar definitions contained in employment agreements, offer letters, severance policies and plans and Equity Award agreements to the extent such other agreements provide for benefits contingent on a Change in Control, and that by executing this Agreement, Executive acknowledges such other arrangements have been amended accordingly.

COMPANY MAXLINEAR, INC.

By: _____

Title: _____

EXECUTIVE By: _____

Title: _____

EXHIBIT 10.21

MAXLINEAR, INC.

EXECUTIVE INCENTIVE BONUS PLAN

(As amended April 3, 2012, May 14, 2013, and December 4, 2015)

SECTION 1
BACKGROUND, PURPOSE AND DURATION

1.1 Effective Date. The Plan was adopted effective as of March 23, 2010.

1.2 Purpose of the Plan. The Plan is intended to increase shareholder value and the success of the Company by motivating selected employees (a) to perform to the best of their abilities and (b) to achieve the Company's objectives.

SECTION 2
DEFINITIONS

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

2.1 "Actual Award" means as to any Performance Period, the actual award (if any) payable to a Participant under the Plan for the Performance Period, subject to the Administrator's authority under Section 3.4 to modify the award.

2.2 "Administrator" means the Compensation Committee of the Board or officers of the Company as delegated by the Compensation Committee of the Board. The Compensation Committee of the Board may appoint different officers to administer the Plan with respect to different groups of Employees and/or Participants.

2.3 "Affiliate" means any corporation or other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with the Company.

2.4 "Base Salary" means as to any Performance Period, the Participant's annualized salary rate on the last day of the Performance Period. Such Base Salary shall be before both (a) deductions for taxes or benefits, and (b) deferrals of compensation pursuant to Company sponsored plans and Affiliate sponsored plans.

2.5 "Board" means the Board of Directors of the Company.

2.6 "Bonus Pool" means the pool of funds available for distribution to Participants. Subject to the terms of the Plan, the Administrator establishes the Bonus Pool for each Performance Period.

2.7 "Company" means MaxLinear, Inc., a Delaware corporation, or any successor thereto.

2.8 "Disability" means a permanent and total disability determined in accordance with uniform and nondiscriminatory standards adopted by the Administrator from time to time.

2.9 "Employee" means any employee of the Company or of an Affiliate, whether such individual is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

2.10 "Fiscal Year" means the fiscal year of the Company.

2.11 "Participant" means as to any Performance Period, an Employee who has been selected by the Administrator for participation in the Plan for that Performance Period.

2.12 "Performance Period" means the period of time for the measurement of the performance criteria that must be met to receive an Actual Award, as determined by the Administrator in its sole discretion. A Performance Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Administrator desires to measure some performance criteria over 12 months and other criteria over 3 months. Multiple, overlapping Performance Periods (of different durations) may be in effect at any one time.

2.13 "Plan" means the Executive Incentive Bonus Plan, as set forth in this instrument and as hereafter amended from time to time.

2.14 "Target Award" means the target award, at 100% performance achievement, payable under the Plan to a Participant for the Performance Period, as determined by the Administrator in accordance with Section 3.2.

2.15 "Termination of Service" means a cessation of the employee-employer relationship between an Employee and the Company or an Affiliate for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability, retirement, or the disaffiliation of an Affiliate, but excluding any such termination where there is a simultaneous reemployment by the Company or an Affiliate.

SECTION 3
SELECTION OF PARTICIPANTS AND DETERMINATION OF AWARDS

3.1 Selection of Participants. The Administrator, in its sole discretion, shall select the Employees who shall be Participants for any Performance Period. Participation in the Plan is in the sole discretion of the Administrator, and shall be determined on a Performance Period by Performance Period basis. Accordingly, an Employee who is a Participant for a given Performance Period in no way is guaranteed or assured of being selected for participation in any subsequent Performance Period or Periods. Notwithstanding any contrary provision of the Plan, unless explicitly determined otherwise by the Administrator, any Employee who is a participant in any other Company-sponsored bonus plan or program will not be eligible to participate in the Plan.

3.2 Determination of Target Awards. The Administrator, in its sole discretion, shall establish a Target Award for each Participant.

3.3 Bonus Pool. Each Performance Period, the Administrator, in its sole discretion, may establish a Bonus Pool. Actual Awards for the relevant Performance Period shall be paid from any such Bonus Pool.

3.4 Discretion to Modify Awards. Notwithstanding any contrary provision of the Plan, the Administrator may, in its sole discretion and at any time, (a) increase, reduce or eliminate a Participant's Actual Award, and/or (b) increase, reduce or eliminate the amount allocated to the Bonus Pool. The Administrator may determine the amount of any reduction on the basis of such factors as it deems relevant, and shall not be required to establish any allocation or weighting with respect to the factors it considers.

3.5 Discretion to Determine Criteria. Notwithstanding any contrary provision of the Plan, the Administrator shall, in its sole discretion, determine the performance requirements applicable to any Target Award. The requirements may be on the basis of any factors the Administrator determines relevant, and may be on an individual, divisional, business unit or Company-wide basis. Failure to meet the requirements will result in a failure to earn the Target Award, except as provided in Section 3.4.

3.6 Discretion to Grant Awards Outside the Plan. Notwithstanding any contrary provision of the Plan, the Board or a duly constituted committee of the Board (or their delegates) may, in its sole discretion and at any time, grant awards to Employees and Participants outside the Plan.

SECTION 4
PAYMENT OF AWARDS

4.1 Right to Receive Payment. Each Actual Award shall be paid solely from the general assets of the Company. No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company.

4.2 Timing of Payment. Payment of each Actual Award shall be made as soon as administratively practicable as determined by the Administrator after the end of the Performance Period during which the Actual Award was earned and after the Actual Award is approved by the Administrator, but in no event later than (a) the 15th day of the third month following the end of the Company's taxable year in which the date the Participant's Actual Award has been earned and is no longer subject to a substantial risk of forfeiture, or (b) March 15th of the calendar year following the calendar year in which the date the Participant's Actual Award has been earned and is no longer subject to a substantial risk of forfeiture. Notwithstanding the foregoing, Participants may be permitted, in the sole discretion of the Administrator, to defer the delivery of shares of Class A Common Stock issued pursuant to an Actual Award paid in the form of restricted stock units, in accordance with the terms and conditions of a deferral program approved by the Administrator. Notwithstanding anything herein to the contrary, in order to be eligible to earn any payments under the Plan for a given Performance Period, a Participant must be employed by the Company or any Affiliate on the date payments under the Plan are actually made (or granted if paid in the form of restricted stock units) and no payments under the Plan shall be deemed to be earned prior to such date.

4.3 Form of Payment. Each Actual Award, as determined by the Administrator in its sole and absolute discretion, may be settled in cash, Class A Common Stock (in the form of vested shares or restricted stock units) issued under the Company's 2010 Equity Incentive Plan, as amended, or any successor equity plan of the Company, or any combination of cash and such stock (including restricted stock units).

4.4 Repayment and Forfeiture of Actual Awards . Notwithstanding anything in this Plan or any participation agreement to the contrary, if the Administrator determines that the Employee engaged in an act of embezzlement, fraud or breach of a fiduciary duty during the Employee's employment that contributed to an obligation to restate the Company's financial statements ("Contributing Misconduct"), the Employee shall be required to repay to the Company, in cash and upon demand, the Excess Proceeds (as defined below) if the Actual Award was paid at any time during the twelve-month period following the first public issuance or filing with the SEC of the financial statements required to be restated. The term "Excess Proceeds" means, with respect to any Actual Award, an amount determined appropriate by the Administrator to reflect the effect of the restatement on the applicable performance criteria used under the Plan in the applicable Performance Period. The return of the Excess Proceeds is in addition to and separate from any other relief available to the Company due to the Employee's Contributing Misconduct. Any determination by the Administrator with respect to the foregoing shall be final, conclusive and binding on all interested parties.

SECTION 5
ADMINISTRATION

5.1 Administrator Authority. It shall be the duty of the Administrator to administer the Plan in accordance with the Plan's provisions. The Administrator shall have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) determine which Employees shall be granted awards, (b) prescribe the terms and conditions of awards, (c) interpret the Plan and the awards, (d) adopt such procedures and subplans as are necessary or appropriate to permit participation in the Plan by Employees who are foreign nationals or employed outside of the United States, (e) allow a Participant to defer the delivery of shares of Class A Common Stock issued pursuant to an Actual Award paid in the form of restricted stock units, (f) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (g) interpret, amend or revoke any such rules.

5.2 Decisions Binding. All determinations and decisions made by the Administrator, the Board, and any delegate of the Administrator pursuant to the provisions of the Plan shall be final, conclusive, and binding on all persons, and shall be given the maximum deference permitted by law.

5.3 Delegation of Administration . The Administrator, in its sole discretion and on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company. If the Administrator delegates any authority for the administration of the Plan, the term "Administrator" shall include the individuals delegated such authority.

5.4 Indemnification of Administrator. The Company shall indemnify and hold harmless members of the Administrator, or any officer or employee of the Company delegated authority with respect to the administration of the Plan, for any expense, liability, or loss, including attorneys' fees, judgments, fines, penalties, amounts paid or to be paid in settlement, any interest, assessments, or other charges imposed thereon, any federal, state, local, or foreign taxes, and all other costs and obligations, paid or incurred in connection with any action, determination or interpretation made in good faith with respect to the Plan or any payments under the Plan. The Company shall bear all expenses and liabilities that members of the Administrator, or any officer of the Company delegated authority with respect to the administration of the Plan, incur in connection with the administration of the Plan.

SECTION 6
GENERAL PROVISIONS

6.1 Tax Withholding. The Company shall withhold from any distributions or awards under the Plan any amount required to satisfy the Company's income, employment and other tax withholding obligations under applicable law. Each Participant, as a condition to participating in the Plan, agrees to make appropriate arrangements with the Company (or the Affiliate employing or retaining the Participant) for the satisfaction of all Federal, state, local and foreign income, employment and other tax withholding requirements applicable to any Actual Award payable or awarded hereunder.

6.2 No Effect on Employment or Service. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment or service at any time, with or without cause. For purposes of the Plan, transfer of employment of a Participant between the Company and any one of its Affiliates (or between Affiliates) shall not be deemed a Termination of Service. Employment with the Company and its Affiliates is on an at-will basis only. The Company expressly reserves the right, which may be exercised at any time and without regard to when during a Performance Period such exercise occurs, to terminate any individual's employment with or without cause, and to treat him or her without regard to the effect that such treatment might have upon him or her as a Participant.

6.3 Participation. No Employee shall have the right to be selected to receive an award under this Plan, or, having been so selected, to be selected to receive a future award.

6.4 Successors. All obligations of the Company under the Plan, with respect to awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

6.5 Nontransferability of Awards. No award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will, by the laws of descent and distribution, or to the limited extent provided in Section 6.5. All rights with respect to an award granted to a Participant shall be available during his or her lifetime only to the Participant.

6.6 Section 409A of the Code. It is intended that the Plan shall be exempt from, or comply with, Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), including for awards of cash or vested shares, pursuant to the requirement that such payments hereunder shall be paid within the applicable short-term deferral period as set forth in Section 1.409A-1(b)(4) of the final regulations issued under Section 409A. The Administrator shall administer and interpret the Plan in a manner consistent with this intent and any other regulations or other Internal Revenue Service guidance issued with respect to Section 409A.

SECTION 7
AMENDMENT, TERMINATION AND DURATION

7.1 Amendment, Suspension or Termination. The Company, by action of the Board or a duly constituted committee of members of the Board to whom the Board has delegated the authority to amend or terminate the Plan, in its sole discretion, may amend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension or termination of the Plan shall not, without the

consent of the Participant, alter or impair any rights or obligations under any Actual Award theretofore earned by such Participant. No award may be granted during any period of suspension or after termination of the Plan.

7.2 Duration of the Plan. The Plan shall commence on the date specified herein, and subject to Section 7.1 (regarding the Company's right to amend or terminate the Plan), shall remain in effect thereafter.

SECTION 8
LEGAL CONSTRUCTION

8.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

8.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

8.3 Requirements of Law. The granting of awards under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

8.4 Governing Law. the Plan and all awards shall be construed in accordance with and governed by the laws of the State of California, but without regard to its conflict of law provisions.

8.5 Bonus Plan. This Plan is intended to be a "bonus program" as defined under U.S. Department of Labor regulation section 2510.3-2(c) and shall be construed and administered by the Company in accordance with such intention.

8.6 Captions. Captions are provided herein for convenience only, and shall not serve as a basis for interpretation or construction of the Plan.

EXHIBIT 10.33

STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - NET
AIR COMMERCIAL REAL ESTATE ASSOCIATION

1. **Basic Provisions ("Basic Provisions").**

1.1 **Parties:** This Lease **("Lease"),** dated for reference purposes only November 4 , 2015 is made by and between THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation **("Lessor")** and MaxLinear, Inc., a Delaware corporation **("Lessee"),** (collectively the "**Parties**", or individually a "**Party**").

1.2(a) **Premises:** That certain portion of the Project (as defined below), including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of 50 Parker located in the City of Irvine, County of Orange, State of California, with zip code 92618, as outlined on Exhibit "A" attached hereto ("**Premises**") and generally described as (describe briefly the nature of the Premises): an approximately 50,235 square foot industrial building in addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 27 below) as hereinafter specified, but shall not have any rights to the roof, exterior walls or utility raceways of the building containing the Premises **("Building")** or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "**Project**." (See also Paragraph 2)

1.2(b) **Parking:** 165 unreserved vehicle parking spaces **("Unreserved Parking Spaces");** and 15 reserved vehicle parking spaces located at the front of the Building as shown on Exhibit "B" attached hereto **("Reserved Parking Spaces")** for a total of 180 parking spaces. (See also Paragraph 2.6) See Paragraph 78 of the Lease Addendum. Notwithstanding anything to the contrary set forth herein, in the event the City of Irvine determines that based upon the plans and specifications for Lessee's Improvements (i) fewer than 180 parking spaces, or (ii) greater than 180 parking spaces, are required for the issuance of a building permit, Lessor and **Lessee** hereby agree that the number of unreserved parking spaces (but not the reserved parking spaces) shall be increased or decreased to satisfy the actual number of aggregate required parking spaces (not to exceed a total of 201 parking spaces, which includes both non-reserved and reserved parking spaces, which **is** the maximum required by the City of Irvine regulations for the Premises), whichever shall be applicable.

1.3 **Term:** Six (6) years and Two (2) months **("Original Term")** commencing on the later to occur of (i) April 1, 2016, and (ii) the date upon which the Base Building and **Lessee** Improvements construction **is** Substantially Complete and possession of the Substantially Complete Premises has been tendered by Lessor to Lessee **("Commencement Date")** and ending six (6) years and two (2) months thereafter **("Expiration Date").** (See also Paragraph 3) For purposes of this Lease, "Substantially Complete" shall mean the date Lessor's architect certifies in writing that the Base Building Improvements and Lessee's Improvements (as said terms are defined in Paragraph 73 of the Lease Addendum) are complete except for punchlist items.

1.4 **Early Possession:** Provided that Lessee has obtained the insurance required by Paragraph 68(12) of the Lease Addendum and has delivered to Lessor the required certificates of insurance thereto, Lessee shall be entitled access to the Premises during the sixty (60) day period immediately prior to the projected Commencement Date, notice of which 60-day period shall be delivered by Lessor to Lessee at such time as Lessor's architect shall inform Lessor of its estimate of the date that the Base Building Improvements and Lessee Improvements shall be completed (except for punchlist items) in approximately sixty (60) days. Said early access

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shall be for the purpose of installing furniture, fixtures, trade fixtures, personal property, telecommunications, cabling and equipment which are exclusive of any Lessee Improvements; provided, however, that such access shall in no way interfere with Landlord's construction of the Base Building Improvements or the Lessee Improvements. Any such early access/occupancy shall be subject to the terms and conditions of the Lease, except the obligation under the Lease to Base Rent, Common Area Operating Expenses, and utility costs (including HVAC). **("Early Possession Date").**
(See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent: $**67, 817. 00 per month ("Base **Rent"),** payable on the first (1st) day of each month commencing on the Commencement Date. In the event the Commencement Date is not in the first calendar day of the month, Lessee's first payment of Base Rent shall include the pro rata portion of the month in which the Commencement Date occurs. (See also Paragraph 4)
☑ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted.

1.6 **Lessee's Share of Common Area Operating Expenses:** twelve and 3/10th percent (12.3%) ("**Lessee's Share**"). Lessee's Share of Common Area Operating Expenses is based upon the ratio of the square footage of the Premises to the square footage of all of the buildings in the Project, i.e., 408,502 square feet. In the event that the square footage of the Premises or the other buildings in the Project shall hereafter change, Lessor shall compute the revised Lessee's Share of Common Area Operating Expenses and inform Lessee in writing thereof. In the event the Commencement Date is not in the first calendar day of the month, Lessee's first payment of Common Area Operating Expenses shall include the pro rata portion of the month in which the Commencement Pate occurs.

1.7 **Base Rent and Other Monies Paid Upon Execution:**

(a) **Base Rent: $**67,817.00 for the period first full calendar month of the Lease Term.
(b) **Common Area Operating Expenses: $**14,066.00 for the period first full calendar month of the Lease Term.
(c) **Security Deposit: $**102,354.00 **("Security Deposit").** (See also Paragraph 5)
(d) **Other: $**N/A for N/A
(e) **Total Due Upon Execution of this Lease: $**184,237.00.

1.8 **Agreed Use:** General office, sales, training, research and development, engineering, design and testing of semiconductor equipment, systems, chips, and related goods and incidental uses , subject to applicable municipal, zoning, state and federal regulations, and applicable CC&Rs. (See also Paragraph 6)
See paragraphs 52.1 through 52.9 of Lease Addendum.

1.9 **Insuring Party.** Lessor is the "**Insuring Party".** (See also Paragraph 8) and Paragraph 68 of the Lease Addendum.

1.10 **Real Estate Brokers:** (See also Paragraph 15)

(a) **Representation**: The following real estate brokers (the **"Brokers")** and brokerage relationships exist in this transaction (check applicable boxes):
☑ Voit Real Estate Services represents Lessor exclusively **("Lessor's Broker");**
☑ Cushman & Wakefield represents Lessee exclusively ("**Lessee's Broker**"); or
☐ _____ represents both Lessor and Lessor exclusively **("Dual Agency");**

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(b) **Payment to Brokers:** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement.

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by N/A ("**Guarantor**"). (See also Paragraph 37)

1.12 **Addenda and Exhibits.** Attached hereto is an Addendum or Addenda consisting of Paragraphs 50 through 78 and Exhibits "A" through "K" , all of which constitute a part of this Lease.

2. **Premises.**

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating Rent, is an approximation which the Parties agree is reasonable and any payments based thereon are not subject to revision whether or not the actual size is more or less. Lessee shall be entitled to possession of the premises twenty-four (24) hours a day, 365 days per year,

2.2 **Condition.** Lessor shall deliver that portion of the Premises contained within the Building **('Unit")** to Lessee broom clean and free of debris on the Commencement Date, and, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems **("HVAC"),** loading doors, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date and that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects. If a non-compliance with such warranty exists as of the Commencement Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessors expense. The warranty periods shall be one (1) year following the Commencement Date. If Lessee does not give Lessor the required notice within said 1-year warranty period, correction of any such non-compliance, malfunction or failure shall be governed by the terms of this Lease (e.g., the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls - see Paragraph 7), and the replacement of an item that is a capital expense for federal income tax purposes, which shall be governed by Paragraph 7.1(d)). Lessor's warranty as set forth herein shall not apply to any damage caused by Lessee.

2.3 **Compliance.** Lessor warrants that the improvements on the Premises and the Common Areas comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances in effect on the Commencement Date **("Applicable Requirements").** Said warranty does not apply to the specific and unique use to which Lessee will put the Premises or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. As used herein, the term "specific and unique **use"** shall mean sales, training, research and design and testing of semiconductor equipment, systems, chips and related goods. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 12 months following the Commencement Date, correction of that

non-compliance shall be governed by the terms of this Lease (e.g., non-compliance with respect to the fire sprinkler systems, roof, excluding roof membrane, foundations, and/or bearing walls - see Paragraph 7, and replacement of an item which is a capital expense under generally accepted accounting principles ("GAAP"), shall be governed by Paragraph 7.1(d)). If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, or the reinforcement or other physical modification of the Unit, Premises and/or Building **("Capital Expenditure"),** Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor and Lessee shall allocate the obligation to pay for the portion of such costs reasonably attributable to the Premises pursuant to the formula set out in Paragraph 7.1(d).

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. Notwithstanding anything to the contrary set forth herein, Lessor shall be responsible for compliance with Applicable Requirements, including compliance with the Americans with Disabilities Act, relating to the exterior of the Building and Common Areas, and the Base Building Improvements and the Lessee Improvements construction. Lessee shall be responsible for all compliance with the Applicable Requirements, including compliance with the Americans with Disabilities Act, arising from all future improvements made by Lessee and from any change in use by Lessee. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall be fully responsible for the cost thereof, and Lessee shall not have any right to terminate this Lease under this subsection.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (b) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, and (c) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessors sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.6 **Vehicle Parking.** See Paragraph 78 of the Lease Addendum. Lessee shall be entitled to use the number of Unreserved Parking Spaces and Reserved Parking Spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called **"Permitted Size Vehicles."** Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor.

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right upon reasonable prior notice, or without notice in the case of an emergency, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas - Definition.** The term **"Common Areas"** is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas, but excluding fences and gates provided by Lessor for the exclusive use of Lessee.

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Lessor shall have the right upon reasonable prior *notice,* or without notice in the *case* of an emergency, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations **("Rules and Regulations")** for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. A copy of the Rules and Regulations is attached hereto as Exhibit "C". Lessee agrees to abide by and conform to all such Rules and Regulations, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes.** Provided that Lessor shall not unreasonably interfere with Lessee's use of the Premises or Lessee's parking rights, Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

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(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. **Term**.

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession**. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such early possession. Any such early possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Projected Completion Pate (as said Term is defined in Paragraph 73(12) of the Lease Addendum). If, despite said efforts, Lessor is unable to deliver possession as agreed, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until the Commencement Date; provided, however, that Lessee must maintain the insurance required by Paragraph 68(12) of the Lease Addendum during the Early Possession period it receives possession of the Premises. If possession is not delivered within 60 days after the Projected Completion Date, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. Except as otherwise provided, if possession is not tendered to Lessee by the Projected Completion Date and Lessee does not terminate this Lease, as aforesaid, any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof.

3.4 **Lessee Compliance**. Lessor shall not be required to tender possession of the Premises to Lessee on the Commencement Pate until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Commencement Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance.

4. Rent.

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent **("Rent").**

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4.2 **Common Area Operating Expenses.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) **"Common Area Operating Expenses"** are defined, for purposes of this Lease, in paragraph 67 of the Lease Addendum.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses shall be payable by Lessee within 30 days after a reasonably detailed statement of actual expenses is presented to Lessee. At Lessor's option, however, an amount may be estimated by Lessor from time to time of Lessee's Share of annual Common Area Operating Expenses and the same shall be payable monthly or quarterly, as Lessor shall designate, during each 12 month period of the Lease term, on the same day as the Base Rent is due hereunder. Lessor shall deliver to Lessee within 60 days after the expiration of each calendar year a reasonable detailed statement showing Lessee's Share of the actual Common Area Operating Expenses incurred during the preceding year. If Lessee's payments under this Paragraph 4.2(d) during the preceding year exceed Lessee's Share as indicated on such statement, lessor shall credit the amount of such over-payment against Lessee's Share of Common Area Operating Expenses next becoming due. If Lessee's payments under this Paragraph 4.2(d) during the preceding year were less than Lessee's Share as indicated on such statement, Lessee shall pay to Lessor the amount of the deficiency within 30 days after the delivery by Lessor to Lessee of the statement.

4.3 **Payment**. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. Rent for any period during the term hereof which is at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft , or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of $25 in addition to any late charges which may be due.

5. **Security Deposit**. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use apply or retain all or any portion of said Security Deposit for the payment of any amount due Lessor or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient

to restore said Security Deposit to the full amount required by this Lease. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 14 days after the expiration or termination of this Lease, if Lessor elects to apply the Security Deposit only to unpaid Rent, and otherwise within 30 days after the Premises have been vacated pursuant to Paragraph 7.4 below, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. **Use**.

6.1 **Use**. Subject to all of the covenants and restrictions set forth in this Lease, Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Lessor shall not unreasonably without or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, will not increase the risk of contamination with Hazardous Substance, and/or is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 **Hazardous Substances**. See paragraph 56 of the Lease Addendum.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 56 of the Lease Addendum 6.2(d) and Paragraph 13), Lessor may shall, at Lessor's option, written notice of which shall be delivered to Lessee within ten (10) days following the occurrence of Grounds for Termination (as said term is fined herein below), either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or $100,000, whichever is greater, or by reason of the Hazardous Substance the Premises shall not be safe to occupy for a period of six (6) months or longer (jointly, the "Grounds for Termination"), give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the first to occur of (i) the date 60 days following the date of such notice, or (ii) at such time as the Premises are not longer safe to occupy. In the event Grounds for Termination arise and Lessor elects not to terminate this Lease, Lessee shall have the right to terminate this Lease by written notice to Lessor within ten (10) days following receipt from Lessor of its election not to terminate.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to Lessee's use of the Premises, without regard to whether said requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents

involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements.

6.4 **Inspection; Compliance.** Lessor and Lessor's **"Lender"** (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation by Lessee of Applicable Requirements, or a contamination is found to exist or be imminent for which Lessee is responsible under this Lease. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In no event shall any inspection undertaken by Lessor relieve Lessee of its obligation to maintain and repair the Premises or for liability to Lessor and/or third parties for Lessee's failure to adequately maintain and repair the Premises as required by this Lease.

7. **Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.**

7.1 **Lessee's Obligations.**

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, roof membrane, floors, fences and gates made available for Lessee's exclusive use, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair, and free of any dangerous conditions. Lessee shall routinely (but not less often than every twelve months) inspect the Premises to determine whether maintenance or repair of any portion thereof is required in accordance with the terms of this Lease, and shall provide Lessor with a written report of the results of its inspection. Lessee shall immediately notify Lessor in writing if it believes a dangerous condition exists on the Premises and shall promptly take such action as may be required to eliminate said dangerous condition.

(b) **Service Contracts.** Subject to reimbursement pursuant to the provisions of Paragraph 4.2, above, Lessor shall procure and maintain contracts in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, (iii) clarifiers, and (iv) any other equipment, if reasonably required by Lessor. See Paragraph 67(a) of the Lease Addendum regarding the cost of repairs and replacements of the HVAC system which constitute capital expenditures.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly reimburse Lessor for the cost thereof.

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(d) **Replacement**. Subject to Paragraphs 2.2 and 2.3, above, Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if the replacement or major repair of an item described in Paragraph 7.1(a) and 7.1(b) is required to be capitalized under GAAP, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount required to fully amortize such cost based upon the useful life thereof as determined by Lessor in its reasonable judgment using an interest rate equal to the greater of (i) seven and one half percent (7.5%) per annum, and (ii) the Wall Street Journal Prime Rate plus 400 basis points, not to exceed ten percent (10% per annum. Lease may, however, prepay its obligation at any time.

7.2 **Lessor's Obligations**. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, HVAC system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expense pursuant to Paragraphs 4.2 and 67. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease. Notwithstanding anything to the contrary set forth herein, (i) Lessor, at its sole cost and expense, and not as a Common Area Operating Expense, shall be responsible for maintenance and repair of the structural portions of the Premises only, including the foundation, exterior walls and roof (excluding the roof membrane), (ii) Lessor shall be responsible for maintenance and repair of the HVAC system and life safety system, the cost of which shall be a Common Area Operating Expense, and (iii) Lessee shall, at Lessee's sole cost and expense, be responsible for maintenance, repair and replacement of the HVAC system and equipment installed to serve Lessee's laboratory areas.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions.** The term **"Utility Installations"** refers to all floor and window coverings, air lines, power panels, electrical distribution, security and fire protection systems, communication systems, lighting fixtures, HVAC equipment, plumbing, and fencing and gates in or on the Premises. The term **"Trade Fixtures"** shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term**"Alterations"** shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. **"Lessee Owned Alterations and/or Utility Installations"** are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, the roof membrane, or any existing walls, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to

utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Indemnification.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialman's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor at the time it consents to such improvements, Lessor may require that any or all improvements to the Electronic Lab Areas (as said term is defined in Paragraph 73(b) of the Lease Addendum) of the Premises, and any or all Lessee Owned Alterations or Utility Installations, be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent and return of such areas to shell warehouse conditions.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, (i) ordinary wear and tear, (ii) casualty items that are not Lessee's responsibility to maintain, repair, or restore (unless damaged by Lessee) and Hazardous Substances for which Lessee is not responsible under the provisions of Paragraph 56 of the Lease, and (iii) condemnation, excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely

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remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Project) even if such removal would require Lessee to perform or pay for work that exceeds statutory requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. **Insurance; Indemnity.**

8.1 **Payment of Premiums.** The cost of the premiums for the insurance policies required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), shall be a Common Area Operating Expense. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

8.2 **Liability Insurance.** See paragraph 68 of the Lease Addendum.

8.5 **Insurance Policies.** Insurance required herein shall be by companies duly licensed or admitted to transact business in the state where the Premises are located, and maintaining during the policy term a "General Policyholders Rating" of at least A-, VI, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates and endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor, except for non-payment of premiums, upon which only ten (10) days notice shall be required. Lessee shall, at least 30 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Notwithstanding anything to the contrary in this Lease, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence, or willful misconduct, or Breach of this Lease, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, including without limitation Lessor's property managers (William A. Budge, Inc., and McKennaco, dba McKenna & Co.), Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor from Liability.** Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant of Lessor nor from the failure of Lessor to enforce the provisions of any other lease in the Project. Notwithstanding Lessor's negligence or breach of this Lease, Lessor shall under no circumstances be liable for injury to Lessee's business or for any loss of income or profit therefrom.

9. **Damage or Destruction.**

9.1 **Definitions.**

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 180 days or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 60 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 180 days or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Paragraph 6.2(a), in, on, or under the Premises.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully

restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction.

9.5 **Damage Near End of Term. If** at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. if Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in

proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies**. If Lessor shall be obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

9.8 **Waive Statutes.** Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

10. Real Property Taxes.

10.1 **Definition.** As used herein, the term **"Real Property Taxes"** shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Project is located. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project or any portion thereof or a change in the improvements thereon. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.2 **Payment of Taxes.** Lessor shall pay the Real Property Taxes applicable to the Common Area Project, and all such amounts shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2. Lessor shall pay the Real Property Taxes on the parcel on which the Premises are located with respect to the Premises is one hundred percent (100%) of such tax parcel. Lessee shall reimburse Lessor therefor in equal monthly payments at the same time as Base Kent is due and payable hereunder.

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10.3 **Additional improvements.** Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request.

10.4 **Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities. Effective as of the Commencement Date, Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. Upon request by Lessor, Lessee shall deliver to Lessor copies of Lessee's utility bill in order to permit Lessor to satisfy its energy management reporting requirements.

12. Assignment and Subletting.

12.1 **Lessor's Consent Required**. See paragraphs 53.1 through 53.7 of the Lease Addendum.

13. Default; Breach; Remedies.

13.1 **Default; Breach. A "Default"** is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises.; or the which shall be deemed to include vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 68(a) is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee.

(c) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or

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subletting, (iv) an Estoppel Certificate, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41 (easements), or (viii) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(d) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(e) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a **"debtor"** as defined in 11 U.S.C. 5 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

13.2 **Remedies.** If Lessee Breaches fails-to-perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Lessor shall be due and payable by Lessee upon receipt of invoice therefor. If any check given to Lessor by Lessee shall not be honored by the bank upon which it is drawn, Lessor, at its option, may require all future payments to be made by Lessee to be by cashier's check. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission aria tenant improvements construction costs paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's

Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture.** Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, including, without limitation the Allowance set forth in Paragraph 73(7), all of which concessions are hereinafter referred to as **"Inducement Provisions",** shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee resulting in the termination of this Lease, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and that percentage of any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision applicable during the Lease Term remaining at the time of Lessee's breach shall be immediately due and payable by Lessee to Lessor. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 **Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor a one-time late charge equal to 6% 10% of each such overdue amount or $100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

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13.5 **Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due as to scheduled payments (such as Base Rent) or within 30 days following the date on which it was due for non-scheduled payment, shall bear interest from the date when due, as to scheduled payments, or the 31st day after it was due as to non-scheduled payments. The interest ("Interest") charged shall be equal to the prime rate reported in the Wall Street Journal as published closest prior to the date when due plus 4%, but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent an amount equal to the greater of one month's Base Rent or the Security Deposit, and to pay an excess of such expense under protest, reserving Lessee's right to reimbursement from Lessor. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively **"Condemnation"),** this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Unit, or more than 25% of Lessee's Reserved Parking Spaces, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers,

if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates. See paragraphs 54, 71, and 72 of the Lease Addendum.

17. Definition of Lessor. The term **"Lessor"** as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Except as provided in Paragraph 15, upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined. Notwithstanding the above, and subject to the provisions of Paragraph 20 below, the original Lessor under this Lease, and all subsequent holders of the Lessor's interest in this Lease shall remain liable and responsible with regard to the potential duties and liabilities of Lessor pertaining to Hazardous Substances as outlined in Paragraph 6.2 above.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word **"days"** as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. Subject to the provisions of Paragraph 17 above, the obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, the individual partners of Lessor or its or their individual partners, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against the individual partners of Lessor, or its or their individual partners, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party. The liability (including court costs and attorneys' fees), of any Broker with respect to negotiation, execution, delivery or performance by either Lessor or Lessee under this Lease or any amendment or modification hereto shall be limited to an amount up to the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

23. Notices.

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23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given three (3) business days after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given one (1) business day after delivery of the same to the Postal Service or courier. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers. No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment *by Lessee* may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

26. No Right to Holdover. See Paragraph 77 of the Lease Addendum.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. Subordination; Attornment; Non-Disturbance.

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, **"Security**

Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as **"Lender")** shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of such new owner, this Lease shall automatically become a new Lease between Lessee and such new owner, upon all of the terms and conditions hereof, for the remainder of the term hereof, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations hereunder, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a **"Non-Disturbance Agreement")** from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, **"Prevailing Party"** shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether

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or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise upon not less than one (1) business day's prior notice, for the purpose of showing the same to prospective purchasers, lenders, or during the last 12 months of the Lease Term, tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary. All such activities shall be without abatement of rent or liability to Lessee. Lessor may at any time place on the Premises any ordinary "For **Sale"** signs and Lessor may during the last 6 months of the term hereof place on the Premises any ordinary "For **Lease"** signs. Lessee may at any time place on the Premises any ordinary "For**Sublease"** sign.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements and Lessor's Sign Criteria, a copy of which is attached hereto as Exhibit "D". Lessee shall have exclusive right to all signage on the Building's exterior.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable out-of-pocket costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessors consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. See paragraph 60 of the Lease Addendum.

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40. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. Reservations. Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay.

43. Authority. If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, such entity represents and warrants that the individual executing this Lease on its behalf is duly authorized to execute and deliver this Lease on its behalf. Each party shall, within 30 days after request, deliver to the other party satisfactory evidence of such authority.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Multiple Parties. If more than one person or entity is named herein as either Lessor or Lessee, such multiple Parties shall have joint and several responsibility to comply with the terms of this Lease.

48. Waiver of Jury Trial. The Parties hereby waive their respective rights to trial by jury in any action or proceeding involving the Property or arising out of this Agreement.

49. Mediation and Arbitration of Disputes. An Addendum requiring the Mediation and/or the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☑ is not attached to this Lease.

50. Accessibility: Americans with Disabilities Act.

(a) The Premises: (X) have not undergone an inspection by a Certified Access Specialist (CASp). ( ) have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises

met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. ( ) have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

(b) Since compliance with the Americans with Disabilities Act (ADA) **is** dependent upon **Lessee's** specific and unique use of the Premises, except as set forth in Paragraph 2.3, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's specific and unique use of the Premises requires modifications or addition to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: Newport Beach, CA
On: 11-11-15

Executed at: 16275 Laguna Canyon Rd, #16,
Irvine, CA 92618
On: November 10, 2015

By LESSOR:
THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin Corporation
By: By: /s/ Adam C. Spice
Northwestern Mutual Investment Management

By LESSEE:
MAXLINEAR, INC., a Delaware corporation

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Company, LLC, a Delaware limited liability company, its wholly-owned affiliate	Name Printed: Adam C Spice Title: CFO
By: /s/ Don Morton Name Printed: Don Morton Title: Director – Asset Mgmt.	By: ____ Name Printed: __ Title: ____
	Address: ____
By: Name Printed: Title: Address: __	Telephone: 760-692-0711 Facsimile: 760-444-8596 Federal ID No. 14-1896129
Telephone: (___) __ Facsimile: (___) __ Federal ID No. __	
BROKER:	**BROKER:**
Att: Title: Address:.	__ Att: __ Title: __ Address: ____
Telephone: (___) Facsimile: (___) Federal ID No.	Telephone: (___) __ Facsimile: (___) __ Federal ID No. __

These forms are often modified to meet changing requirements of law and needs of the industry. Always write orcall **to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 700 South Flower Street, Suite 600, Los Angeles, CA 90017. (213) 687-8777.**

LEASE ADDENDUM
(NET LEASE - MULTI-TENANT)

This Addendum to the Lease dated November 4, 2015, made by and between The Northwestern Mutual Life Insurance Company ("Lessor") and MaxLinear, Inc. ("Lessee") for certain premises located at 50 Parker, Irvine, CA (the "Premises") (this "Addendum"), is hereby incorporated into the Lease. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Lease. The provisions of the Lease are modified as set forth below. In the event of any inconsistency between this Addendum and the Lease, the terms of this Addendum shall prevail.

50. PREMISES SIZE. Lessor and Lessee acknowledge that they have stipulated to the area of the Premises and that the actual size of such area is not subject to dispute. Lessee agrees that Lessor shall have no liability in the event that the size of the Premises is other than the amount specified and Lessee shall have no right to terminate this Lease should such discrepancy be discovered. Lessor agrees not to charge Lessee additional Operating Expenses or Rent due to a re-measurement of the Premises.

51. NO PAYMENT TO LESSEE IF LESSEE IN DEFAULT. In the event of any Breach by Lessee under any provision of this Lease, then notwithstanding any provision of this Lease to the contrary which requires Lessor to make any payment to Lessee, Lessor shall not be obligated to make such payment to Lessee, but may instead apply the amount of such payment against Rent or Additional Rent past due; and against any costs incurred by Lessor to cure any default by Lessee.

52. USE OF THE PREMISES.

52.1 Compliance. Lessor shall deliver the Premises to Lessee on the Commencement Date in compliance with all municipal, county and state laws, ordinances and regulations governing and regulating the use of the Premises. Lessee acknowledges its lease of the Premises is subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Premises, and any covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee shall not use the Premises which will in any way conflict with any law, statute, zoning restriction, ordinance or governmental law, rule, regulation or requirement of any duly constituted public authority having jurisdiction over the Premises now in force or which may hereafter be in force, or any covenants, conditions, easements or restrictions now or hereafter encumbering the Premises. Lessee shall not commit any public or private nuisance or any other act or thing that might or would disturb the quiet enjoyment or any other Lessee of Lessor or any occupant of nearby property. Lessee shall place no loads upon the floors, walls or ceilings in excess of the maximum designed load specified by Lessor or which may damage the building or outside areas; nor place any harmful liquids in the drainage systems; nor dump or store waste materials, refuse or other materials or allow such to remain outside the building, except in the enclosed trash areas provided.

52.2 Compliance With Governmental Regulations. Notwithstanding anything to the contrary set forth in this Lease, if and to the extent modifications or improvements to the structure of the Premises or any portion thereof or to any fire prevention or other emergency system are deemed necessary by any governmental authority or Applicable Requirements, Lessor shall make such modifications and improvements and Lessee shall cooperate with Lessor in the making of any such modifications or improvements. Notwithstanding the foregoing sentence, Lessor shall not be responsible for the costs and expenses of such modifications or improvements in the event that such improvements or modifications are required after the Commencement Date as the result of Lessee's specific and unique use of the Premises or conduct including, but

not limited to, Lessee's alterations, improvements or modifications of the Premises. In the event that any alterations, modifications or improvements undertaken by either party pursuant to this Section result in any interruption of the business of Lessee, Lessor shall have no liability to Lessee for such interruption and Lessee shall be limited to such business interruption insurance coverage, if any, as it may elect to carry.

52.3 Lessee ADA Obligations. Lessor shall deliver the Premises to Lessee on the Commencement Date in compliance with the requirements of Title III of the Americans with Disabilities Act of 1990 (42 U.S.C. 12181, et seq., the Provisions Governing Public Accommodations and Services Operated by Private Entities) (hereinafter collectively referred to as the "ADA"). At all times during the term of this Lease following the Commencement Date, Subject to the provisions of Paragraph 2.3 of this Lease, Lessee, at Lessee's sole cost and expense, shall cause the Premises, and all alterations and improvements in the Premises, and Lessee's use and occupancy of the Premises, and Lessee's performance of its obligations under this Lease, to comply with the ADA, and all regulations promulgated thereunder, and all amendments, revisions or modifications thereto now or hereafter adopted or in effect in connection therewith and to take such actions and make such alterations and improvements as are necessary for such compliance; provided, however, that Lessee shall not make any such alterations or improvements except upon Lessor's prior written consent pursuant to the terms and conditions of this Lease. If Lessee fails to diligently take such actions or make such alterations or improvements as are necessary for such compliance, Lessor may, but shall not be obligated to, take such actions and make such alterations and improvements and may recover all of the costs and expenses of such actions, alterations and improvements from Lessee as additional rent. No act or omission of Lessor, including any approval, consent or acceptance by Lessor or Lessor's agents, employees or other representatives, shall be deemed an agreement, acknowledgment, warranty or other representation by Lessor that Lessee has complied with the ADA or that any action, alteration or improvement by Lessee complies or will comply with the ADA or constitutes a waiver by Lessor of Lessee's obligations to comply with the ADA under this Lease or otherwise. Notwithstanding anything to the contrary set forth herein, Lessor shall be responsible for all compliance with law requirements, including compliance with the ADA, relating to the exterior of the Building and Common Areas, and the construction of the Base Building Improvements and the Lessee Improvements. Notwithstanding anything to the contrary herein, any upgrades to the Building or the exterior areas required to bring the Premises into compliance with building codes, including the ADA requirements, that are triggered by the Base Building Improvements and/or were not in compliance with law prior to the Commencement Date shall be performed at Lessor's sole cost and expense, and shall not be funded or paid for out of the Allowance. From and after completion of the Base Building Improvements and the Lessee Improvements, Lessee shall be responsible for compliance with law requirements due to Lessee's particular use of the Premises, including compliance with the ADA, arising from all future improvements, Utility Installations, and Alterations made by Lessee and from any change in use by Lessee.

52.4 Forklift Restrictions. Asphaltic cement cannot withstand noninflatable forklift tires. In the event the slab is damaged by Lessee's use of a forklift with noninflatable tires, it shall be Lessee's obligation to repair the damaged asphaltic cement at Lessee's sole expense.

52.5 Battery Chargers. Battery charging units not equipped with an automatic shut-off feature can cause substantial and expensive damage to warehouse floors resulting from battery acid spills from over-charged batteries. Lessee acknowledges and agrees that Lessee shall be solely and fully liable for the expense of repair or replacement of floors within the Premises, including concrete slab floors, required as a result of damage caused by battery charging units installed by or used by Lessee. In order to reduce the risk that any such damage shall occur, all battery charging units operated or maintained by Lessee at the Premises shall be equipped with an original equipment automatic shut-off feature, or shall have an after-market automatic shut-off device added thereto.

52.6 Department of Treasury Restrictions. Lessee warrants and represents to Lessor that Lessee and all persons and entities (i) owning (directly or indirectly) an ownership interest in Lessee, (ii) whom or which are an assignee of Lessee's interest in this Lease; (iii) whom or which are a guarantor of Lessee's obligations under this Lease; or (iv) executing any separate indemnity agreement in favor of Lessee in connection with this Lease or with the leasing of the Premises: (a) is not, and shall not become, a person or entity with whom Lessor is restricted from doing business with under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of Treasury (including, but not limited to, those named on OFAC's Specifically Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action, (b) is not knowingly engaged in, and shall not knowingly engage in any dealings or transaction or be otherwise associated with such persons or entities described in clause (a) above; and (c), is not, and shall not become, a person or entity whose activities are regulated by the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders thereunder.

52.7 Mold and Mildew Control. Lessee shall not use the Premises in any manner that will cause mold, mildew or similar conditions to arise at the Premises. Lessee shall keep all ice and coffee machines that Lessee places in the Premises in good condition and repair and immediately remove any water discharged or spilled from such ice or coffee machines. Lessee shall regularly monitor the Premises for the presence of mold or mildew or any conditions that can reasonably be expected to contribute to the growth of mold or mildew and shall immediately report to Lessor (i) any evidence of a water leak or excessive moisture in the Premises, and (ii) any evidence of mold or mildew in the Premises. Lessee shall indemnify and hold Lessor harmless from any cost or expense incurred by Lessor in order to remove or eradicate any mold, mildew or similar condition at the Premises caused by Lessee's Breach of its obligations under this Paragraph 52.7.

52.8 Lender's Request for Lessor's Consent. If at any time during the Lease Term, or any extension thereof, Lessee shall make and enter into any secured financing or other transaction in which a lender to Lessee shall request the consent of the Lessor to the granting of a security interest by Lessee in any assets of Lessee that may be located at the Premises, together with Lessor's consent to permit such lender access to the Premises for the purpose of assembling and/or selling any such collateral, Lessor will enter into a Landlord's Waiver and Consent in the form attached hereto as Exhibit "E" ("the "Approved Consent Form"). In the event Lessee nonetheless requests Lessor to modify the Approved Consent Form or enter into a form provided by Lessee's Lender, such request shall be in writing and shall be accompanied by the fee referred to below. As a condition to Lessor's requirement to consider any request from Lessee for such consent, Lessee shall first pay to Lessor, as Additional Rent, the sum of $2,500.00 as a fixed fee to compensate Lessor for expenses to be incurred by Lessor in reviewing such request and preparing such Landlord's Waiver and Consent (whether or not Lessor and Lessee actually execute any such instrument), the parties hereto agreeing that such sum is a reasonable approximation of the cost of Northwestern's expenses relating thereto, the exact cost thereof being impractical to determine. Lessee acknowledges and agrees that Lessor is under no obligation whatsoever to modify such Approved Consent Form or enter into any such agreement on a form supplied by any lender to Lessee.

_____ **Lessee Initials** _____ **Lessor Initials**

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52.9 Intentionally Deleted.

52.10 Use of the HVAC. Lessee shall be entitled to operate the building-standard HVAC equipment serving the Premises and any specialized air conditioning / air handling equipment or systems installed in the Premises as it relates to Tenant's electronics laboratory and server room at no additional after-hours charge to Lessee, twenty-four (24) hours per day, seven (7) days per week. All costs of electricity to operate the HVAC shall be included in the utilities bill that Lessee is responsible to separately contract for under the Lease.

53. ASSIGNMENT AND SUBLETTING.

53.1 Consent Required. Lessee shall not, without the prior written consent of Lessor, assign, transfer, convey, mortgage, pledge, hypothecate or encumber this Lease or any interest herein, sublease the Premises or any part thereof or any right or privilege appurtenant thereto, or permit the use or occupancy of the Premises by any other person other than Lessee and Lessee's representatives and invitees or Permitted Transferees. Each of the foregoing acts, transactions and events are sometimes referred to herein as a "Transfer." The person in whose favor such Transfer is made is sometimes referred to herein as a "Transferee." If Lessee shall complete any Transfer without such consent the Transfer shall be void and shall constitute a material default and breach of this Lease by Lessee. This Lease or any interest herein shall not be assignable or otherwise transferable by operation of law, as to the interest of Lessee, without the prior written consent of Lessor and any such assignment or other Transfer shall be void and shall be a material default and breach of this Lease by Lessee.

53.2 Request for Transfer. If at any time during the Lease Term, or any extension thereof, Lessee desires the consent of the Lessor to a Transfer of this Lease, Lessee's request to Lessor for such consent shall be in writing and shall include the information and documents described below, hereinafter referred to as "Lessee's Request for Transfer". Lessee agrees to pay Lessor, as Additional Rent, all expenses reasonably incurred by Lessor in reviewing any information in order to determine whether consent to a requested Transfer should be given (whether or not such consent is given) in an amount not to exceed $500.00, including, but not limited to, costs and expenses incurred for credit investigations, reasonable attorneys' fees and the costs of preparation of any necessary documents. The information and documents to be included with Lessee's Request for Transfer are as follows:

(a) A statement that Lessee requests consent to the proposed Transfer and the type of Transfer proposed;

(b) The name of the proposed Transferee;

(c) The nature of the use or business to be carried on in the Premises by the proposed Transferee;

(d) A description of the area of the Premises to be covered by the Transfer;

(e) The terms and provisions of the proposed Transfer including a copy of the proposed document of Transfer and any other agreements to be entered into concurrently therewith;

(f) Such financial information as Lessor may reasonably request concerning the proposed Transferee; and

(g) To the extent that the proposed Transfer is other than an assignment or sublease, the information described in (a) through (f) above shall be modified to correspond to the type of Transfer for which consent is requested.

53.3 Lessor's Option. Within twenty (20) calendar days after Lessor's receipt of Lessee's Request for Transfer, Lessor may, in its reasonable discretion, exercise either of the options described below by providing written notice to Lessee of Lessor's election. If for any reason, Lessor fails to give Lessee written notice of Lessor's election as authorized by this subparagraph 53.3 within the said twenty (20) calendar day period, Lessor shall be deemed to have elected to consent to the Transfer. The options available to Lessor are as follows:

(a) Consent to the requested Transfer (subject in all circumstances to the provisions of subparagraph 53.5, whether or not so expressly stated in the Notice to Lessee setting forth such consent); or

(b) Withhold consent to the requested Transfer. If Lessor withholds consent, Lessor shall inform Lessee of the reasons therefor.

53.4 Lessor Entitled to Withhold Consent to Transfer in its Reasonable Discretion. Lessor shall not unreasonably withhold its consent to any Transfer.

53.5 Consent Given. The provisions of this subsections (a) and (c) of this Section 53.5 shall not apply to a Permitted Transferee. Should Lessor consent to a Transfer, Lessor may impose upon such Transfer all such reasonable conditions as Lessor may desire, i.e., the following conditions:

(a) Lessee completing the negotiations for a valid and bona fide Transfer to the Transferee identified in Lessee's Request for Transfer within sixty (60) days after the date of Lessor's consent and such Transfer being in accordance with all the terms and provisions contained in Lessee's Request for Transfer. If for any reason this condition fails, any consent given by Lessor shall be deemed of no force and effect and Lessee shall be required to again comply with all conditions of this Paragraph 53 as if no consent had been given.

(b) Lessee delivering to Lessor, prior to the earlier of the date the Transfer occurs or the date the Transferee takes possession of the Premises or any part thereof, executed originals of the document of transfer and any other agreement entered into in connection with such Transfer. If the Transfer is by way of assignment, the form of assignment shall expressly state that the Transferee assumes all of Lessee's obligations under this Lease. If the Transfer is by way of sublease, the sublease shall expressly state that: It is subject to the provisions of this Lease; it does not extend beyond the Termination Date; the sublessee's right to transfer its interest in the sublease is subject to Lessor's rights under this Paragraph 53.

(c) Lessee paying to Lessor as Additional Rent under this Lease, without affecting or reducing any other obligations of Lessee under this Lease, fifty percent (50%) of any sums of money or other economic consideration received by Lessee as result of such Transfer in excess of Lessee's Base Rent

and Additional Rent (but not any loan proceeds if the Transfer is a bona fide loan), including, but not limited to: Bonuses, key money or the like; any payment made to Lessee by the Transferee, however denominated, which is attributed to either the amortization of the cost of any improvements made to the Premises which were paid by Lessee and are to be used by the Transferee; and, if the Transfer is a subletting, all rentals, whether so denominated or not under the sublease. All sums due Lessor pursuant to this subparagraph 53.5(c) shall, provided the Transfer is a subletting, be prorated if the sublease covers less than all of the Premises Area according to the ratio that the Premises area transferred bears to the total Premises area. Notwithstanding the foregoing, Lessee shall be entitled to deduct from such amounts payable to Lessor pursuant to this Section such reasonable costs and expenses as Lessee actually incurs in obtaining a Transferee, i.e., commissions paid to brokers in connection with such transfer, advertising costs paid by Lessee in connection with such Transfer, the cost of any improvements made by Lessee, at its cost, for the Transferee, concessions, reasonable legal fees and similar items. Lessee shall be obligated, however, to provide evidence to Lessor substantiating such costs and expenses to Lessor's reasonable satisfaction.

53.6 Transfer to a Related Party. The provisions of this Section 53 to the contrary notwithstanding, Lessee shall have the right, without Lessor's consent, to assign or otherwise transfer this Lease, or to sublet the Premises, (i) to any parent or subsidiary of Lessee, and (ii) to any successor to Lessee by way of merger, consolidation, sale of substantially all of Lessee's assets or the like (each, a "Permitted Transferee"); provided that Lessor is notified in writing of the assignment prior to the effective date thereof, unless notice is restricted due to the confidential nature of the underlying transaction, in which case such notice shall be given promptly after the transaction and the assignee (if Lessee is not the surviving entity) assumes in writing for the direct benefit of Lessor all of Lessee's obligations under this Lease arising on and after the effective date of the assignment (except in the case of a sublease, the provisions dealing with the amount of rent payable). A sale, transfer or issuance of Lessee's capital stock shall not be deemed an assignment, subletting or any other transfer of the Lease or the Premises.

53.7 No Release of Liability. No Transfer shall release Lessee of its obligations to pay the Rent and to perform all the other obligations to be performed by Lessee under this Lease. The acceptance of Rent by Lessor from any person shall not be deemed to be the waiver by Lessor of any provision of this Lease or to be a consent to any assignment or subletting. A consent to one Transfer shall not be deemed to be a consent to any subsequent Transfer. In the event of default by a Transferee in the performance of any of the terms of this Lease, Lessor may proceed directly against Lessee without the necessity of exhausting its remedies against the Transferee. If Lessee enters into a sublease, with or without Lessor's consent, Lessee shall be deemed to have immediately and irrevocably assigned to Lessor, as security for Lessee's obligations under this Lease, all subrent or other sums due to Lessee under the sublease, and Lessor, as assignee and as attorney-in-fact for Lessee, or a receiver for Lessee appointed on Lessor's application, may collect such subrent or other sums due and apply it towards Lessee's obligations under this Lease, except, that, until and during the continuance the occurrence of a Breach by Lessee, Lessee shall have the right to collect such subrent or other sums due. Lessor may, as a condition to Lessor's consent to any proposed sublease, require Lessee and the proposed sublessee to enter into an agreement with Lessor whereby the proposed sublessee agrees: To pay subrent or all other sums due directly to Lessor upon notice from Lessor of Lessee's default; and, notwithstanding Lessor's receipt of subrent or other sums due, Lessor shall not be liable to the proposed sublessee for anything under the sublease or under this Lease and Lessor may pursue any remedy available to it under this Lease.

Lessee Initials **Lessor Initials**

5 4 . NON-DISTURBANCE AND ATTORNMENT; LESSEE STATEMENT . Lessor represents that as of the date of this Lease, there is no loan encumbering the Building. [At such time during the Lease Term as Lessor shall elect to encumber the Premises with a deed of trust, mortgage, or other form of security agreement, Lessor shall cause such trust deed beneficiary or mortgagee to make and enter into a form of Non-Disturbance and Attornment Agreement with Lessee in a commercially reasonable form reasonable acceptable to Lessee and such beneficiary or mortgagee and the subordination of the Lease to such loan is conditioned upon Lessee's receipt of such an agreement. In addition, Lessee shall within ten (10) business days following written request by Lessor execute and deliver to Lessor any documents reasonably requested by Lessor, including estoppel certificates, in a commercially reasonable form prepared by Lessor.

55. LESSEE'S REMEDIES. The obligations of Lessor do not constitute the personal obligation of the individual partners, trustees, directors, officers or shareholders of Lessor or its constituent partners. If Lessor shall fail to perform any covenant, term or condition of this Lease upon Lessor's part to be performed, Lessee shall be required to deliver to Lessor written notice of the same. If, as a consequence of such default, Lessee shall recover a money judgment against Lessor, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Lessor in the Premises and out of Rent or other income from such property receivable by Lessor or out of consideration received by Lessor from the sale or other disposition of all or any part of Lessor's right, title or interest in the project of which the Premises are a part, and no action for any deficiency may be sought or obtained by Lessee.

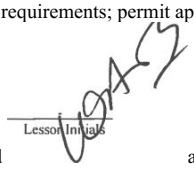
56. HAZARDOUS SUBSTANCES.

(a) For purposes of this Lease, the term "Hazardous Substances" includes (i) any "hazardous material" as defined in Section 25501(o) of the California Health and Safety Code, (ii) hydrocarbons, polychlorinated biphenyls or asbestos, and (iii) any toxic or hazardous materials, substances, wastes or materials as defined pursuant to any other present or future applicable state, federal or local law or regulation.

(b) Lessee shall not cause or permit its agents, employees, invitees, licensees, or contractors to cause any Hazardous Substances to be brought upon, stored, used, generated, released or disposed of on, under, from or about the Premises (including without limitation the soil and groundwater thereunder) without the prior written consent of Lessor, which consent may be given or withheld in Lessor's reasonable discretion, taking into account the potential risk to person and property and the potentially substantial cost of remediation. Notwithstanding the foregoing, Lessee shall have the right, without obtaining prior written consent of Lessor, to utilize within the Premises a reasonable quantity of standard office products that may contain Hazardous Substances (such as photocopy toner, "White Out", janitorial products, and the like), provided however, that (i) Lessee shall maintain such products in their original retail packaging, shall follow all instructions on such packaging with respect to the storage, use and disposal of such products, and shall otherwise comply with all applicable laws with respect to such products, and (ii) all of the other terms and provisions of this Paragraph 56 shall apply with respect to Lessee's storage, use and disposal of all such products. Lessor may, in its reasonable discretion, place such conditions as Lessor deems appropriate with respect to Lessee's use of any such Hazardous Substances, and may further require that Lessee demonstrate that any such Hazardous Substances are necessary or useful to Lessee's business and will be generated, stored, used and disposed of in a manner that complies with all Applicable Requirements and regulations pertaining thereto and with good business practices. Lessee understands that Lessor may utilize an environmental consultant to assist in determining conditions of approval in connection with the storage, generation, release, disposal or use of Hazardous Substances by Lessee on or about the Premises, and/or to conduct periodic inspections of the storage, generation, use, release and/or disposal of such Hazardous Substances by Lessee on and from the Premises, and Lessee agrees that any costs

incurred by Lessor in connection therewith shall be reimbursed by Lessee to Lessor as additional rent hereunder upon demand.

(c) Prior to the execution of this Lease, Lessee shall complete, execute and deliver to Lessor an Environmental Questionnaire and Disclosure Statement (the "Environmental Questionnaire") in the form of Exhibit "F" attached hereto. The completed Environmental Questionnaire shall disclose all Hazardous Substances Lessee intends to bring upon, store, use, generate, release or dispose of on, under, from or about the Premises, and shall be deemed incorporated into this Lease for all purposes, and Lessor shall be entitled to rely fully on the information contained therein. In the event at any time during the Lease Term Lessee intends to bring upon, store, use, generate, release or dispose of on, under, from or about the Premises any Hazardous Materials not previously disclosed on a Lessor approved Environmental Questionnaire, prior to the introduction thereof to the Premises Lessee shall deliver to Lessor for Lessor's prior approval an updated Environmental Questionnaire disclosing each such additional Hazardous Material. Only upon Lessor's written approval of said updated Environmental Questionnaire may said additional Hazardous Materials be present at the Premises; provided, however, once the presence and quantity of specific Hazardous Materials has been listed by Lessee on an Environmental Questionnaire required by hereby and has been approved by Lessor, Lessor shall not unreasonably withhold its approval of substitutions of any such approved Hazardous Materials with other Hazardous Materials serving the same purpose of that for which it has been substituted. In addition, to the extent Lessee is permitted to utilize Hazardous Substances upon the Premises, Lessee shall promptly provide Lessor with complete and legible copies of all the following environmental documents relating thereto: reports filed pursuant to any self-reporting requirements; permit applications, permits, monitoring reports, emergency response or action plans,



workplace exposure and community exposure warnings or notices and all other reports, disclosures, plans or documents (even those which may be characterized as confidential, subject to Lessor entering into a reasonable confidentiality agreement with respect thereto) relating to water discharges, air pollution, waste generation or disposal, and underground storage tanks for Hazardous Substances; orders, reports, notices, listings and correspondence (even those which may be considered confidential) of or concerning the release, investigation of, compliance, cleanup, remedial and corrective actions, and abatement of Hazardous Substances; and all complaints, pleadings and other legal documents filed by or against Lessee related to Lessee's use, handling, storage, release and/or disposal of Hazardous Substances.

(d) Lessor and its agents shall have the right, but not the obligation, to inspect, sample and/or monitor the Premises and/or the soil or groundwater thereunder at any time to determine whether Lessee is complying with the terms of this Paragraph 56, and in connection therewith Lessee shall provide Lessor with full access to all facilities, records and personnel related thereto. Within the 90-day period prior to the expiration of this Lease, or within the 90-day period following the early termination of this Lease as a result of Lessee's Breach thereof, Lessor, at Lessor's cost and expense, shall cause its environmental consultants to undertake a comprehensive environmental audit of the Premises to determine whether Hazardous Substances are located at the Premises for which Lessee is responsible under the terms of this Lease; provided, however, if Hazardous Substances for which Lessee is responsible under this Lease are found to be located at the Premises, Lessee shall reimburse Lessor for the cost of said audit. If Lessee, either during the Lease Term or upon the expiration or earlier termination thereof, is not in compliance with any of the provisions of this Paragraph 56, or in the event of a release of any Hazardous Material on, under or about the Premises caused or permitted by Lessee, its agents, employees, contractors, licensees or invitees, Lessor and its agents shall have the right at any

time, but not the obligation, without limitation upon any of Lessor's other rights and remedies under this Lease, to immediately enter upon the Premises without notice and to discharge Lessee's obligations under this Paragraph 56 at Lessee's expense, including without limitation the taking of emergency or long-term remedial action and notwithstanding that Lessee may have already commenced remediation and/or reconstruction activities. Lessor and its agents shall endeavor to minimize interference with Lessee's business in connection therewith, but shall not be liable for any such interference. In addition, Lessor, at Lessee's expense, shall have the right, but not the obligation, to join and participate in any legal proceedings or actions initiated in connection with any claims arising out of the storage, generation, use, release and/or disposal by Lessee or its agents, employees, contractors, licensees or invitees of Hazardous Substances on, under, from or about the Premises. In the event Lessor shall elect to perform Lessee's obligations under this Paragraph 56 as permitted above, Lessee shall reimburse Lessor all costs and expenses incurred by Lessor within twenty (20) days of receipt from Lessor of an invoice therefor, accompanied by reasonable evidence of such costs and expenses. Lessor shall have the right to provide such invoices to Lessee monthly during the period of time that Lessor is in the process of performing such Lessee obligations hereunder in order to obtain reimbursement from Lessee of costs and expenses incurred by Lessor as of the date of each such invoice.

(e) If the presence of any Hazardous Substances on, under, from or about the Premises or the Project caused by Lessee or its agents, employees, contractors, licensees or invitees or permitted in the Premises by Lessee or its agents, employees, contractors, licensees or invitees (excluding as a result of the actions or omissions of Lessor or its agents, employees, contractors, licensees or invitees) results in (i) injury to any person, (ii) injury to or any contamination of the Premises or the Project, or (iii) injury to or contamination of any real or personal property wherever situated, Lessee, at its expense, shall promptly commence and diligently complete all actions necessary to return the Premises and the Project and any other affected real or personal property owned by Lessor to the condition required by Applicable Requirements and to remedy or repair any such injury or contamination, including without limitation, any cleanup, remediation, removal, disposal, neutralization or other treatment of any such Hazardous Substances. Notwithstanding the foregoing, Lessee shall not, without Lessor's prior written consent to the remediation and reconstruction activities to be undertaken by Lessee, which consent may be given or withheld in Lessor's reasonable discretion, take any remedial action in response to the presence of any Hazardous Substances on, from, under or about the Premises or the Project or any other affected real or personal property owned by Lessor or enter into any similar agreement, consent, decree or other compromise with any governmental agency with respect to any Hazardous Substances claims; provided however, Lessor's prior written consent shall not be necessary in the event that the presence of Hazardous Substances on, under or about the Premises or the Project or any other affected real or personal property owned by Lessor (i) imposes an immediate threat to the health, safety or welfare of any individual and (ii) is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Lessor's consent before taking such action. In the event that the permissible levels or concentrations of Hazardous Substances are subject to ambiguous regulatory standards or different regulatory standards of governmental agencies having jurisdiction (including without limitation the State of California under Proposition 65), Lessor shall have the right to identify the applicable standard for remediation to which Lessee must adhere in performing its obligations under this Lease. To the fullest extent permitted by law, Lessee shall indemnify, hold harmless, protect and defend (with attorneys acceptable to Lessor) Lessor and any successors to all or any portion of Lessor's interest in the Premises and the Project and any other real or personal property owned by Lessor from and against any and all liabilities, losses, damages, diminution in value, judgments, fines, demands, claims,

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recoveries, deficiencies, costs and expenses (including without limitation attorneys' fees, court costs and other professional expenses), whether foreseeable or unforeseeable, arising directly or indirectly out of the use, generation, storage, treatment, release, on-site or off-site disposal or transportation of Hazardous Substances on, into, from, under or about the Premises, the Building or the Project and any other real or personal property owned by Lessor caused by Lessee, its agents, employees, contractors, licensees or invitees or permitted in the Premises by Lessee or its agents, employees, contractors, licensees or invitees (excluding as a result of the actions or omissions of Lessor or its agents, employees, contractors, licensees or invitees). Such indemnity obligation shall specifically include, without limitation, the cost of any required or necessary repair, restoration, cleanup or detoxification of the Premises, the Building and the Project and any other real or personal property owned by Lessor, the preparation of any closure or other required plans, whether or not such action is required or necessary during the Term or after the expiration of this Lease and any loss of rental due to the inability to lease the Premises or any portion of the Building or Project as a result of such Hazardous Material or remediation thereof. If it is at any time discovered that Hazardous Substances have been released on, into, from, under or about the Premises during the Term, and that Lessee or its agents, employees, contractors, licensees or invitees may have caused the release of a Hazardous Material on, under, from or about the Premises, the Building or the Project or any other real or personal property owned by Lessor, Lessee shall, at Lessor's request, immediately prepare and submit to Lessor a comprehensive plan, subject to Lessor's approval, specifying the actions to be taken by Lessee to return the Premises, the Building or the Project or any other real or personal property owned by Lessor to the condition required by Applicable Requirements. Upon Lessor's approval of such cleanup plan, Lessee shall, at its expense, and without limitation of any rights and remedies of Lessor under this Lease or at law or in equity, immediately implement such plan and proceed to cleanup such Hazardous Substances in accordance with all applicable laws and as required by such plan and this Lease. The provisions of this Paragraph 56 shall expressly survive the expiration or sooner termination of this Lease. Notwithstanding anything to the contrary herein, Lessee's indemnity of Lessor shall not apply to any such release or presence of Hazardous Substances on the Premises caused or permitted by anyone other than Lessee and its agents, employees, contractors, licensees or invitees, and Lessee shall not be responsible for any such costs (whether as a Common Area Operating Expense or otherwise).

(f) Lessor hereby represents and warrants that it has no actual knowledge of the presence of any Hazardous Substances on, under, from or about the Premises as of the Commencement Date. To the fullest extent permitted by law, Lessor shall indemnify, hold harmless, protect and defend (with attorneys acceptable to Lessee) Lessee and any successors to all or any portion of Lessee's interest in the Premises from and against any and all liabilities, losses, damages, judgments, fines, demands, claims, recoveries, deficiencies, costs and expenses (including without limitation attorneys' fees, court costs and other professional expenses), whether foreseeable or unforeseeable, arising directly or indirectly out of the use, generation, storage, treatment, release, on-site or off-site disposal or transportation of Hazardous Substances on, into, from, under or about the Premises, the Building or the Project caused or permitted by Lessor, its agents, employees, contractors, licensees or invitees.

57. RENT ADJUSTMENT. Monthly Base Rent during the Lease Term shall be adjusted at the times and to the amounts set forth below:

Month of Lease Term	Monthly Base Rent
1 - 12	$67,817.00 NNN
13 - 24	$70,530.00 NNN
25 - 36	$73,351.00 NNN
37 - 48	$76,285.00 NNN
49 - 60	$79,337.00 NNN
60 - 72	$82,510.00 NNN
73 - 74	$85,811.00 NNN

Provided that Lessee is not at the time in material Breach under this Lease, Lessee shall be entitled to abatement of the Base Rent for the second (2nd) month and third (3rd) month of the Term; provided, however, Lessee shall continue to be obligated to pay Common Area Operating Expenses, insurance, and Real Property Taxes during said months.

58. NO RECORDATION. This Lease shall not be recorded.

59. FORCE MAJEURE. If either Lessor or Lessee cannot perform any of its obligations (other than Lessee's obligation to pay Rent hereunder) due to events beyond such party's reasonable control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond a party's reasonable control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction and weather conditions.

60. EXTENSION OPTION. Lessee is given the option to extend the Term of this Lease on all of the terms and conditions of this Lease, except for rent and the construction Allowance, for one (1) five (5) year period (the "Extended Term") following the expiration of the initial Term, by the giving of notice of the exercise of the option (the "Option Notice") to Lessor at least nine (9) months, but not more than twelve (12) months, before the expiration of the original term. Notwithstanding the above, Lessee shall have no extension option if Lessee is in material Breach on the date of giving the Option Notice, in which event the Option Notice shall be totally ineffective, and, if Lessee is in material Breach on the date the Extended Term is to commence, at the election of Lessor, the Extended Term shall not commence and the Lease shall expire at the end of the then effective Term. In addition, the option granted hereby is personal to the original Lessee named in paragraph 1.1 of this Lease, and cannot be voluntarily or involuntarily assigned or exercised by any person or entity other than said original Lessee. The option granted to Lessee and any Permitted Transferee hereby is not assignable, either as part of an assignment of this Lease or apart therefrom, and said option may not be separated from this Lease in any manner, by reservation or otherwise.

Base Rent for the five (5)-year option period shall be at one hundred percent (100%) of the prevailing market rental rate in the area determined in the manner described below. In determining the fair market rental rate, the parties shall take into account (i) that the Premises will be leased in its "As-Is" condition and (ii)

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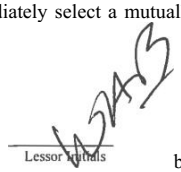
current free rent concessions, and tenant improvement allowances, if any, being offered by other lessors of comparable projects in the vicinity of the Project (which concessions and allowances shall not be offered by Lessor, but shall be accounted for in determining the market rent if such items are present in the comparable projects). Base Rent for each successive year shall be at prevailing market rate increases over the first year Base Rent.

The parties shall have thirty (30) days after Lessor receives the Option Notice in which to agree on monthly Base Rent for the first year of the applicable extended term and on market rate increases, if any, in one or more successive years thereafter. If the parties are unable to agree on the minimum monthly Base Rent within that period, then within ten (10) days after the expiration of that period, then either (i) Lessor and Lessee shall appoint a mutually acceptable appraiser or broker to establish the new market rental rate and terms ("MRRT") in the area within the next thirty (30) days, including market rate increases during one or more successive years of the extended term (all costs associated with said appraisal shall be split equally between Lessor and Lessee), or (ii) each of Lessor and Lessee shall select and pay the appraiser or broker of their choosing to establish a MRRT within the next 30 days. If for any reason either one of the appraisals is not completed within the next 30 days as stipulated, then the appraisal that is completed at that time shall automatically become the new MRRT. If both appraisals are completed and the two appraisers/brokers cannot agree on a reasonable average MRRT then they shall immediately select a mutually acceptable appraiser or broker to establish which of the two appraisals is



closest to the MRRT. Whichever appraisal is determined by the third broker/appraiser to be closest to the MRRT shall be the new MRRT. The new Base Rent shall be the MRRT as determined by said broker/appraiser. In determining the MRRT, the appraisers shall take into account that Lessor is not making any tenant improvements, or giving Lessee any free rent.

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After the new monthly Base Rent has been set for the extended term, the appraisers shall immediately notify the parties.

61. RELATIONSHIP OF PARTIES. Neither the method of computation of rent nor any other provisions contained in this Lease nor any acts of the parties shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee, other than the relationship of Lessor and Lessee.

62. SINGULAR AND PLURAL. When required by the context of this Lease, the singular shall include the plural, the plural shall include the singular, and the masculine gender shall include the feminine and neuter gender.

63. CAPTIONS. The captions and titles of the Articles and Paragraphs, are for convenience only and do not in any way define, limit or construe the content of such Articles or Paragraphs and shall have no effect on their interpretation.

64. NO OFFER TO LEASE. The submission of this Lease to Lessee by Lessor, its agent and/or real estate broker is solely for the purpose of examination and negotiations and does not constitute an

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offer to lease, a reservation of, or option for the Premises. If this Lease is acceptable to Lessee, it should be executed and delivered to Lessor and shall thereafter be deemed an offer by Lessee to lease the Premises upon the terms and conditions in this Lease. Lessor shall not be bound by the terms and conditions of this Lease until Lessor has fully executed and delivered this Lease to Lessee.

65. NO LIEN. Lessor at no time shall have any security interest, lien or similar such right with respect to any property of Lessee, whether located at the Premises or otherwise; provided, however, that nothing herein shall preclude Lessor from obtaining any attachment, judgment, and/or execution lien against Lessee and Lessee's property in any action against Lessee by Lessor.

66. RENT PAYMENT. If any person to whom Lessee shall not then be required to pay rent under this Lease shall demand payment or rent from Lessee alleging his or her right to receive such rent as a result of a transfer of Lessor's interest in this Lease or otherwise, Lessee shall not be obligated to honor such demand unless Lessee shall have received written instructions to do so from the person to whom Lessee shall then be paying rent or shall otherwise receive written evidence satisfactory to Lessee of the right of such person making the demand.

67. COMMON AREA OPERATING EXPENSES.

(a) The term "Common Area Operating Expenses" shall mean and include all Project Costs, as defined immediately below, and Real Property Taxes, as defined in Paragraph 10.1 of this Lease, and are estimated to be $0.28 per square foot during calendar year 2016. Attached hereto as Exhibit "G" is the calendar year 2016 budget of Common Area Operating Expenses. The term "Project Costs" shall include all expenses of operation, repair and maintenance of the Building and the Project, including without limitation all appurtenant Common Areas, and shall include the following charges by way of illustration but not limitation: water and sewer charges; insurance premiums; license, permit, and inspection fees; heat; light; power; janitorial services to any interior Common Areas; air conditioning; supplies; materials; equipment; tools; the cost of any environmental, insurance, tax or other consultant utilized by Lessor in connection with the Building and/or Project; establishment of reasonable reserves for replacements and/or repairs, costs incurred in connection with compliance with any laws or changes in laws applicable to the Building or the Project from and after the Commencement Date; the cost of any capital investments or replacements (other than tenant improvements for specific tenants) to the extent of the amortized amount thereof over the useful life of such capital investments or replacements calculated at the greater of 7.5% and the Wall Street Journal Prime Rate plus 400 basis points, but not to exceed ten percent (10%) per annum, for each such year of useful life during the Term; costs associated with the maintenance of an air conditioning, heating and ventilation service agreement, and maintenance of an intrabuilding network cable service agreement for any intrabuilding network cable telecommunications lines within the Project, costs associated with periodic inspections of Common Area improvements to determine their good working condition, and any other installation, maintenance, repair and replacement costs associated with such lines; labor; reasonable allocated wages and salaries, fringe benefits, and payroll taxes for administrative and other personnel directly applicable to the Building and/or Project, including both Lessor's personnel and outside personnel; any expense incurred pursuant to Paragraphs 7.2 and 68, except as specifically excluded; and a reasonable overhead/management fee for the professional operation of the Project. It is understood and agreed that Project Costs may include competitive charges for direct services provided by any subsidiary, division or affiliate of Lessor.

(b) Common Area Operating Expenses exclude the following:

(i) costs associated with the correction or abatement of Hazardous Substances (unless Lessee is responsible for such contamination pursuant to Paragraph 56 of the Lease)

(ii) costs incurred by Lessor in connection with the construction, expansion or renovation of the Building and/or Project or the correction of defects in such construction;

(iii) fines or penalties assessed against Lessor or the Building and/or Project due to the Building's and/or Project's violation of or failure to comply with any Applicable Requirements as of the Commencement Date;

(iv) advertising or promotional expenditures;

(v) maintenance, repairs or replacements necessitated by the negligent act or omission of or Breach of the Lease by Lessor, its agents, servants, employees, licensees or invitees;

(vi) amounts paid to entities related to Lessor in excess of the arm's length cost of such services;

(vii) interest, late charges or penalties incurred as a result of Lessor's failure to pay bills in a timely manner;

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(viii) interest or payments on any financing for the Building and/or Project;

(ix) cost of correcting defects or any other inadequacy in the design or construction of the Building and/or Project or repair and replacement of any of the original materials or equipment required as a result of such defects or inadequacies;

(x) amounts for which Lessor received reimbursement or compensation from insurers, tenants (other than payments of their share of Common Area Operating expenses) or other third parties;

(xi) the cost of legal, accounting, and other professional services incurred by Lessor for reasons not in connection with the day-to-day operation of the Building and/or Project;

(xii) any bad debt loss, rent loss or reserves for bad debts, rent loss, or replacements;

(xiii) the cost of providing improvements within the premises of any other tenants in the Building and/or Project at any time;

(xiv) any and all costs associated with the operation of the business of the entity which constitutes Lessor, which costs are not directly related to the operation, management, maintenance and repair of the Building and/or Project [by way

of example, without limiting the foregoing, the formation of the entity, internal accounting and legal matters, including but not limited to preparation of tax returns and financial statements and gathering of data therefor, costs of defending any lawsuits (including, without limitation, expenses and legal fees incurred in enforcing leases against tenants), costs of selling, syndicating, financing, mortgaging or hypothecating any of Lessor's interest in the Building and/or Project, and costs of any disputes between Lessor and its employee];

(xv) rent, fees or other amounts payable under any superior lease or other encumbrance;

(xvi) leasing and brokerage expenses and commission and other costs or concessions related to leasing space in the Building and/or Project;

(xvii) salaries of Lessor's or its manager's executive personnel (above the grade of building manager);

(xviii) fees for management of the Building and/or Project in excess of (a) four percent (4%) of the annual Rent under Project leases during the initial Lease Term, and (ii) market rate for first class management companies during the Extended Term;

(xix) utility costs and services separately metered or contracted for and paid directly by Lessee or other tenants;

(xx) the costs of negotiating or enforcing leases of other tenants;

(xxi) the cost of acquiring sculpture or other artwork;

(xxii) costs of services, utilities, or other benefits which are not offered to Lessee for which Lessee is charged directly but which are provided to another tenant or occupant of the Building;

(xxiii) Lessor's general corporate overhead and general and administrative expenses;

(xxiv) costs of or arising from Lessor's charitable or political contributions;

(xxv) costs incurred in removing and storing the property of former tenants or occupants of the Building;

(xxvi) the cost of any work or services performed for any tenant (including Lessee) at such tenant's cost;

(xxvii) lease "takeover" expenses, including, but not limited to, the expenses incurred by Lessor with respect to space located in another building outside the Project of any kind or nature in connection with the leasing of space in the Project;

(xxviii) any costs, fees, dues, contributions or similar expenses for industry associations or similar organizations;

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(xxix) insurance deductibles in excess of $50,000 per claim;

(xxx) any costs to operate, maintain, repair or replace any other Building in the Project if such costs are of a type that Tenant is required to pay for under this Lease (other than as part of Common Area Expenses);

(xxxi) expense reserves (other than amortization of capital expenditures permitted hereunder); and

(xxxii) environmental insurance.

Notwithstanding the foregoing in this Article 67, Lessee shall not be required to pay any expenses or taxes (other than Real Property Taxes) otherwise due hereunder if Lessor first notifies Lessee of such expenses or taxes, in a statement received by Lessee more than twenty-four (24) months after such expenses or taxes are incurred.

(c) Upon the expiration of earlier termination of this Lease, even though this Lease has terminated and Lessee has vacated the Premises, when the final determination is made of Lessee's Share of Common Area Operating Expenses for the calendar year in which this Lease terminated, Lessee shall within thirty (30) days of written notice pay the entire increase over the estimated Lessee's Share of Common Area Operating Expenses already paid for the portion of the year Lessee occupied the Premises. Conversely, any overpayment by Lessee shall be rebated by Lessor to Lessee not later than thirty (30) days after such final determination.

68. INSURANCE.

(a) Lessor's Insurance. At all times during the Lease Term, Lessor shall procure and keep in full force and effect the following insurance:

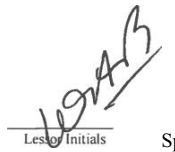
(i) Special Causes of Loss property insurance (including earthquake if coverage is available and commercially reasonable) insuring the replacement value of the Building and Alterations and Utility Installations owned by Landlord pursuant to Paragraph 74(a), Lessor's equipment and Common Area furnishings, with such deductibles as Lessor reasonably considers appropriate. Lessor shall not be obligated to insure any furniture, inventory, or other personal property which Lessee may keep or maintain in the Premises, or any Alterations which Lessee may make to the Premises

(ii) Commercial General Liability insuring its interest in the Building and Improvements.

(iii) Rental Value insurance, in the name of Lessor, with loss payable to Lessor, insuring the full rental and other charges payable by Lessee to Lessor under this Lease for one (1) year (including all real estate taxes, insurance costs, and any scheduled rental increases. Said insurance shall provide that in the event the Lease is terminated by reason of an insured loss, the period of indemnity for such coverage shall be extended beyond the date of the completion of the repairs or replacement of the Premises, to provide one full year's loss of rental revenues from the date of any such loss. Said insurance shall contain the agreed valuation provision in lieu of any coinsurance clause, and the amount of any coverage shall be adjusted annually to reflect the projected rental income, property taxes, insurance premium costs and other expenses, if any, otherwise payable by Lessee, for the next twelve (12) month period. Lessee shall be liable for any deductible amount in the event of such loss.

(iv) Such other insurance as Lessor reasonably determines from time to time.

(b) Lessee's Insurance. Lessee shall, at its sole cost and expense, keep in full force and effect the following insurance:



(i) Special Causes of Loss insurance on "Lessee's Property" for the full replacement cost thereof. Such policy shall contain an agreed amount endorsement in lieu of a coinsurance clause. "Lessee's Property" is defined to be all Trade Fixtures, Utility Installations, improvements, betterments and personal property of Lessee located in or on the Premises, Common Area, or Building, excluding that which may be covered by Lessor's Special Causes of Loss property insurance as set forth in Paragraph 23.01(a), above.

(ii) Commercial General Liability insurance insuring Lessee against any liability arising out of its use, occupancy or maintenance of the Premises or the business operated by Lessee pursuant to this Lease. Such insurance shall be in the amount of at least $3,000,000 per occurrence which may be accomplished by a combination of primary and umbrella insurance coverages. Such policy shall name Lessor, Lessor's wholly owned subsidiaries and agents, including without limitation Lessor's property managers (William A. Budge, Inc. and McKennaco, Inc., dba McKenna & Company) and any mortgagees, as additional insureds on a separate endorsement form at least as broad as the Insurance Service Organization's "Additional Insured — Managers or Lessors of Premises" Endorsement.

(iii) Business automobile liability with a combined single limit of $1,000,000.

(iv) Worker's Compensation insurance as required by state law.

(v) Any other form or forms of insurance or increased amounts of insurance typically required by lessees of comparable projects in the same rental market area as the Premises as Lessor and any mortgagees of Lessor may reasonably require from time to time.

All such policies shall be written in a form and with an insurance company reasonably satisfactory to Lessor and any mortgagees of Lessor, and shall provide that Lessor, and any mortgagees of Lessor, shall receive not less than thirty (30) days' prior written notice of any cancellation except for nonpayment of premium, upon which only ten (10) days' notice shall be required. Prior to or at the time that Lessee takes possession of the Premises, Lessee shall deliver to Lessor copies or certificates evidencing the existence of the amounts and forms of coverage required under the Lease. Lessee shall deliver to Lessor copies of or actual Endorsement of additional insureds within thirty (30) days of possession of the Premises by Lessee. Lessee shall, prior to the expiration of such policies, furnish Lessor with renewals or "binders" thereof, or Lessor may order such insurance and charge the cost thereof to Lessee as additional rent.

(c) Forms of Policies. Insurance required herein shall be by companies duly licensed or admitted to transact business in the state where the Premises are located, and maintaining during the policy term a "General Policyholders Rating" of at least A-, VI, as set forth in the most current issue of "Best's Insurance Guide". Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certificates and endorsements evidencing the existence

and amounts of the required insurance. All policies maintained by Lessee will provide that they may not be terminated nor may coverage be reduced except after thirty (30) days' prior written notice to Lessor. All Commercial General Liability and All-Risk property policies maintained by Lessee shall be written as primary policies, not contributing with and not supplemental to the coverage that Lessor may carry.

(d) Waiver of Subrogation. See Paragraph 8.6 of the Lease.

(e) Adequacy of Coverage. Lessor, its subsidiaries, agents and employees make no representation that the limits of liability specified to be carried by Lessee pursuant to this Lease are adequate to protect Lessee. If Lessee believes that any of such insurance coverage is inadequate, Lessee will obtain such additional insurance coverage as Lessee deems adequate, at Lessee's sole cost and expense.

(f) Certain Insurance Risks. Lessee shall not do or permit to be done any act or thing upon the Premises or the project of which the Premises area part which would (i) jeopardize or be in conflict with fire insurance policies covering the project or fixtures and property in the project, (ii) increase the rate of fire insurance applicable to the project to an amount higher than it otherwise would be for the Permitted Use set forth at paragraph 1.8 of the Lease, or (iii) subject Lessor to any liability or responsibility for the injury to any person or persons or to property by reason of any business or operation being carried on upon the Premises.

(h) Form of Certificate of Insurance and Endorsement. Attached hereto as Exhibit **"**H**"** is the required form of Lessee's Certificate of Insurance and Endorsement.

69. INDEMNIFICATION, WAIVER AND RELEASE. Except for any injury to persons or damage to property that is caused by or results from the negligence or willful misconduct of Lessor, its employees, or agents, and subject to the provisions of paragraph 68, above, Lessee shall indemnify and hold Lessor, Lessor's wholly owned subsidiaries and the employees and agents of Lessor and Lessor's wholly owned subsidiaries, including without limitation Lessor's property managers (William A. Budge, Inc. and Maureen M. Corona Corporation, dba McKenna & Co.), Lessor's master or ground lessor, partners, and lenders (hereinafter collectively referred to as the "Indemnified Parties" and individually as an "Indemnified Party") harmless from and against any and all demands, claims, causes of action, fines, penalties, damages, liabilities, judgments, and expenses (including without limitation reasonable attorneys' fees) incurred in connection with or arising from:

(a) the use or occupancy or manner of use or occupancy of the Premises by Lessee or any person claiming under Lessee.

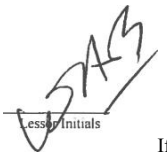
(b) any activity, work, or thing done or permitted by Lessee in or about the Premises, the Building, or the Project.

(c) any breach by Lessee or its employees, agents, contractors, or invitees of this Lease.

(d) any injury or damage to the person, property, or business of Lessee, its employees, agents, contractors, or invitees entering upon the Premises under the express or implied invitation of Lessee.

(e) any alleged violation by Lessee of the ADA and/or any other law, rule, code or regulation.

(f) any injury or damage to the person, property, or business of Lessee, its employees, agents, contractors, or invitees entering upon the Premises, caused by the occurrence of any terrorist activity or any act of god.



If any action or proceeding is brought against an Indemnified Party by reason of the foregoing, Lessee, upon written notice from such Indemnified Party, shall defend the same at Lessee's expense, with legal counsel reasonably satisfactory to Lessor.

70. WAIVER AND RELEASE. Lessee, as a material part of the consideration for this Lease, by this paragraph 70 waives and releases all claims against Lessor, Lessor's wholly owned subsidiaries, and all of Lessor's and its wholly owned subsidiaries' employees and agents with respect to all matters for which Lessor has disclaimed liability pursuant to the provisions of this Lease.

7 1 . LESSEE STATEMENT. Lessee shall within ten (10) business days following written request by Lessor execute and deliver to Lessor any documents, including estoppel certificates, in a mutually acceptable form prepared by Lessor which shall provide the following information:

(a) certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect and the date to which the Rent and other charges are paid in advance, if any;

(b) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of the Lessor or stating the nature of any uncured defaults;

(c) certifying the current Rent amount and the amount and form of Security Deposit on deposit with Lessor; and

(d) certifying to such other information as Lessor, Lessor's agents, mortgagees, prospective mortgagees and purchasers may reasonably request.

Lessee's failure to deliver an estoppel certificate within ten (10) business days after delivery of Lessor's written request therefor shall be conclusive upon Lessee:

(a) that this Lease is in full force and effect, without modification except as may be represented by Lessor;

(b) that there are now no uncured defaults in Lessor's performance;

(c) that not more than one (1) month's Rent has been paid in advance; and

(d) that the other information requested by Lessor is correct as stated in the form presented by Lessor.

72. FINANCIAL INFORMATION. Lessee shall, upon Lessor's request, deliver to Lessor the current financial statements of Lessee, and financial statements of the two (2) years prior to the current financial statement's year, certified to be true, accurate and completed by the chief financial officer of Lessee, including a balance sheet and profit and loss statement for the most recent prior year, which statements shall accurately and completely reflect the financial condition of Lessee. Lessor agrees that it will keep such financial

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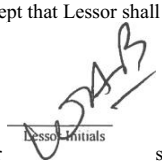
statements confidential, except that Lessor shall have the right to deliver the same to any proposed purchaser of the Premises, or any portion thereof and to the mortgagees or beneficiaries of Lessor or  such purchaser, provided that such parties agree in writing to keep such statements confidential. Notwithstanding anything to the contrary set forth herein, as of the date hereof, Lessee is a publicly traded company and for such period as Lessee is a reporting company under Section 13(a) of the Securities Exchange Act of 1934, Lessee shall not be required to deliver financial statements to Lessor.

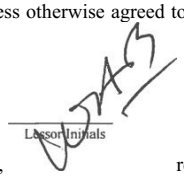
Lessee Initials

73. IMPROVEMENTS TO THE PREMISES. Subject to the terms set forth below, Lessor shall construct certain improvements to the base Building described in clause (a) below (the "Base Building Improvements") and certain additional improvements requested by Lessee and relating to Lessee's use of the Premises described in clause (b) below (the "Lessee Improvements"), as follows:

(a) Base Building Improvements. Lessor shall deliver the Premises to Lessee in a clean, "shell" condition with the demolition of all existing interior improvements. Lessor shall prepare plans and specifications for the Base Building Improvements, subject to the mutual approval of Lessor and Lessee. As part of the Base Building Improvements, Lessor shall provide, at its sole cost and expense, adequate HVAC units in place on the roof with drops and/or plenums to serve Lessee's requirements, either new or less than five (5) years old in good working condition, not to exceed a 175 ton capacity. In addition, as part of the Base Building Improvements, Lessor, at its sole cost and expense, shall deliver the Building with the exterior Building improvements mutually approved by Lessor and Lessee completed (including repainting the Building exterior), a newly designed main entryway constructed on the South end of the Building where a patio presently exists, and the area where the main entry presently exists shall be converted to a secondary exit and patio area, together with required ADA, hardscape, and landscaping. Lessor warrants that the roof, windows and seals, structural components, and all HVAC, electrical and plumbing and other Building systems and equipment serving the Building and Premises shall be in good working condition for a period of one year from Commencement Date; provided, however, that this warranty shall not apply to any damage caused or permitted by Lessee. Lessor shall also white coat the roof prior to its delivery of the Premises to Lessee on the Commencement Date, and such roof work shall carry a 10-year warranty.

(b) Lessee Improvements. Lessor shall also cause to have constructed additional general purpose and Lessee special purpose improvements to the Premises (including Lessee's server room, as well as the electronic laboratory areas which shall be used by Lessee for the research and development/design and testing of semiconductor equipment, systems, chips and related goods) (the "Electronic Lab Areas"), but excluding Lessee's furniture and equipment, based upon plans and specifications to be hereafter reasonably approved by Lessor and Lessee (the "Lessee Improvements"). Lessor and Lessee shall mutually agree upon the final space plan upon which construction plans and specifications shall be based. In accordance with the terms of that certain letter agreement, a copy of which is attached hereto as Exhibit "I", Lessee authorized preparation of its preliminary space plan with Shlemmer Algaze Associates (the architect mutually selected by Lessor and Lessee as described below) prior to execution of this Lease. Attached hereto as Exhibit "J" is the current preliminary space plan for Lessee Improvements which space plan has been approved by Lessor, and, subject to revisions required by Lessee, shall be the Mutually Approved Space Plan (as said term is defined below). The

parties intend for the final space plan to be complete by November 16, 2015, which space plan shall be consistent with the preliminary space plan attached as Exhibit "J" unless otherwise agreed to by the parties.. Not later than November 12, 2015, Lessee shall deliver to Lessor a revised draft of the space plan reflecting such changes, if



any, requested by Lessee. No later than November 13, 2015, Lessor shall deliver to Lessee a revised draft of the space plan reflecting such changes requested by Lessee that Lessor reasonably approves. This process shall continue until the space plan is approved by both parties (the "Mutually Approved Space Plan"). The parties intend the final design and development plans and specifications to be complete by November 16, 2015. No later than November 12, 2015, Lessee shall deliver to Lessor the design and development plan programming information based upon the Mutually Approved Space Plan (the "Design and Development Plans"). No later than November 13, 2015, Lessor shall deliver to Lessee a revised draft of the Design and Development Plans reflecting such changes requested by Lessor that Lessor reasonably approves. This process shall continue until the Design and Development Plans are approved by both parties (the "Mutually Approved Design and Development Plans"). If the Mutually Approved Space Plan and the Mutually Approved Design and Development plans have been finalized within the time frames set forth above, construction of Lessee Improvements is projected to be complete on May 1, 2016 (the "Projected Completion Date"), and Lessor shall cause to be prepared a construction schedule reflecting said Projected Completion Date In the event Lessor and Lessee fail to achieve a Mutually Approved Space Plan and a Mutually Approved Design and Development Plan by November 16, 2015, Lessor and Lessee agree that the Projected Completion Date may need to be updated , The Projected Completion Date must be updated to reflect delays resulting from change orders requested by Lessee, revisions to plans and specifications required by the City of Irvine in order to obtain and building permit, and any events beyond the control of either Lessor or Lessee in accordance with the provisions of Paragraph 59, above. Lessor shall assist Lessee in selecting the floor sealant that will properly seal the foundations/floors of the Building to prevent moisture intrusion and accommodate Lessee's flooring materials; provided, however, that Lessee shall be solely responsible for the selection of such floor sealant capable of satisfying Lessee's operational requirements, and Lessor makes no representation or warranty with regard to the suitability of the floor sealer selected by Lessee or its ability to satisfy Lessee's operational requirements. Lessor has heretofore approved Lessee's selection of Shlemmer Algaze Associates as the architect, and that the architect shall select and contract with all required engineers. As soon as practicable following achievement of the Mutually Approved Space Plan and the Mutually Approved Design and Development Plan, Lessor and Lessee shall mutually agree on the selection of the general contractor based upon not less than three (3) bids from contractors mutually acceptable to Lessor and Lessee. Notwithstanding, Lessee shall have the right to select two (2) general contractors who shall be included in the bid process. Lessor shall retain the best qualified engineer and contractor; Lessee shall be invited to review the contractor bids and participate in the contractor selection process. Lessor acknowledges that the contractor selection will include factors such as experience, quality of work, availability and reputation as well as cost. Lessor shall provide a $54.00 per square foot allowance (the "Allowance") toward the cost of said Lessee Improvements excluding Lessee's furniture and equipment; i.e., the aggregate sum of $2,712,690). In the event the approved bid for said Lessee Improvements exceeds the Allowance, Lessee shall be solely responsible for all costs in excess of the $2,712,690 Allowance, and shall pay such amount to Lessor one-third (1/3rd) at the commencement of construction, with the balance funded by Lessee in equal monthly installments beginning on the tenth (10th) day of the first calendar month following the date on which construction has commenced, and on the 10th day of each month thereafter until all construction is Substantially Complete (as said term is defined in Paragraph 1.3 of the Lease. The amount of each monthly payment shall be determined at

such time as the final Cost Estimate (as said term is defined herein below) has been determined following approval by the City of Irvine and the issuance of a building permit, by 

dividing the amount by which the final Cost Estimate exceeds $2,712,690, by the number of months set forth by the contractor in the construction schedule time-line. For example, if the final Cost Estimate is $1,000,000 greater than the Allowance, and if the construction schedule time line is six (6) months, then each monthly payment shall be $166,666.66 throughout the construction process. Said monthly payment amount shall be adjusted each time the Cost Estimate increases or decreases as a result of an approved change order based upon the formula set forth above, taking into account the number of months of time remaining in the construction schedule time line. Lessee shall have the right to provide construction supervision of said Lessee Improvements at Lessee's sole cost and expense and not from the Allowance. Any Lessor supervision fee charged by Lessor's construction manager shall be paid for by Lessor at its sole cost and expense and shall not be charged to Lessee or deducted/charged to the Allowance. In addition, neither the Lessee nor the contractor selected to construct the Lessee Improvements shall be charged directly or indirectly for the use of water, electricity, HVAC, security, or parking prior to the Commencement Date of the Lease.

Notwithstanding Lessee's right to approve the general contractor, the general contractor is the contractor only of Lessor and Lessee shall have no liability to the general contractor on the construction contract. At such time as Lessor and Lessee shall have the Mutually Approved Space Plan, Lessor shall cause to be prepared, as quickly as reasonably possible, final plans, specifications and working drawings of the Lessee Improvements ("Final Plans"), as well as an estimate of the total cost for the Lessee Improvements ("Cost Estimate"), all of which conform to or represent logical evolutions of or developments from the Preliminary Plans. The Final Plans and Cost Estimate shall be delivered to Lessee immediately upon completion. Within five (5) business days after receipt thereof, Lessee may deliver to Lessor the specific written changes to such plans that are necessary, in Lessee's opinion, to conform such plans to the final approved space plan or to reduce costs. Within three (3) business days after receipt thereof, Lessor shall deliver to Lessee its response to Lessee's requested changes. This process shall continue until the parties have reached agreement on the Final Plans. If after final approval of the Final Plans and Cost Estimate Lessee desires further changes, Lessor shall not unreasonably withhold its approval of such changes and the parties shall confer and negotiate in good faith to reach agreement on modifications to the Final Plans, and the Cost Estimate as a consequence of such change. As soon as approved by Lessor and Lessee, Lessor shall submit the Final Plans to all appropriate governmental agencies and thereafter the Lessor shall use its best efforts to obtain required governmental approvals as soon as practicable. Except as otherwise set forth herein, Lessor shall respond to any written request by Lessee for approval of changes within five (5) business days of Lessor's receipt of Lessee's request or such request shall be deemed approved.

After the Final Plans have been approved by Lessor and Lessee as provided above, neither party shall have the right to require extra work or change orders with respect to the construction of the Lessee Improvements without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed; provided, however, that the City of Irvine may require changes and conditions to the issuance of a building Permit that may require extra work and/or extra expense. All change orders shall specify any change in the Cost Estimate and the amount of any delay in the substantial completion of the Lessee Improvements as a consequence of the change order. Lessor shall thereafter commence construction of the Lessee Improvements and shall diligently prosecute such construction to completion. The Lessee Improvements shall be constructed by Lessor in accordance with all rules, regulations, codes, ordinances, statutes, and laws of any governmental or quasi-

governmental authority and in accordance with the Final Plans as amended. When the Lessee Improvements are Substantially Complete, Lessor shall deliver possession of the Premises to Lessee.

The cost of the Lessee Improvements to be provided at Lessor's sole expense shall include (and Lessee shall have no responsibility for and the Allowance shall not be used for) the following: (a) costs for Lessee Improvements which are not shown on or described in the Final Plans on which the building permit was issued unless approved by Lessee; (c) costs incurred due to the presence of Hazardous Materials in the Premises or the surrounding area; (d) attorneys' fees incurred in connection with negotiation of construction contracts, and attorneys' fees, experts' fees and other costs in connection with disputes with third parties; (e) interest and other costs of financing construction costs; (f) costs incurred as a consequence of delay (unless the delay is caused by Lessee), construction defects or default by a contractor; (g) costs recoverable by Lessor upon account of warranties and insurance; (h) restoration costs in excess of insurance proceeds as a consequence of casualties; (i) penalties and late charges attributable to Lessor's failure to pay construction costs; (j) wages, labor and overhead for overtime and premium time unless approved by Lessee; (k) offsite management or other general overhead costs incurred by Lessor; (1) construction management, profit and overhead charges; and (m) construction costs in excess of the final Cost Estimate, except for increases set forth in approved change orders.

(c) Representatives.

(i) Lessor hereby designates Loren Brucker, address: P.O. Box 1743, Newport Beach, CA 92659 telephone: (949) 723-1600, e-mail: cadcolb@gmail.com, ("Lessor's Representative") as Lessor's representative and agent for receiving all matters of notices from Lessee related to the Lessee Improvements, with copies of notices to also be sent to Don Morton, Landlord's Director — Field Asset Manager, and William A. Budge, address: 19 Hammond, Suite 501, Irvine, California 92618, telephone: (949) 285-7670, e-mail: wabudge@aol.com. Lessor's Representative shall serve as a liaison between Lessor and Lessee with respect to the Lessee Improvements. Lessor may amend the designation of the foregoing individual at any time upon delivery of written notice to Lessee.

(ii) Lessee hereby designates Todd Zanowick of MaxLinear, Inc., address: 5966 La Place Court, Suite 100, Carlsbad, California 92008, telephone: (760) 517-1294, e-mail: tzanowick@maxlinear.com ("Lessee's Representative"), as Lessee's primary representative and agent for receiving all matters of notices from Lessor related to the Lessee Improvements, with copies of notices to also be sent to Sameer V. Rao of MaxLinear, Inc., address: 16275 Laguna Canyon Road, Suite 120, Irvine, California 92618, telephone: (949) 333-0112, e-mail: srao@maxlinear.com, and Lessor shall deliver to such person all such notices from Lessor to be given hereunder with respect to same. Lessee's Representative shall serve as a liaison between Lessor and Lessee with respect to the Lessee Improvements. Lessee may amend the designation of the foregoing individuals at any time upon delivery of written notice to Lessor.

74. RIGHT OF FIRST NOTICE. 60 Parker, Irvine California, is a building in the Project adjacent to the Premises and is currently vacant. Lessor is currently negotiating with a prospective lessee for the 60 Parker building. Commencing on November 4, 2016, should 60 Parker be vacant and available for Lease, Lessor shall deliver written notice to Lessee that Lessee shall have the ongoing right to lease 60 Parker for the remaining Term of this Lease (but not during any Extended Term), and on the same terms and conditions as are

then being offered by Lessor to other prospective tenants, which terms and conditions shall be set forth in such notice, but in no event shall Lessee be required to pay Base Rent for 60 Parker in excess of the Base rent schedule then in effect under this Lease (the "60 Parker Lease Terms"). In order to exercise its right hereunder to Lease 60 Parker, Lessee must notify Lessor in writing within ten (10) calendar days from the date Lessee receives said notice from Lessor that it elects to lease 60 Parker on said terms and conditions. Notwithstanding anything to the contrary set forth herein, if the prospective tenant for 60 Parker with which Lessor is presently negotiating elects not to lease the adjacent space within the first (1st) year of the Term of this Lease, Lessor shall deliver to Lessee the same notice of right to lease 60 Parker described above, and Lessee shall have the right to lease 60 Parker on the 60 Parker Lease Terms by delivering written notice to Lessor within 10 days of Lessee's receipt of said notice from Lessor. In the event said prospective tenant has not elected to lease 60 Parker during the first year of the Term of this Lease, and Lessor has delivered the notice to Lessee to lease 60 Parker in the manner described above, should Lessee elect not to lease 60 Parker as set forth in Lessor's notice, then Lessor shall have the right without any notice to Lessee to lease said adjacent space during the first year of the Lease Term. The Right of First Notice shall only be applicable during the initial Lease Term.

75. ROOF EQUIPMENT. Subject to compliance with all Applicable Requirements, Lessee shall have the right to install on the Building, satellite and/or microwave antennae(s) for the reception and transmission of electromagnetic signals (the "Roof Equipment") subject to Lessor's receipt and approval of plans and specifications therefor, including without limitation specification sheets and weight load information. No roof equipment may be installed that does not satisfy the requirements of Lessor's structural engineer. Lessee shall be responsible for the cost of installation, any structural upgrades required to the roof, maintenance and removal of the Roof Equipment (and the repair to the roof membrane if necessary). Lessor shall have the right to approve the location, weight load, method of installation, size and shielding requirements, which approval shall not be unreasonably withheld, delayed or conditioned (except for any weight load limitations). The route provided by Lessor to the roof from the Premises shall be the least expensive functional route available given the Building's characteristics. Such use shall be subject to all required government approvals and shall not interfere with Building systems. All required roof penetrations must be made by Lessor's roof contractor. Such roof space shall be made available throughout the Initial Term of the Lease and any extended term at no additional charge to Tenant. In addition, Lessee shall also have access to any standard Cable TV available within the Project.

76. INTENTIONALLY LEFT BLANK.

77. HOLDOVER. Upon prior written notice (the "Holdover Notice") to Lessor at least ninety (90) days prior to the expiration of the Lease Term, Lessee shall be permitted to retain occupancy of its Premises at the end of its Lease Term for a period not to exceed four (4) months, the exact number of months of the holdover (which must be in monthly increments) shall be set forth in the Holdover Notice. Base Rent for a holdover up to three (3) months shall be One Hundred Twenty-Five Percent (125%) of the then current Base Rent plus Lessee's continued payment of the then current Common Area Operating Expenses. Holdover by Lessee for a fourth (4th) month shall be at One Hundred and Fifty Percent (150%) of Lessee's Base Rent amount on the original Lease termination date plus Lessee's continued payment of its proportionate share of Operating Expenses. A holdover shall remain a tenancy for a fixed term for the number of months set forth in the Holdover Notice and shall not be a month-to-month tenancy.

78. RESERVED PARKING. Notwithstanding the foregoing, Landlord agrees that Landlord shall designate fifteen (15) reserved parking spaces adjacent to the Building as shown on Exhibit "B" attached hereto which Lessee may mark with the words "MaxLinear Reserved" or "MaxLinear Visitor Parking"; provided, however, that such designations and markings are being undertaken as an accommodation to Lessee only, and Lessor shall have no obligation or responsibility for (and Lessee hereby releases Lessor and Lessor's agents

from) enforcing the parking of vehicles within such spaces in accordance with such designations and markings. Nothing contained herein shall preclude Lessee from enforcing the parking of vehicles within such designations and markings provided that Lessee complies with all Applicable Requirements, CC&Rs, and Rules and Regulations.

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FLOOR PLAN OF THE PREMISES

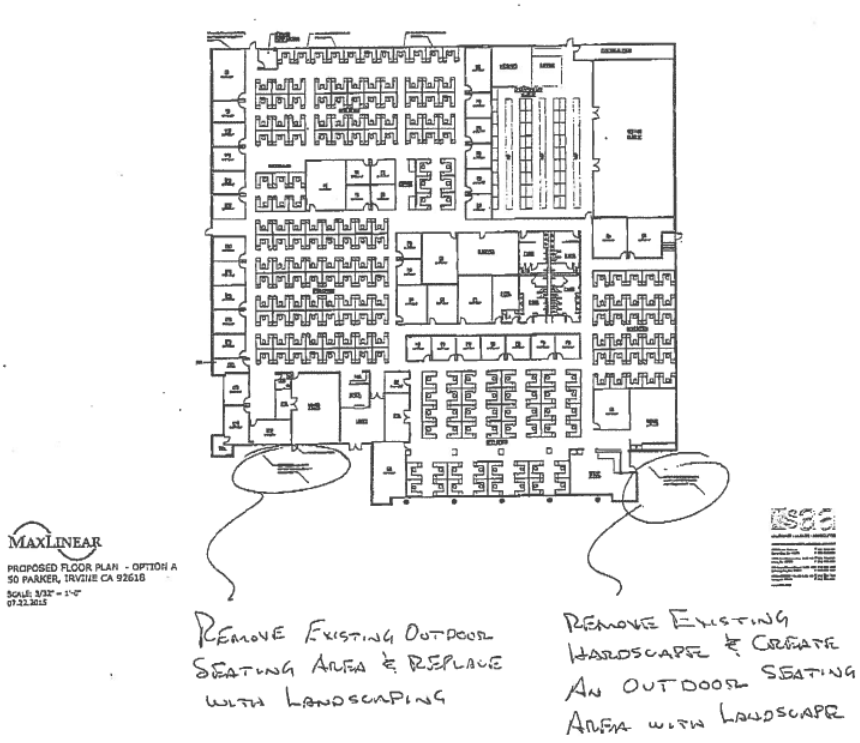


EXHIBIT “A”

RESERVED PARKING

EXHIBIT “B”

MAYLINEAR RESERVED PARKING
15 SPACES IN FRONT OF 50 PARKER

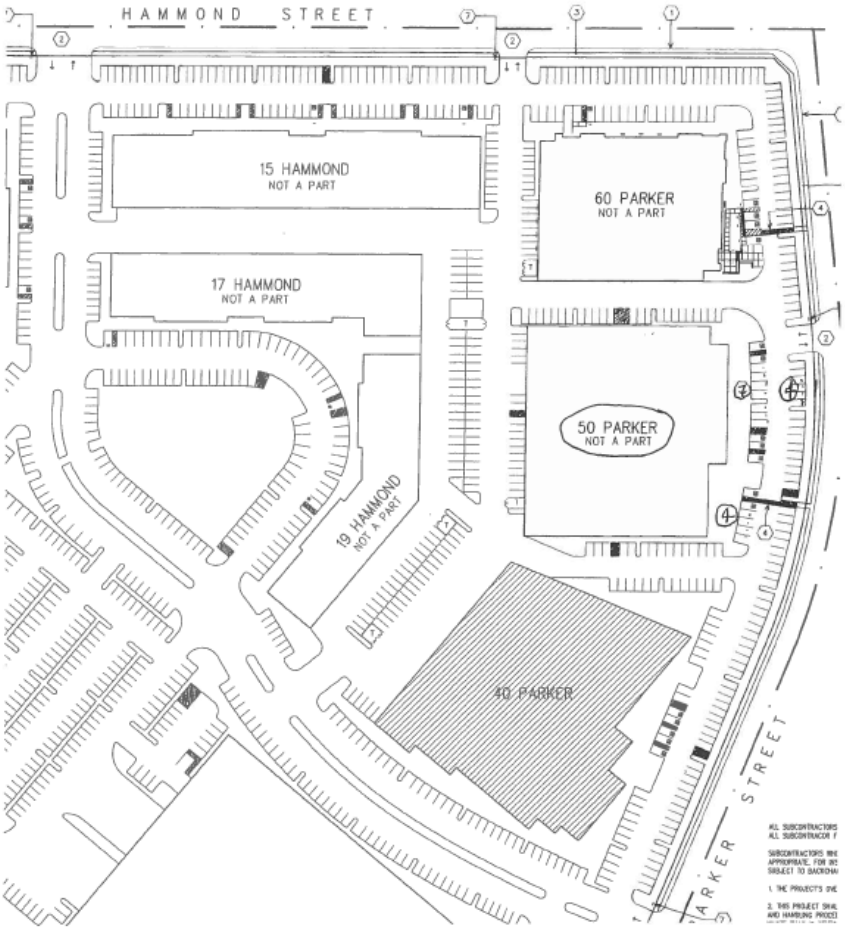


EXHIBIT “C”

PARKER IRVINE BUSINESS CENTER

Lessee initials

RULES & REGULATIONS

This Exhibit sets forth the Rules and Regulations governing Tenant's use of the Common Area and the Premises leased to Tenant pursuant to the terms, covenants and conditions of the Lease to which this Exhibit is attached and therein made part thereof. Unless otherwise defined, capitalized terms used herein shall have the same meanings as set forth in the Lease. In the event of any conflict or inconsistency between this Exhibit and the Lease, the Lease shall control.

1. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises.

2. The walls, walkways, sidewalks, entrance passages, courts and vestibules shall not be obstructed or used for any purpose other than ingress and egress of pedestrian travel to and from the Premises, and shall not be used for loitering or gathering, or to display, store, or place any merchandise, equipment or devices, or for any other purpose. The walkways, entrance passageways, courts, vestibules and roofs are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interest of the Building and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals in the ordinary court of Tenant's business unless such persons are engaged in illegal activities. No tenant or employee or invitee of any tenant shall be permitted upon the roof of the Building.

3. No awnings or other projection shall be attached to the outside walls of the Building. No security bars or gates, curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without the express written consent of Landlord.

4. No sign, placard, picture, aerial display, balloons, advertisement, name or notice shall be installed or displayed on any part of the Premises or the Project (or within public rights-of-ways adjacent to the Project through the use of truck signs, sign trailers or similar items) without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors, walls and service areas of the Premises shall be printed, painted, affixed or inscribed at the expense of Tenant by a licensed sign contractor approved by Landlord.

Prior to installation of any sign, Tenant must obtain Landlord's written approval as follows: Tenant shall submit to Landlord complete working drawing showing the text, typestyle, color, construction and size of the sign as well as its placement on the Building (including the distances from any chamfer lines or edges). Landlord reserves

the right, in its sole discretion, to require changes or modifications to the proposed sign to ensure compliance with city requirements and any applicable CC&R's and in its reasonable discretion as to aesthetic conformity to the rest of the Project. Once acceptable drawings have been submitted, Landlord will issue a written approval, after which Tenant's contractor may obtain all necessary permits and commence construction. Tenant shall be solely responsible, at its sole cost, for obtaining all permits for Tenant's signs and for ensuring that its signs comply with all applicable building codes.

Notwithstanding anything to the contrary herein, Lessee shall have the exclusive right to all available signage on the Building's exterior, including the rooftop.

5. Tenant shall not in any way deface any part of the Premises or the Building. Tenant shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by Landlord in writing. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant.

6. The toilet rooms, urinals, wash bowls and other plumbing apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant.

7. Landlord shall direct electricians as to the manner and location of any future telephone wiring. No boring or cutting for wires will be allowed without the prior consent of Landlord. The locations of the telephones, call boxes and other office equipment affixed to the Premises shall be subject to the prior written approval of Landlord.

8. No exterior storage shall be allowed at any time without the prior written approval of Landlord. The Premises shall not be used for cooking except for typical pantry / kitchen / cafeteria uses by Lessee or washing clothes without the prior written consent of Landlord, or for lodging or sleeping of for any illegal purposes.

9. Tenant shall not make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises or those having business with them, whether by the use of any musical instrument, radio, phonograph, machinery, or otherwise. Tenant shall not use, keep or permit to be used, or kept, any foul or obnoxious gas or substance in the Premises or permit or suffer the Premises to be used or occupied in any manner offensive or objectionable to Landlord or other occupants of this or neighboring buildings or premises by reason of any odors, fumes or gases.

10. Neither Tenant nor any of Tenant's Agents shall at any time bring or keep upon the Premises any toxic, hazardous, inflammable, combustible or explosive fluid, chemical or substance without the prior written consent of Landlord.

11. No animals shall be permitted at any time within the Premises.

12. Tenant shall not use the name of the Building or the Project in connection with or in promoting or advertising the business of Tenant, except as Tenant's address, without the prior written consent of Landlord. Landlord shall have the right to prohibit any advertising by Tenant which, in Landlord's reasonable opinion, tends to impair the reputation of the Project or its desirability of its intended uses, and upon written notice from Landlord Tenant shall refrain from or discontinue such advertising.

13. Canvassing, soliciting, peddling, parading, picketing, demonstrating or otherwise engaging in any conduct that unreasonably impairs the value or use of the Premises or the Project are prohibited and Tenant shall cooperate to prevent the same.

14. All equipment of any electrical or mechanical nature shall be placed by Tenant on the Premises, in settings approved by Landlord in writing, in such a way as to best minimize, absorb and prevent any vibration, noise or annoyance. No equipment or any type shall be placed on the Premises which in Landlord's opinion, exceeds the load limits of the floor or otherwise threatens the soundness of the structure or improvements of the building.

15. All furniture, equipment and freight shall be moved in and out of the building only at hours and in accordance with rules reasonably established by Landlord, and shall not impair vehicular and pedestrian circulation in the Common Area. Landlord will not be responsible for loss or damage to any furniture, equipment, or other personal property of Tenant from any cause.

16. No air conditioning unit or other similar apparatus shall be installed or used by Tenant without the prior written consent of Landlord.

17. No aerial antenna shall be erected on the roof or exterior walls of the Premises, or on the grounds, without in each instance the prior written consent of Landlord. Any aerial or antenna so installed by or on behalf of Tenant without such written consent shall be subject to removal by Landlord at any time without prior notice at the expense of Tenant, and Tenant shall, upon Landlord's demand, pay a removal fee to Landlord of not less than $200.00.

18. The entire Premises, including vestibules, entrances, doors, fixtures, windows and plate glass, shall at all times be maintained in a safe, neat and clean conditions by Tenant. All trash, refuse and waste material shall be regularly removed from the Premises by Tenant and placed in the containers at the locations designated by Landlord for refuse collection. All cardboard boxes must be "broken down" prior to being placed in the trash containers. All Styrofoam chips must be bagged or otherwise contained prior to placement in the trash containers so as not to constitute a nuisance. Pallets may not be disposed or in the trash containers or enclosures. The burning of trash, refuse or waste materials is prohibited.

19. Tenant shall use, at Tenant's cost, such pest extermination contractor as Landlord may direct and at such intervals as Landlord may require.

20. All keys for the Premises shall be provided to Tenant by Landlord and Tenant shall return to Landlord any of such keys so provided upon the terminations of the Lease. Tenant shall not change locks or install other locks on doors of the Premises without the prior written consent of Landlord. In the event of loss of any key furnished by Landlord for Tenant, Tenant shall pay to Landlord the costs thereof.

21. No person shall enter or remain within the Project while intoxicated or under the influence of liquor or drugs. Landlord shall have the right to exclude or expel from the Project any person who, in the absolute discretion of Landlord, is under the influence of liquor or drugs.

Tenant agrees to comply with all such Rules and Regulations. Should Tenant not abide by these Rules and Regulations, Landlord or an "Operator", "Association", or "Declarant" under any Restrictions may serve a Three (3) Day Notice to correct the deficiencies. If Tenant has not corrected the deficiencies by the end of the notice period, Tenant will be in default of the Lease, and Landlord and/or its designee shall have the right, without further notice, to cure the violation at Tenant's expense.

_____ **Lessee Initials**

_____ **Lessor Initials**

Landlord reserves the right to amend or supplement the foregoing Rules and Regulations and to adopt and reasonably promulgate additional rules and regulations applicable to the Premises so long as such rules do not unreasonably interfere with Lessee's use of the Premises or its parking rights. Notice of such rules and regulations and amendments and supplements thereto, if any, shall be given to the Tenant.

Lessee Initials Lessor

Neither Landlord nor Landlord's Agents or any other person or entity shall be responsible to Tenant or to any other person for the ignorance or violation of these Rules and Regulations by any other tenant or other person. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition precedent, waivable only by Landlord, to Tenant's occupancy of the Premises.

Lessee Initials **Lessor Initials**

SIGN CRITERIA

EXHIBIT “D”

Parker Irvine Business Center

Sign Criteria

No sign, placard, picture, aerial display, balloons, advertisement, name or notice shall be installed or displayed on any part of the Premises or the Project (or within public rights-of-ways adjacent to the Project through the use of truck signs, sign trailers or similar items) without the prior written consent of Lessor, not to be unreasonably withheld, conditioned or delayed. Lessor shall have the right to remove, at Lessee's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors, walls and service areas of the Premises shall be printed, painted, affixed or inscribed at the expense of Lessee by a licensed sign contractor approved by Lessor.

Prior to installation of any sign, Lessee must obtain Lessor's written approval as follows: Lessee shall submit to Lessor complete working drawing showing the text, typestyle, color, construction and size of the sign as well as its placement on the Building (including the distances from any chamfer lines or edges). Lessor reserves the right, in its sole reasonable discretion, to require changes or modifications to the proposed sign to ensure compliance with the Applicable Requirements as well as aesthetic conformity to the rest of the Project. Once acceptable drawings have been submitted, Lessor will issue a written approval, after which Lessee's contractor may obtain all necessary permits and commence construction. Lessee shall be solely responsible, at its sole cost, for obtaining all permits for Lessee's signs and for ensuring that its signs comply with all applicable building codes.

LANDLORD'S WAIVER AND CONSENT

EXHIBIT "E"

Lessee Initials **Lessor Initials**

IRE _____
Investment Name

LANDLORD'S LIEN SUBORDINATION AGREEMENT

THIS **LANDLORD'S LIEN SUBORDINATION AGREEMENT** ("Agreement") is entered into as of the __ day of _____ 201_ between **The Northwestern Mutual Life Insurance Company** ("Northwestern"), _____ ("Tenant") and _____ ("Lender").

WITNESSETH:

WHEREAS, Northwestern is the owner of an interest in certain industrial real property commonly known as _____ and located at _____ ("Property");

WHEREAS, Northwestern and Tenant have entered into that certain lease dated as of _____ ("Lease"), pursuant to which Northwestern has leased to Tenant certain space in a building at the Property, all as more particularly described in the Lease ("Premises");

WHEREAS, Lender has or is about to enter into a financing transaction with Tenant, as borrower, to secure financing. In connection therewith, Tenant has granted or is about to grant to Lender a security interest in equipment, trade fixtures, furnishings, machinery, inventory or other personal property of the Tenant which is stored or otherwise located at the Premises as specifically described on Exhibit A attached hereto (the "Collateral") which Collateral shall not include any property which is permanently affixed to the Premises or is otherwise considered real property under applicable law;

WHEREAS, Lender hereby requests that Northwestern (i) subordinate any liens, claims, demands or rights Northwestern may have or hereafter acquire with respect to the Collateral, and (ii) consent to Lender's right to enter upon the Premises to exercise its rights and remedies with respect to the Collateral, subject to the terms of this Agreement; and

WHEREAS, Northwestern is willing to so consent and subordinate its interest subject to the terms of this Agreement.

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which each party hereto acknowledges, Lender, Tenant and Northwestern hereby agree as follows:

1. Subject to the terms and conditions of this Agreement, Northwestern hereby subordinates any and all liens, claims, demands or rights which Northwestern may now have or hereafter acquire, by statute, contract, operation of law or otherwise, on or in any of the Collateral to the lien or security interest of Lender therein.

2. At any time prior to the termination of the Lease, and subject to its terms and provisions, Lender or its representatives may, upon prior written notice to Northwestern's Property Manager (pursuant to paragraph 8 of this Agreement), enter upon the Premises during normal business hours to inspect, remove, transfer, take control of or make any other disposition of the Collateral; provided, however that if Lender shall take any action with respect to the Collateral other than inspecting the same, then Lender shall first furnish Northwestern with reasonable evidence of its right to do the same, it being understood that a certified copy of an in-force UCC-1

security filing shall be deemed sufficient evidence. Upon prior written notice to Northwestern, Lender may advertise for sale and/or conduct public auctions or private sales of the Collateral within the Premises (but not in any common areas of the Property including, without limitation, any parking areas located thereon) subject to the rights of other tenants at the Property.

3. Northwestern shall have no obligation whatsoever to provide Lender with any notice of Tenant's default under the Lease. However, upon termination of Tenant's right to occupy the Premises, Northwestern shall deliver to Lender a copy of any notice of termination which Northwestern has delivered to Tenant provided, however, that Northwestern shall have no liability for failure to deliver such notice.

4. In the event that Northwestern takes possession of the Premises upon termination of the Lease, then Northwestern shall allow the Collateral to remain on the Premises for a period of sixty (60) days following such termination of the Lease ("Disposition Period") for purposes of Lender's inspection, removal, transferring or otherwise disposing of the same provided that, and as conditions precedent thereto:

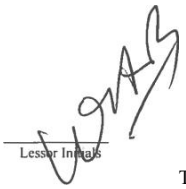
(i) Lender shall deliver written notice to Northwestern within five (5) business days of Lender's receipt of notice of termination of the Lease requesting that Northwestern allow the Collateral to so remain on the Property during the Disposition Period. Failure of Lender to deliver such notice to Northwestern shall be deemed to be Lender's election to waive its rights with respect to the Collateral as set forth in this Agreement;

(ii) Lender shall deliver to Northwestern, at the time of delivery of the notice referred to in Section (i) of this paragraph 4., above, all sums due under the Lease relating to the Disposition Period, including, without limitation, monthly base rent and additional rent (regardless of the defined terms used to describe such payments in the Lease). Lender shall not be liable for any past due rent accrued prior to the commencement of the Disposition Period;

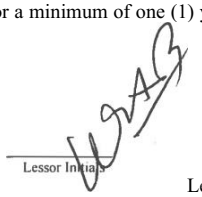
(iii) At any time prior to Lender's entry onto the Property, Lender (or its contractor, vendor or other third party claiming under Lender, as applicable) shall (a) obtain and keep in full force and effect, insurance as set forth below, naming Northwestern, its agents, representatives and wholly owned subsidiaries, as additional insureds on the Commercial General Liability and Business Automobile insurance policies, and (b) deliver to Northwestern, and obtain the approval of Northwestern to, certificates of insurance evidencing such insurance.

Type	Limits
Worker's Compensation Employer's Liability	Statutory/$500,000
Commercial Liability	$1,000,000/occurrence $2,000,000/aggregate
Business Automobile Liability	$1,000,000 Combined Single Limit

Lessee Initials **Lessor Initials**



The aforesaid coverages shall be maintained throughout the Disposition Period. In the event that any such coverages are written on a "claims-made" basis, such coverages shall be kept in force either by renewal thereof or the purchase of an extended reporting period for a minimum of one (1) year following the



expiration or earlier termination of this Agreement. Nothing herein contained, including but not limited to insurance carried by Lender, shall in any way be deemed to limit Lender's liability under applicable law; and

Lessee Initials **Lessor Initials**

(iv) Lender shall deliver to Northwestern, at the time of delivery of the notice referred to in Section (i) of this paragraph 4., above, reasonable evidence of its right to remove the Collateral or any portion thereof, it being understood that a certified copy of an in-force UCC-1 security filing shall be deemed sufficient evidence.

Upon failure of Lender to deliver the notice referred to in paragraph 4.(i), above or the later expiration of the Disposition Period by lapse of time, this Agreement shall be deemed terminated and of no further force or effect whether or not Lender has removed, transferred, taken control of or otherwise disposed of the Collateral. Northwestern shall thereafter be deemed to have any and all rights with respect to the Collateral that it would have had absent this Agreement and may dispose of the Collateral or any portion thereof and/or apply any and all proceeds therefrom in accordance with the Lease. Lender shall promptly execute any and all documents furnished to it by Northwestern or Tenant necessary in the discretion of Northwestern or Tenant, as the case may be, to evidence the termination of this Agreement.

5. Lender shall observe all appropriate safety precautions while on the Property. Further, at Northwestern's option, Lender shall either (i) promptly repair, at Lender's sole expense, any physical damage to the Property caused by Lender's entry onto the Property and/or removal of the Collateral by Lender or its agents or representatives or (ii) promptly reimburse Northwestern for the reasonable costs of repair of any damage done to the Property by Lender, its agents or representatives as a result of entry onto the Property pursuant to this Agreement. Lender's obligation to so repair or reimburse Northwestern shall survive the expiration or termination of this Agreement.

6. Lender acknowledges that Northwestern has entered into this agreement solely as an accommodation to Tenant and Lender shall indemnify and shall hold Northwestern harmless from and against any losses, damages, expenses, liabilities, demands and causes of action, and any expenses incidental to the defense thereof by Northwestern, resulting from injury to or death of persons, or damage to Property directly or indirectly growing out of or in connection with any acts of Lender or Lender's agents or representatives in connection with entry upon the Property pursuant to this Agreement. Lender's sole and exclusive remedies against Northwestern in connection with this Agreement shall be to exercise its rights with respect to the Collateral. Lender's obligation to so indemnify Northwestern shall survive the expiration or earlier termination of this Agreement.

7. This Agreement shall be binding upon the successors, transferees or assignees of Northwestern, Lender and Tenant. This Agreement may be modified only by an agreement in writing executed by the parties hereto or their successors or assigns.

8. All notices, demands, requests and other instruments required or which may be given under this Agreement or the law shall be given in writing and shall be deemed received upon the occurrence of any of the following: (i) when refused or noted unable to deliver, if addressed pursuant to this section, (ii) when received via nationally recognized overnight courier/delivery service, or (iii) when received via facsimile, provided that a copy is also delivered within one business day pursuant to the method set forth in section (ii) immediately above. In each case the notice shall be addressed to Northwestern and to Lender at the addresses set forth below, or to such other addresses as may be requested by Northwestern and Lender by giving notice to the other interested parties in accordance with this paragraph.

To Northwestern: The Northwestern Mutual Life Insurance Company
c/o Northwestern Mutual Investment Management Company

Attn:
Phone:
Fax:
Email:

With a copy to Northwestern's Property Manager: _____

Attn:
Phone:
Fax:
Email:

To Lender: _____

Attn:
Phone:
Fax:
Email:

To Tenant: _____

Attn:
Phone:
Fax:
Email:

9. For purposes of executing this Agreement, a document signed and transmitted by facsimile machine or email (in the form of a PDF) shall be treated as an original document. The signature of any party thereon shall be considered as an original signature, and the document transmitted shall be considered to have the same binding legal effect as an original signature on an original document. Any facsimile or emailed document shall be re-executed by both parties in original form. No party hereto may raise the use of a facsimile machine or email or the fact that any signature was transmitted through the use of a facsimile machine or email as a defense to the validity or enforcement of this Agreement or any amendment executed in compliance with this Paragraph 9. This paragraph does not supersede the requirements of paragraph 8 of this Agreement.

Lessee Initials **Lessor Initials**

10. As a condition precedent to Northwestern's execution of this Agreement, payment to Northwestern in the sum of Five Hundred Dollars ($500) to compensate Northwestern for the cost of preparing, negotiating and delivering this Agreement shall be made to Northwestern by either Lender or Tenant, in good and negotiable funds, the parties hereto agreeing that such sum is a reasonable approximation of the cost of Northwestern's expenses relating thereto, the exact cost thereof being impractical to determine.

11. This Agreement, and the terms thereof, shall be governed and controlled by the laws of the state in which the Property is located. This Agreement will not be recorded in the land or real estate records.

12. This Agreement may be executed in any number of counterparts each of which, when so executed and delivered, shall be deemed to be an original and all of which taken together shall constitute one and the same document.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first set forth above.

LENDER: __

By:
Name:
Title:

TENANT: __

By:
Name:
Title:

NORTHWESTERN: **THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY,**
a Wisconsin corporation

By: Northwestern Mutual Investment Management, LLC a Delaware limited liability company, its wholly-owned affiliate

By
Name:
Its: Managing Director

Lessee Initials **Lessor Initials**

ENVIRONMENTAL QUESTIONNAIRE

EXHIBIT “F”

EXHIBIT “F”

ENVIRONMENTAL QUESTIONNAIRE AND DISCLOSURE STATEMENT

The purpose of this form is to obtain information regarding the use of hazardous substances on the premises. Prospective tenants should answer the questions in light of their proposed operations on the premises. Existing tenants should answer the questions as they relate to on-going operations on the premises and should update any information previously submitted. If additional space is needed to answer the questions, you may attach separate sheets of paper to this form.

Your cooperation in this matter is appreciated. Any questions should be directed to, and when completed, the form should be mailed to:

1. GENERAL INFORMATION

Company Name: MaxLinear

Check Applicable Status: Prospective Tenant: _✓_ Current Tenant: ____

Mailing Address: 16275 Laguna Canyon Road, Suite 120, Irvine, CA 92618

Contact Person & Title: Sameer Roo, Director of Finance

Phone #: (949) 333-0112

Address Leased Premises: 50 Parker, Irvine, CA

Describe the proposed operations to take place on the property, including principal products manufactured or services to be conducted. Existing tenants should describe any proposed changes to on-going operations.

Engineering Research & Development and product testing.

2. STORAGE OF HAZARDOUS MATERIALS

Will any hazardous materials be used or stored on site?

Wastes Yes _____ No : _✓_

Chemical Products Yes _____ No : _✓_

Attach the list of any hazardous materials to be used or stored, the quantities that will be on site at any given time, and the location and method of storage.

3. STORAGE TANKS & SUMPS

3.1 Is any above or below ground storage of gasoline, diesel, or other hazardous substances in tanks or sumps proposed or currently conducted on the premises?

Yes _____ No : _✓_

If yes, describe the materials to be stored, and the type, size and construction of the sump or tank. Attach copies of any permits obtained for the storage of such substances.

3.2 Have any of the tanks or sumps been inspected or tested for leakage?

Yes _____ No _____

If so, attach results.

3.3 Have any spills or leaks occurred from such tanks or sumps?

Yes _____ No _____

If so, describe.

3.4 Were any regulatory agencies notified of the spill or leak?

Yes _____ No _____

If so, attach copies of any spill reports filed, any clearance letters or other correspondence from regulatory agencies relating to the spill or leak.

3.5 Have any underground storage tanks or sumps been taken out of service or removed?

Yes _____ No _____

If yes, attach copies of any closure permits and clearance obtained from regulatory agencies relating to closure and removal of such tanks.

4. SPILLS

4.1 During the past year, have any spills occurred on the premises?

Yes _____ No : _✓_

If so, please describe the spill and attach the results of any testing conducted to determine the extent of such spills.

4.2 Were any agencies notified in connection with such spills?

Yes _____ No _____

If so, attach copies of any spill reports or other correspondence with regulatory agencies.

4.3 Were any clean up actions undertaken in connection with the spill?

Yes _____ No _____

If so, briefly describe the actions taken. Attach copies of any clearance letters obtained from any regulatory agencies involved and the results of any final soil or ground water sampling done upon completion of the clean up work.

5. WASTE MANAGEMENT

5.1 Has your company been issued an EPA Hazardous Waste Generator I.D. number?

Yes _____ No : _✓_

5.2 Has your company filed a biennial report as a hazardous waste generator?

Yes _____ No : _✓_

If so, attach a copy of the most recent report files.

5.3 Attach a list of the hazardous waste, if any, generated or to be generated at the premises, its hazard class and the quantity generated on a monthly basis.

5.4 Describe the method(s) of disposal for each waste. Indicate where and how often disposal will take place.

_____
_____
_____

5.5 Indicate the name of the person(s) responsible for maintaining copies of hazardous manifests completed for off-site shipments of hazardous waste.

_____

5.6 Is any treatment or processing of hazardous wastes currently conducted or proposed to be conducted at the premises:

Yes _____ No : _✓_

If yes, please describe any existing or proposed treatment methods.

_____
_____
_____

5.7 Attach copies of any hazardous waste permits or licenses issued to your company with respect to its operations on the premises.

6. WASTE WATER TREATMENT/DISCHARGE

6.1 Do you discharge waste water to:

____ storm drain? ____ sewer?
____ surface water? _✓_ no industrial discharge

6.2 Is your waste water treated before discharge?

Yes _____ No _____

If yes, describe the type of treatment conducted.

6.3 Attach copies of any waste water discharge permits issued to your company with respect to its operations on the premises.

7. AIR DISCHARGES

7.1 Do you have any air filtration systems or stacks that discharge into the air?

Yes _____ No : _✓_

7.2 Do you operate any of the following types of equipment, or any other equipment requiring an air emissions permit?

____ Spray booth
____ Dip tank
____ Drying oven
____ Incinerator
____ Other _____
_✓_ No Equipment Requiring Air Permits

7.3 Are air emissions from your operation monitored?

Yes _____ No _____

If so, indicate the frequency of monitoring and a description of the monitoring results.

7.4 Attach copies of any air emissions permits pertaining to your operations on the premises.

8. 8. HAZARDOUS MATERIALS DISCLOSURES

8.1 Does your company handle hazardous materials in a quantity equal to or exceeding an aggregate of 500 pound, 5 gallons, or 200 cubic feet?
No

8.2 Has your company prepared a hazardous materials management plan (“business plan”) pursuant to Orange County Fire Department requirements?

Yes _____ No : _✓_

8.3 Are any of the chemicals used in your operation regulated under Proposition 65?

Yes _____ No : _✓_

If so, describe the actions taken, or proposed actions to be taken, to comply with the proposition.

8.4 Describe the procedure followed to comply with OSHA Hazard Communication Standard requirements.
N/A

9. ENFORCEMENT ACTIONS, COMPLAINTS

9.1 Has your company ever been subject to any agency enforcement actions, administrative orders, or consent decrees?

Yes _____ No : _✓_

If so describe the actions and any continuing compliance obligations imposed as a result of these actions.

9.2 Has your company ever received requests for information, notice or demand letters, or any other inquiries regarding its operation?

Yes _____ No : _✓_

9.3 Have there ever been, or are there now pending, any lawsuits against the company regarding any environmental or health and safety concerns?

Yes _____ No : _✓_

9.4 Has an environmental audit ever been conducted at your company's current facility?

Yes _____ No : _✓_

9.5 Have there been any problems or complaints from neighbors at the company's current facility?
No

10 SUMMARY
PAGE

Lessee shall describe on the attached summary page all Hazardous Substances to be located at the Premises by Lessee or its agents. Lessee certifies that the information set forth on the summary following on the next page is true and correct.

MaxLinear, Inc.
Company

By: /s/

Title: Director, Finance

Date: 07/07/2015

Property Name: Parker Irvine Business Center

Property Address: 50 Parker, Irvine, CA 92618

Northwestern Investment Number: IRE-334040

Tenant Name: MaxLinear

Tenant's primary business activities as this tenant space: Engineering Research & Development and product testing

Chemical Name (Manufacturer's Name)	Primary and/or Hazardous Constituents	Material Safety Data Sheet Name (attach. copies of MSDS's)	Size/Quantity of Container	Max Number of Onsite Containers per month	Max Quantity of Material on- site per Month	Describe storage method for this product
NOT APPLICABLE						

2016 BUDGET OF
COMMON AREA OPERATING EXPENSES

EXHIBIT “G”

EXHIBIT “G”

2016 COMMON AREA EXPENSE ESTIMATE

Maintenance and Repairs/Association Fees/Landscape:	$346,567.00
Trash, smoke alarms and Misc. service: $43,500.00	$43,500.00
Utilities — Electric and Water — Common Area:	$24,000.00
Misc. Expenses — Administration and Management:	$217,000.00
Insurance — Liability and Property:	$179,920.00
Property Taxes — Common area and buildings:	$546,900.00 ($67,362.00 for 50 Parker)
TOTAL ANNUAL EXPENSES:	$1,357,887.00

Apx. $0.28 per square foot per month
For 408,502 square foot Project

EXHIBIT “G”

FORM OF CERTIFICATE OF INSURANCE

EXHIBIT “H”

MCKENNA & COMPANY
PO Box 578, Apple Valley, CA 92307
949 768 5840 Voice Mail 949 266 5897 Fax
jcirillo@mckennaco.com

Re: Distribution Tenant Insurance Requirements - Certificate of Insurance & Endorsements for Parker Irvine Business Center, Irvine, CA 92618

Please forward Accord Certificates of Insurance and actual Endorsements which includes the requirements below and send to one of the following as soon as possible: McKenna & Company, PO Box 578, Apple Valley, CA 92307 or Fax to 949 266-5897 or email to jcirillo@mckennaco.com

1. The Certificate Holder should read: “The Northwestern Mutual Life Insurance Co, and it’s wholly owned subsidiaries and agents, William A. Budge Inc., Maureen M. Corona Corp. dba McKenna & Co., PO Box 578, Apple Valley, CA 92307”

2. Actual Endorsement of “Form CG 20 11, Additional Insured—Managers or Lessors of Premises” or at least as broad as the ISO’s equivalent Endorsement.

If you submit a Blanket Endorsement, the additional insured names must be listed on the Certificate with reference of Endorsement Form number. Additional Insured Endorsement names to read as: “The Northwestern Mutual Life Insurance Co, and it’s wholly owned subsidiaries and agents, William A. Budge Inc,, Maureen M. Corona Corp. dba McKenna & Co. and their respective Members, Managers, Officers, Affiliates, and Employees”. Please include the Policy number on Endorsements.

3. Please make reference of the entity name on our Lease Agreement as well as any dba.

4. The certificate should reference the address & Suite(s) # of the premises you occupy.

5. General Liability insurance must be for a minimum of $2,000,000.00 per occurrence.

6. All-Risk property insurance on “Lessee’s Property” for the full replacement value. Such policy shall contain an agreed amount endorsement in lieu of a coinsurance clause. “Lessee’s Property” is defined to be all improvements, betterments and personal property of Lessee located in or on the Premises, Common Areas or Building.

7. Worker’s Compensation insurance as required by state law.

Your assistance in this matter is greatly appreciated. Should you have any questions, please feel free to email as email is the most reliable source in reaching me.

Regards,

Judi Cirillo
Insurance Administrator
McKenna & Co.
Parker Irvine Business Center

Rev. 01.26.11

MCKENNA & COMPANY
PO Box 578, Apple Valley, CA 92307
949 768 5840 Voice Mail 949 266-5897 Fax
jcirillo@mckennaco.com

Example of Proper Endorsement

POLICY # XXXXXXXX

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED -- MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designation of Premises (Part Leased To You)
Parker Irvine Business Center
XX Hammond, Suite XXX
Irvine, CA 92618

Name Of Additional Insured Person(s) Or Organization(s):
The Northwestern Mutual Life Insurance Co. and it's wholly owned subsidiaries and agents, William A. Budge Inc., Maureen M. Corona Corp. dba McKenna & Co. and their respective Members, Managers, Officers, Affiliates, and Employees.

Etc. etc

Form CG 20 11 XX XX

Rev. 01.26.11

LETTER AGREEMENT REGARDING DESIGN WORK

EXHIBIT “I”

Northwestern Mutual*

October 20, 2015

Northwestern Mutual Real Estate

610 Newport Center Drive. Suite 850
Newport Beach. CA 92660
949 759 5555 office
949 640 5721 fax

Via E-mail & US Mail

Mr. Adam Spice

MaxLinear, Inc.
5966 La Place Court
Suite 100
Carlsbad, California 92008

RE: 50 Parker, Irvine, CA

Dear Adam,

With reference to the proposed lease transaction between The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, as Landlord, and MaxLinear, Inc., a Delaware corporation, as Tenant, pertaining to approximately 50,236 square feet of that certain building addressed at 50 Parker, Irvine, Ca. (the "Premises") it is anticipated that a lease will be negotiated and executed based substantially upon the terms (the "Agreed Terms") set forth in that contain Letter of Intent, dated September 18, 2015. Although it is anticipated that the lease will be executed and delivered sometime in the near future, the parties wish to proceed with the preparation of preliminary design drawings, and certain other pre-construction work (collectively, "Design Work") for the leasehold improvements contemplated for such space as soon as possible.

Landlord is prepared to authorize its space planners, architects, engineers and other suppliers and contractors (collectively, "Vendors") to begin to undertake such Design Work prior to execution of the lease at a cost not to exceed $26,500.00 as itemized in Exhibit "A" attached hereto. However, this authorization shall be in consideration of the countersignature of this letter by Tenant, by which countersignature Tenant agrees to reimburse Landlord for any of such sums paid by Landlord to the Vendors retained for the Design Work. Tenant's reimbursement obligation hereunder shall be subject to a limitation of $26,500.00, and a condition precedent to the effectiveness of such reimbursement obligation shall be that a lease agreement is not entered into between the parties for such space. If the parties enter into a lease for the Premises, the lease shall control and Landlord and Tenant shall be subject to their respective obligations under the lease and this letter shall be null and void. Such Design Work shall cease immediately upon receipt by the Vendors of a written request to stop such work, delivered by Tenant or by Landlord. Invoices for costs incurred to the date such work is stopped shall be delivered to Tenant, together with a reasonably particular breakdown of such invoices, and Tenant agrees to promptly pay to Landlord the amounts owed, if any, pursuant to this letter.

If the foregoing meets with your approval, please countersign this letter and the additional enclosed copy of this letter, retain this letter for your files, and return the countersigned copy to me, as soon as possible.

Very truly yours,

Don Morton,
Director — Asset Management

The foregoing is agreed to and accepted this 21 day of Oct 2015:

“Tenant”

MaxLinear, Inc,, a Delaware Corporation

By: Adam C. Spice
Its: CFO

cc: William A. Budge
Loren Budge

Exhibit “A”

Design Work Costs

Programming - $4,000.00

Test Fit plans - $5,500.00

As-build - $4,500.00

Office planning - $5,500.00

Collaborative Workshop lab - $7,000.00

Total: $26,500.00

PRELIMINARY SPACE PLAN

EXHIBIT “J”

LEGEND

MAXLINEAR

PROPOSED FLOOR PLAN - OPTION A
50 PARKER, IRVINE CA 92618

SCALE: 3/32" = 1'-0"
10.30.2015

EXHIBIT 21.1

SIGNIFICANT SUBSIDIARIES OF MAXLINEAR, INC.

Name	**Jurisdiction**
MaxLinear Asia Limited	Malaysia
Entropic Communications LLC	United States

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-165770) pertaining to the 2010 Equity Incentive Plan and the 2010 Employee stock Purchase Plan of MaxLinear, Inc.,
(2) Registration Statement (Form S-8 No. 333-172418) pertaining to the 2010 Equity Incentive Plan and the 2010 Employee stock Purchase Plan of MaxLinear, Inc.,
(3) Registration Statement (Form S-8 No. 333-180666) pertaining to the 2010 Equity Incentive Plan and the 2010 Employee stock Purchase Plan of MaxLinear, Inc.,
(4) Registration Statement (Form S-8 No. 333-187395) pertaining to the 2010 Equity Incentive Plan and the 2010 Employee stock Purchase Plan of MaxLinear, Inc.,
(5) Registration Statement (Form S-8 No. 333-194856) pertaining to the 2010 Equity Incentive Plan and the 2010 Employee stock Purchase Plan of MaxLinear, Inc.,
(6) Registration Statement (Form S-8 No. 333-203034) pertaining to the 2010 Equity Incentive Plan and the 2010 Employee stock Purchase Plan of MaxLinear, Inc.,
(7) Registration Statement (Form S-8 No. 333-204017) pertaining to the RF Magic, Inc. 2000 Incentive Stock Plan, Entropic Communications, Inc. 2001 Stock Option Plan, Entropic Communications, Inc. 2007 Non-Employee Directors' Stock Option Plan and Entropic Communications, Inc. 2012 Inducement Award Plan,
(8) Registration Statement (Form S-4 No. 333-202679) pertaining to the registration of Class A Common Stock securities related to the Entropic Communications, Inc. merger.

of our reports dated February 17, 2016, with respect to the consolidated financial statements and schedule of MaxLinear, Inc., and the effectiveness of internal control over financial reporting of MaxLinear, Inc., included in this Annual Report (Form 10-K) of MaxLinear, Inc., for the year ended December 31, 2015.

/s/ Ernst & Young LLP

Irvine, California

February 17, 2016

EXHIBIT 31.1

Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kishore Seendripu, Ph.D., certify that:

1. I have reviewed this Form 10-K of MaxLinear, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2016

/s/ Kishore Seendripu, Ph.D.

Kishore Seendripu, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Adam C. Spice, certify that:

1. I have reviewed this Form 10-K of MaxLinear, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2016

/s/ Adam C. Spice

Adam C. Spice
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

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

I, Kishore Seendripu, Ph.D., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of MaxLinear, Inc. on Form 10-K for the fiscal year ended December 31, 2015 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of MaxLinear, Inc.

Date: February 17, 2016

By: /s/ Kishore Seendripu, Ph.D.
Name: Kishore Seendripu, Ph.D.
Title: President and Chief Executive Officer

I, Adam C. Spice, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of MaxLinear, Inc. on Form 10-K for the fiscal year ended December 31, 2015 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of MaxLinear, Inc.

Date: February 17, 2016

By: /s/ Adam C. Spice
Name: Adam C. Spice
Title: Chief Financial Officer