AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 6, 1996
REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMERIGON INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

CALIFORNIA	95-4318554
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

404 EAST HUNTINGTON DRIVE
MONROVIA, CALIFORNIA 91016
(818) 932-1200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

LON E. BELL, PH.D.
PRESIDENT
AMERIGON INCORPORATED
404 EAST HUNTINGTON DRIVE
MONROVIA, CALIFORNIA 91016
(818) 932-1200

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

COPIES OF COMMUNICATIONS TO:

D. STEPHEN ANTION, ESQ.	SHELDON E. MISHER, ESQ.
O'MELVENY & MYERS LLP	BACHNER, TALLY, POLEVOY & MISHER LLP
400 SOUTH HOPE STREET, 15TH FLOOR	380 MADISON AVENUE, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90071-2899	NEW YORK, NEW YORK 10017
(213) 669-6000	(212) 687-7000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. / /

If the registrant elects to deliver its latest joint annual report to security holders, or a complete and legible facsimile thereof, pursuant to Item 11(a)(1) of this form, check the following box. / /

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

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

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

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Units (2)(3)	$17,250,000	$5,227.27
Class A Common Stock, no par value per share (4)	$23,287,500	$7,056.82
Unit Purchase Option (5)	$1.50	$.00
Units (3)(6)	$1,950,000	$590.91
Class A Common Stock, no par value per share (7)	$2,025,000	$613.64
Total	$44,512,502	$13,488.64

(FOOTNOTES ON NEXT PAGE)

PURSUANT TO RULE 416, THERE ARE ALSO BEING REGISTERED SUCH ADDITIONAL SHARES OF CLASS A COMMON STOCK AS MAY BECOME ISSUABLE PURSUANT TO THE ANTI-DILUTION PROVISIONS OF THE CLASS A WARRANTS AND THE UNIT PURCHASE OPTION.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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(FOOTNOTES FROM COVER)

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(1) Estimated solely for the purpose of calculating the registration fee.

(2) Includes 2,250 Units subject to the Underwriter's over-allotment option.

(3) Each Unit will consist of a minimum of 175 and a maximum of 240 shares of Class A Common Stock, no par value per share, and an equal number of Class A Warrants. Each Class A Warrant will entitle the registered holder thereof to purchase one share of Class A Common Stock.

(4) Issuable upon exercise of the Class A Warrants included in the Units to be sold to the public.

(5) To be issued to the Underwriter.

(6) Issuable upon exercise of the Underwriter's Unit Purchase Option.

(7) Issuable upon exercise of the Class A Warrants included in the Units issuable upon exercise of the Underwriter's Unit Purchase Option.

SUBJECT TO COMPLETION, DATED DECEMBER 6, 1996

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

PROSPECTUS

AMERIGON INCORPORATED

15,000 UNITS
EACH CONSISTING OF A MINIMUM OF 175 AND A MAXIMUM OF 240 SHARES
OF CLASS A COMMON STOCK AND AN EQUAL NUMBER OF CLASS A WARRANTS

Each unit ("Unit") hereby offered (the "Offering") by AMERIGON INCORPORATED, a California corporation (the "Company"), consists of a minimum of 175 and a maximum of 240 shares of the Company's Class A Common Stock, no par value per share ("Class A Common Stock"), and an equal number of warrants to purchase shares of Class A Common Stock (the "Class A Warrants"). The components of the Units will be separately transferable upon issuance. It is currently expected that the offering price will be $1,000 per Unit. The actual number of shares of Class A Common Stock and Class A Warrants to be included in each Unit will be determined by negotiations between the Company and D.H. Blair Investment Banking Corp. (the "Underwriter"), based primarily upon the market price of the outstanding Class A Common Stock and a determination of the number of shares of Class A Common Stock and Class A Warrants needed to successfully market the Units in light of market conditions. Each Class A Warrant entitles the registered holder thereof to purchase, at any time until the fifth anniversary of the date hereof (the "Effective Date"), one share of the Company's Class A Common Stock at an exercise price of 135% of the amount equal to $1,000 divided by the number of shares of Class A Common Stock included in each Unit, subject to adjustment. Commencing on the later of one year after the Effective Date or the date of issuance of the Units, the Company may, upon 30 days' written notice, redeem each Class A Warrant in exchange for $0.05 per Class A Warrant, provided that before any such redemption, the closing Bid Price of the Class A Common Stock as reported by the Nasdaq SmallCap Market or the closing Bid Price on any national stock exchange (if the Company's Class A Common Stock is listed thereon) shall have, for 30 consecutive business days ending within 15 days of the date of the notice of redemption, averaged in excess of 175% of the Class A Warrant exercise price per share (subject to adjustment in the event of any reverse stock splits or other similar events). See "Description of Securities."

The Company's Class A Common Stock is traded on the Nasdaq SmallCap Market under the symbol "ARGNA". The Company has applied for inclusion of the Class A Warrants on the Nasdaq SmallCap Market. The last sale price of the Company's Class A Common Stock on December 5, 1996 as reported by Nasdaq was $5.75 per share. See "Price Range of Common Stock and Dividends." The Units offered hereby will not be listed separately on Nasdaq. The exercise price and other terms of the Class A Warrants were determined in part by negotiation between the Company and the Underwriter and do not necessarily bear any relationship to the Company's assets, book value, results of operations, net worth, or any other recognized criteria of value. FOR INFORMATION CONCERNING A SECURITIES AND EXCHANGE COMMISSION INVESTIGATION RELATING TO THE UNDERWRITER, SEE "RISK FACTORS" AND "UNDERWRITING."

The Company has agreed to register subsequent to the Offering for resale (the "Subsequent Offering") by certain securityholders (the "Selling Securityholders") 1,620,000 Class A Warrants (the "Selling Securityholder Warrants") and the Class A Common Stock underlying the Selling Securityholder Warrants. The Selling Securityholder Warrants and the securities underlying such warrants are sometimes collectively referred to as the "Selling Securityholder Securities." The Selling Securityholder Warrants are issuable on the closing of the Offering to the Selling Securityholders upon the automatic conversion of convertible subordinated debentures acquired by them in the Company's private placement completed in October 1996. The Selling Securityholders have agreed not to sell any of the Selling Securityholder Warrants for at least 90 days after the closing of the Offering and, for the period expiring 270 days after such closing, have agreed to certain resale restrictions. See "Shares Eligible for Future Sale." Sales of the Selling Securityholder Warrants or the underlying securities, or the potential of such sales, may have an adverse effect on the market price of the securities offered hereby.

THE SECURITIES OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK AND IMMEDIATE SUBSTANTIAL DILUTION. SEE "RISK FACTORS" BEGINNING ON PAGE 7 AND "DILUTION" BEGINNING ON PAGE 21.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS (1)	PROCEEDS TO COMPANY (2)
Per Unit	$	$	$
Total (3)	$	$	$

(1) Does not reflect additional compensation to the Underwriter in the form of (i) a non-accountable expense allowance of $450,000 ($517,500 if the Over-Allotment Option referred to below is exercised in full); and (ii) an option (the "Unit Purchase Option") to purchase up to 1,500 Units at $1,300 per Unit over a three-year period commencing on the date that is the second anniversary of the Effective Date. In addition, the Company has agreed to indemnify the Underwriter against certain civil liabilities under the Securities Act of 1933, as amended. See "Underwriting."

(2) Before deducting estimated expenses of $400,000 and the Underwriter's non-accountable expense allowance, both of which are payable by the Company.

(3) The Company has granted the Underwriter a 45-day option (the "Over-Allotment Option") to purchase up to 2,250 additional Units on the same terms and conditions as set forth above, solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be $, $, and $, respectively. See "Underwriting."

The Units are offered by the Underwriter on a "firm commitment" basis when, as and if delivered to and accepted by the Underwriter, and subject to the Underwriter's right to reject orders in whole or in part and to certain other conditions. It is expected that delivery of the certificates representing the Units will be made at the offices of D.H. Blair Investment Banking Corp., 44 Wall Street, New York, New York 10005, on or about , 1996.

D.H. BLAIR INVESTMENT BANKING CORP.

The date of this Prospectus is , 1996.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CLASS A COMMON STOCK OF THE COMPANY AND/OR CLASS A WARRANTS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NASDAQ SMALLCAP MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN CONNECTION WITH THIS OFFERING, CERTAIN UNDERWRITERS (AND SELLING GROUP MEMBERS) MAY ENGAGE IN PASSIVE MARKET MAKING TRANSACTIONS IN THE COMPANY'S CLASS A COMMON STOCK ON NASDAQ IN ACCORDANCE WITH RULE 10B-6A UNDER THE SECURITIES EXCHANGE ACT OF 1934. SEE "UNDERWRITING."

AVAILABLE INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission"), Washington, D.C., a Registration Statement on Form S-2 under the Securities Act of 1933, as amended, with respect to the securities offered hereby. This Prospectus does not contain all of the information set forth in such Registration Statement and the exhibits thereto. For further information with respect to the Company and the Units, reference is hereby made to the Registration Statement and the exhibits thereto, which may be inspected without charge at the public reference facilities maintained at the principal office of the Commission at 450 Fifth Street, N.W., Room 1024, Washington D.C. 20549 and at the Commission's regional offices at 7 World Trade Center, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such materials may be obtained upon written request from the public reference section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Electronic registration statements made through the Electronic Data Gathering, Analysis, and Retrieval System are publicly available through the Commission's Web site (http://www.sec.gov). Statements contained in the Prospectus as to the contents of any contract or other document referred to herein are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance therewith, files reports and other information with the Commission. Such reports and other information filed by the Company may be inspected and copied at the public reference facilities maintained by the Commission at the addresses shown above. Copies of such material can be obtained from the Public Reference Section of the Commission at the address shown above at prescribed rates or through the Commission's Web site. Reports and other information concerning the Company may also be inspected at the offices of the National Association of Securities Dealers, Inc., 1735 K Street, N.W., Washington, D.C. 20006.

The Class A Common Stock is listed on the Nasdaq SmallCap Market (symbol ARGNA). Certain information, reports and proxy statements of the Company are also available for inspection at the offices of the Nasdaq National Market Reports Section, 1735 K Street, Washington, D.C. 20006.

The Company hereby undertakes to provide without charge to each person to whom a copy of this Prospectus has been delivered, upon the written or oral request of such person, a copy of any or all of the documents referred to in "Incorporation of Certain Information by Reference" which have been or may be incorporated in this Prospectus by reference, other than exhibits to such documents. Requests for such copies should be directed to Amerigon Incorporated, 404 East Huntington Drive, Monrovia, California 91016-3600, Attention: R. John Hamman, Jr. (telephone 818-932-1200).

PROSPECTUS SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO, AND SHOULD BE READ IN CONJUNCTION WITH, THE MORE DETAILED INFORMATION AND FINANCIAL STATEMENTS (INCLUDING THE NOTES THERETO) APPEARING ELSEWHERE IN THIS PROSPECTUS OR INCORPORATED HEREIN. INVESTORS SHOULD ALSO CAREFULLY CONSIDER THE INFORMATION SET FORTH UNDER THE HEADING "RISK FACTORS." UNLESS OTHERWISE INDICATED, THE INFORMATION IN THIS PROSPECTUS DOES NOT GIVE EFFECT TO THE RELEASE OF THE ESCROW SHARES (AS HEREINAFTER DEFINED) OR TO THE EXERCISE OF (I) THE OVER-ALLOTMENT OPTION, (II) THE CLASS A WARRANTS, (III) THE UNIT PURCHASE OPTION, (IV) OPTIONS TO PURCHASE SHARES OF CLASS A COMMON STOCK RESERVED FOR ISSUANCE UNDER THE COMPANY'S 1993 STOCK OPTION PLAN, AS AMENDED, AND (V) OTHER OUTSTANDING WARRANTS TO PURCHASE SHARES OF CLASS A COMMON STOCK.

THE COMPANY

GENERAL

Amerigon Incorporated (the "Company" or "Amerigon") is a development stage company formed in 1991 to develop, manufacture and market proprietary high technology automotive components and systems for sale to automobile and other original equipment manufacturers. The Company's business strategy is to apply aerospace and defense industry technology to products for the automotive market. The Company has principally focused on developing proprietary positions in the following technologies: (i) thermoelectric heated and cooled seats; (ii) radar for maneuvering and safety; (iii) voice interactive navigation and entertainment; and (iv) electric vehicle components and production systems.

The Company has substantially completed development of the first generation of its Interactive Voice System ("IVS-TM-") audio-navigation product. The IVS-TM- provides spoken-word navigation directions to driver and passengers using an in-vehicle compact audio disc system. To date, the IVS-TM- product has not been commercially successful and likely would require substantial further development before it could be expected to achieve significant sales. The Company is presently seeking to sell the IVS-TM- product line and the Company's interests in related technology or to find a strategic or financial partner to help further develop and market the IVS-TM- product. If the Company is unable to consummate such a sale or arrange such a relationship in the near future, the Company plans to discontinue sales and further development of the IVS-TM- and related technology. See "--Business Strategy; Recent Developments."

The Company's other products are in various stages of development. The Company is presently working with three of the world's largest automotive original equipment manufacturers on pre-production development programs for heated and cooled seats. In addition, the Company has sold multiple prototypes of its heated and cooled seats and radar for maneuvering and safety to potential customers for evaluation and demonstration.

BUSINESS STRATEGY; RECENT DEVELOPMENTS

The Company was founded on the premise that technology proven for use in the defense and aerospace industries could be successfully adapted to the automotive and transportation industries. Amerigon has focused on technologies that it believes can be readily adapted to automotive needs for advanced vehicle electronics and for electric vehicle systems. The Company seeks to avoid direct competition with established automotive suppliers of commodity products by identifying market opportunities where the need for rapid technological change gives an edge to new market entrants with proprietary products.

The Company has recently determined to focus its resources primarily on developing its heated and cooled seat and radar for maneuvering and safety technologies. The Company has adopted this strategy primarily because the Company believes that the markets for these products have greater near-term potential than the markets for its other products, and because these technologies afford the Company its best opportunities to exploit competitive advantages over rival companies. The Company also would expect continued necessary development and marketing of the Company's voice interactive navigation technologies and electric vehicle systems to entail very high costs, to the point that they would likely exceed the Company's financial resources. Even if the Company were able to overcome this financial challenge, management also believes that the Company might not be able to develop and successfully market the next generation of

IVS-TM-, and might not be able to successfully develop and profitably manufacture electric vehicles or their components, without commercial or technical assistance from one or more strategic partners. Accordingly, the Company is presently seeking to sell the IVS-TM- product line and the Company's interests in related technology or to find a strategic or financial partner to help further develop and market the IVS-TM- product. If the Company is unable to consummate such a sale or arrange such a relationship in the near future, the Company plans to discontinue sales and further development of the IVS-TM- and related technology. See "Risk Factors--Possible Termination of License of Voice Recognition Software Technology." The Company is also presently seeking strategic and financial partners to help support continued development and marketing of the Company's electric vehicle systems. If the Company is unable to arrange such a relationship in the near term, the Company will attempt to sell its proprietary interests and other assets in and relating to its electric vehicle technology or abandon their development. See "Risk Factors--Possible Disposition or Abandonment of Electric Vehicle and IVS-TM- Product Businesses."

The Company has recently experienced serious cash shortfalls. In October 1996, the Company completed a private placement (the "Bridge Financing") of 60 bridge units (each a "Bridge Unit"), each consisting of one $47,500 10% unsecured promissory note (each a "Bridge Note") and one $2,500 10% convertible subordinated debenture (each a "Bridge Debenture") to enable it to continue operations until the completion of the Offering. A portion of the proceeds of the Offering will be applied to repayment of the Bridge Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Use of Proceeds."

THE OFFERING

Securities Offered by the Company.....	15,000 Units, each consisting of a minimum of 175 and a maximum of 240 shares of the Company's Class A Common Stock and an equal number of Class A Warrants. See "Description of Securities."
Terms of Class A Warrants.....	Each Class A Warrant entitles the registered holder thereof to purchase, at any time until the fifth anniversary of the Effective Date, one share of the Company's Class A Common Stock, subject to earlier redemption by the Company. The exercise price for the Class A Warrants will be 135% of the amount equal to $1,000 divided by the number of shares of Class A Common Stock included in each Unit. See "Description of Securities--Class A Warrants."
Number of Shares of Capital Stock Outstanding:	
Before the Offering (1).....	7,068,500 shares of Class A Common Stock, of which 3,000,000 shares are Escrow Shares(2).
After the Offering (3)..... .	10,668,500 shares of Class A Common Stock, of which 3,000,000 shares are Escrow Shares(2)(4).
Use of Proceeds.....	Repayment of indebtedness, payment of deferred executive salaries, production engineering, manufacturing, research and development, marketing and working capital purposes. See "Use of Proceeds."
Risk Factors.....	The securities offered hereby involve a high degree of risk. See "Risk Factors."
Nasdaq Symbols.....	Class A Common Stock--ARGNA Class A Warrants--ARGNW (proposed)

(FOOTNOTES ON NEXT PAGE)

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(1) Does not include 264,757 shares of Class A Common Stock issuable upon exercise of outstanding warrants and 530,000 shares of Class A Common Stock presently reserved for issuance under the Company's 1993 Stock Option Plan, as amended, under which options to purchase 312,543 shares of Class A Common Stock are outstanding.

(2) In connection with the Company's 1993 initial public offering, 3,000,000 shares (the "Escrow Shares") of the Company's Class A Common Stock were deposited in escrow by certain shareholders of the Company, which Escrow Shares are to be released to such shareholders for no consideration if the Company attains certain pre-tax earnings levels during the fiscal years ending December 31, 1996, 1997 and 1998. If such earnings are achieved, the Company will record a substantial non-cash charge to earnings, for financial reporting purposes, as compensation expense relating to the value of the Escrow Shares released to current and former Company officers and employees. On April 30, 1999, all Escrow Shares that have not been so released from escrow will automatically be exchanged for shares of Class B Common Stock which will then be released from escrow. The Class B Common Stock is neither transferable nor convertible and its rights with respect to dividends and liquidation distributions are inferior to those of the Class A Common Stock. Therefore, the Class B Common Stock has limited economic value. See "Risk Factors--Potential Charges to Income," "Principal Shareholders-- Escrow Shares" and "Description of Securities--Common Stock."

(3) Does not include (i) a minimum of 787,500 and a maximum of 1,080,000 shares of Class A Common Stock issuable upon exercise of the Over-Allotment Option and the Class A Warrants included in the Units issuable upon exercise of the Over-Allotment Option; (ii) a minimum of 2,625,000 and a maximum of 3,600,000 shares of Class A Common Stock issuable upon exercise of the Class A Warrants included in the Units offered hereby; (iii) a minimum of 525,000 and a maximum of 720,000 shares of Class A Common Stock issuable upon exercise of the Unit Purchase Option and the Class A Warrants included in the Units included in the Unit Purchase Option; (iv) a minimum of 280,218 and a maximum of 284,388 shares of Class A Common Stock issuable upon exercise of outstanding warrants; and (v) 530,000 shares of Class A Common Stock presently reserved for issuance under the Company's 1993 Stock Option Plan, as amended, under which options to purchase 312,543 shares of Class A Common Stock are outstanding. See "Description of Securities" and "Underwriting."

(4) Assumes that each Unit consists of the maximum of 240 shares of Class A Common Stock and 240 Class A Warrants. If each Unit consists of the minimum of 175 shares of Class A Common Stock and 175 Class A Warrants, 9,693,500 shares of Class A Common Stock will be outstanding after the Offering, of which 3,000,000 shares will be Escrow Shares.

SUMMARY FINANCIAL INFORMATION

The summary financial data presented below should be read in conjunction with the financial statements and related notes thereto appearing elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	FISCAL YEARS ENDED DECEMBER 31,			PERIOD FROM APRIL 23, 1991 (INCEPTION) TO DECEMBER 31,	NINE MONTHS ENDED		PERIOD FROM APRIL 23, 1991 (INCEPTION) TO SEPTEMBER 30,
	1993	1994	1995	1995	SEPTEMBER 30, 1995	SEPTEMBER 30, 1996	1996
	(IN THOUSANDS EXCEPT PER SHARE DATA)						
OPERATING DATA:							
Total revenues	$ 2,289	$ 2,640	$ 7,809	$ 14,638	$ 4,806	$ 6,501	$ 21,139
Costs and expenses:							
Direct development contract and related grant costs	525	928	5,332	6,785	3,895	9,142	15,927
Direct grant costs	1,649	803	339	4,522	390	101	4,623
Research and development	1,578	2,137	2,367	6,659	1,785	1,544	8,203
Selling, general and administrative, including reimbursable administrative costs	2,340	3,235	3,135	10,377	1,820	1,838	12,215
Total costs and expenses	6,092	7,103	11,173	28,343	7,890	12,625	40,968
Operating loss	$ (3,803)	$ (4,463)	$ (3,364)	$ (13,705)	$ (3,084)	$ (6,124)	$ (19,829)
Net loss	$ (3,640)	$ (4,235)	$ (3,237)	$ (13,187)	$ (2,960)	$ (6,245)	$ (19,432)
Net loss per share	$ (1.64)	$ (1.28)	$ (0.98)	--	$ (0.90)	$ (1.54)	--
Weighted average number of shares outstanding	2,213	3,300	3,306	--	3,300	4,060	--

	AS OF DECEMBER 31, 1995	AS OF SEPTEMBER 30, 1996		
		ACTUAL	PRO FORMA(1)	PRO FORMA AS ADJUSTED(2)
	(IN THOUSANDS)			
BALANCE SHEET DATA:				
Working capital	$ 6,481	$ 351	$ 351	$ 13,101
Total assets	8,995	5,876	8,876	17,226
Long term debt	68	50	50	50
Total liabilities	1,797	4,872	7,872	3,472
Deficit accumulated during development stage	(13,187)	(19,432)	(19,432)	(19,932)
Total shareholders' equity	7,198	1,004	1,004	13,754

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(1) Gives pro forma effect to the October 1996 issuance of the Bridge Units, net of approximately $500,000 of issuance costs, as if the issuance had occurred as of September 30, 1996. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

(2) As adjusted to give effect to the sale of the 15,000 Units offered hereby at an offering price of $1,000 per Unit and the application of the net proceeds therefrom (including the automatic conversion of the Bridge Debentures into Class A Warrants, the repayment of the principal on the Bridge Notes and the corresponding charge to operations upon repayment thereof estimated at $500,000). See "Use of Proceeds," "Capitalization" and "Management's Discussions and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

RISK FACTORS

THE SECURITIES OFFERED HEREBY ARE HIGHLY SPECULATIVE IN NATURE AND INVOLVE A HIGH DEGREE OF RISK. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD GIVE CAREFUL CONSIDERATION TO, AMONG OTHER THINGS, THE RISK FACTORS SET FORTH BELOW. THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. REFERENCE IS MADE IN PARTICULAR TO THE DESCRIPTION OF THE COMPANY'S PLANS AND OBJECTIVES FOR FUTURE OPERATIONS, ASSUMPTIONS UNDERLYING SUCH PLANS AND OBJECTIVES AND OTHER FORWARD-LOOKING STATEMENTS INCLUDED IN "PROSPECTUS SUMMARY," "RISK FACTORS," "USE OF PROCEEDS," "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" AND "BUSINESS" IN THIS PROSPECTUS. SUCH STATEMENTS MAY BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "EXPECT," "BELIEVE," "ESTIMATE," "ANTICIPATE," "CONTINUE," OR SIMILAR TERMS, VARIATIONS OF SUCH TERMS OR THE NEGATIVE OF SUCH TERMS. SUCH STATEMENTS ARE BASED ON MANAGEMENT'S CURRENT EXPECTATIONS AND ARE SUBJECT TO A NUMBER OF FACTORS AND UNCERTAINTIES WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS. FACTORS WHICH COULD CAUSE SUCH RESULTS TO DIFFER MATERIALLY FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS INCLUDE THOSE SET FORTH BELOW.

DEVELOPMENT STAGE COMPANY

The Company's proposed future operations are subject to numerous risks associated with establishing new businesses, including, but not limited to, unforeseeable expenses, delays and complications, as well as specific risks of the industry in which the Company competes. There can be no assurance that the Company will be able to market any product on a commercial scale, achieve profitable operations or remain in business. To date, the Company's first developed product, the IVS-TM-, has not been commercially successful. The Company was formed in April 1991 and most of its products are still in the development stage. In addition, several of the Company's products are aimed at the electric vehicle market, which is still in its infancy and may never achieve commercial prominence. The likelihood of the success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with establishing a new business, including, without limitation, uncertainty as to market acceptance of the Company's products, marketing problems and expenses, competition and changes in business strategy. There can be no assurance that the Company will be successful in its proposed business activities.

Moreover, except for the IVS-TM-, the Company's other products are in various stages of prototype development and will require the expenditure of significant funds for further development and testing in order to commence commercial sales. No assurance can be given that the Company will obtain such additional funds or that it will be successful in resolving all technical problems relating to its products or in developing the technology used in its prototypes into commercially viable products. The Company does not expect to generate any significant revenues from the sale of seat or radar products for at least 12 to 24 months, and no assurance can be given that such sales will ever materialize. Further, there can be no assurance that any of the Company's products, if successfully developed, will be capable of being produced in commercial quantities at reasonable costs or will be successfully marketed and distributed. See "--Limited Marketing Capabilities; Uncertainty of Market Acceptance."

SUBSTANTIAL OPERATING LOSSES SINCE INCEPTION

The Company has incurred substantial operating losses since its inception. At December 31, 1995 and at September 30, 1996, the Company had accumulated deficits since inception of $13,187,000 and $19,432,000, respectively. During the years ended December 31, 1994 and 1995, the Company had net losses of $4,235,000 and $3,237,000, respectively. For the nine months ended September 30, 1995 and 1996, the Company had net losses of $2,960,000 and $6,245,000, respectively. The Company has incurred additional losses and its accumulated deficit has increased since September 30, 1996. The Company's accumulated deficits are attributable to the costs of developmental and other start-up activities, including the industrial design, development and marketing of the Company's products and a significant loss

incurred on a major electric vehicle development contract. The Company has continued to incur losses due to continuing expenses without significant revenues or profit margins on the sale of products, and expects to incur significant losses for the foreseeable future.

NEED FOR ADDITIONAL FINANCING

The Company has experienced negative cash flow since its inception and has expended, and expects to continue to expend, substantial funds to continue its development efforts. The Company has not generated and does not expect to generate in the foreseeable future sufficient revenues from the sales of its principal products to cover its operating expenses. Even after completion of the Offering, the Company will require additional financing through bank borrowings, debt or equity financing or otherwise to finance its planned operations. If additional funds are not obtained when needed, the Company will be required to significantly curtail its activities, dispose of one or more of its technologies and/or cease operations and liquidate. If and when the Company is able to commence commercial production of its heated and cooled seat or radar products, the Company will incur significant expenses for tooling product parts and to set up manufacturing and/or assembly processes. In part as a result of the Company's anticipated capital requirements, management is currently seeking to sell the IVS-TM- product line or enter into collaborative or other arrangements with financial or strategic corporate partners to develop the IVS-TM- product and its electric vehicle technologies. See "--Possible Disposition or Abandonment of Electric Vehicle and IVS-TM- Product Businesses." No assurance can be given that such alternate funding sources can be obtained or will provide sufficient, or any, financing for the Company. Moreover, the licensing agreements for the Company's current and potential future rights to licensed technology generally require the payment of minimum royalties. For the fiscal year ended December 31, 1995, the Company paid a total of approximately $121,000 in royalties. In the event the Company is unable to pay such royalties or otherwise breaches such licensing agreements, the Company would lose its rights to the technology, which would have a material adverse effect on the Company's business.

POSSIBLE DISPOSITION OR ABANDONMENT OF ELECTRIC VEHICLE AND IVS-TM- PRODUCT BUSINESSES

To date, the Company has focused on and invested substantial capital in four product technologies: (i) thermoelectric heated and cooled seats; (ii) radar for maneuvering and safety; (iii) voice interactive navigation and entertainment; and (iv) electric vehicle components and production systems. See "Business--Products." The Company has recently determined to focus its resources primarily on developing its heated and cooled seat and radar technologies. The Company is presently seeking to sell the IVS-TM- product line or find a strategic or financial partner to help further develop and market the IVS-TM- product. The Company is also presently seeking strategic and financial partners to help support continued development and marketing of the Company's electric vehicle systems. No assurance can be given that the Company's change in business strategy will prove successful or even beneficial to the Company. Further, no assurance can be given that the Company will be able to complete a sale of the IVS-TM- product line, obtain additional funding or attract strategic or financial partners or that, if such funding or partners were to be obtained, the electric vehicle or IVS-TM- products could be successfully developed. If the Company is unable to arrange such a relationship in the near term, the Company will attempt to sell its proprietary interests and other assets in and related to these technologies or abandon their development. No assurance can be given that the Company would be able to effect such a sale on terms favorable to the Company or at all.

ELECTRIC VEHICLE COST OVERRUNS AND SIGNIFICANT CONTRACT LOSSES

In its results for the nine months ended September 30, 1996, the Company reported cost overruns on the approximately $9.6 million electric vehicle contract now in process that resulted in the Company recording charges to operations for the ultimate estimated loss at completion of the contract of approximately $1,625,000. The Company may continue to experience cost overruns on this contract due to unanticipated design and development problems and continuing delays in the completion of this contract,

as well as other factors. Furthermore, the customer under the contract is entitled to withhold 10% of the contract price payable to the Company for a period of time following the final shipment and to offset such amount against any claims the customer may have against the Company, including any warranty claims. Any such withholding and/or offset would further exacerbate the Company's liquidity problems. The Company will also be obliged to fulfill warranty obligations on electric vehicles delivered under the contract for a period of one year, which may result in additional expense to the Company.

UNCERTAIN MARKET DEMAND FOR IVS-TM-; FURTHER REFINEMENT NEEDED; POSSIBLE DISPOSITION

Development of the first generation IVS-TM- audio navigation product was completed and commercial sales commenced in December 1995. To date, sales of the product have been weak due to lower than anticipated consumer acceptance of the product and overall market demand. In 1995, the Company had pre-production orders for approximately 2,000 units. As of September 30, 1996, only approximately 2,700 units have been produced and sold. Of the units sold so far, approximately 270 are subject to one customer's right to return units for a refund of approximately $77,000. No assurance can be given that such units will not be returned. Moreover, the Company believes that the current IVS-TM- product is not commercially viable and will require further development, at significant cost, in order to have a reasonable prospect for commercial viability, particularly with respect to sales to automobile manufacturers. Based upon the results to date, the strategy of attempting to sell the IVS-TM- product in the aftermarket is questionable. As a result of weak demand for the product in its current form and the capital resources necessary to refine and market it, the Company is presently seeking to sell the IVS-TM- product line and the Company's interests in related technology or to find a strategic or financial partner to help further develop and market the IVS-TM- product. If no such sale or relationship is consummated in the near future, the Company intends to discontinue sales and further development of the IVS-TM- and related technology. See "--Possible Disposition or Abandonment of Electric Vehicle and IVS-TM- Product Businesses."

POSSIBLE TERMINATION OF LICENSE OF VOICE-RECOGNITION SOFTWARE TECHNOLOGY USED IN IVS-TM-

The Company has failed to make advance royalty payments required by the terms of the governing license agreement for certain voice-recognition software technology used in the IVS-TM-. The license agreement affords the licensor the opportunity to terminate the agreement under such circumstances. If the licensor were to terminate such license, in order to continue to manufacture and sell the IVS-TM-, the Company would either need to reach an accommodation with such licensor or identify and secure a license to use a substitute software technology, neither of which can be assured. The adaptation of substitute software technology under such circumstances might result in additional development costs to the Company. If the Company were unable to reach an accommodation with the licensor or identify and secure a substitute license, the Company's ability to sell the IVS-TM- product line and the Company's interests in related technology might be impaired.

LACK OF EXCLUSIVE LICENSES ON IVS-TM- AND HEATED AND COOLED SEATS; POTENTIAL LOSS OF EXCLUSIVITY OF LICENSE ON RADAR FOR MANEUVERING AND SAFETY

The Company has entered into an agreement with the IVS-TM- licensor, Audio Navigation Systems, LLC ("ANS"), formerly Audio Navigation Systems, Inc., which resolved prior differences of interpretation of the license agreement covering the IVS-TM- technology. The new agreement provides, among other things, that ANS can produce, market and/or license others to make an interactive voice system product that could compete directly with the Company's IVS-TM- product. The Company believes that ANS may introduce a competitive product in 1997. Such competition could have an adverse effect on the value of the Company's IVS-TM- product and on any future versions of such product. The Company also lacks an exclusive license for its heated and cooled seat technology. Consequently, such technology may be licensed to other entities, which may introduce seat products competitive with those of the Company. Such competitive products may

be superior to the Company's seat products, and such competition may have a material adverse effect on sales of the Company's seat products and on the business and financial condition of the Company.

The Company's exclusive license from the Regents of the University of California for the Company's radar technology requires the Company to achieve commercial sales of products by the end of 1998. Commercial sales are defined as sales of non-prototype products to at least one original equipment manufacturer. Failure to achieve commercial sales for a particular application will result in the loss of exclusivity of the license for that application, in which event the licensor will have the right to grant other entities a non-exclusive license for that application at terms no more favorable than those enjoyed by the Company.

LIMITED PROTECTION OF PATENTS AND PROPRIETARY RIGHTS; POTENTIAL DISPUTE WITH LICENSOR OF SEAT TECHNOLOGY

The Company believes that patents and proprietary rights have been and will continue to be important in enabling the Company to compete. There can be no assurance that the Company's or its licensors' patents and proprietary rights will not be challenged or circumvented or will provide the Company with any meaningful competitive advantages or that any pending patent applications will issue. Failure to obtain patents in certain foreign countries may materially adversely affect the Company's ability to compete effectively in certain international markets.

The Company has a different understanding regarding technology improvements made by the Company than that of the licensor of certain technology used in the Company's heated and cooled seats. Such licensor has informed the Company that he believes that he is entitled to a license to use any improvements to such technology that the Company might develop. If such licensor were deemed to have such rights to use such improvements, such licensor may develop and sell seat products competitive with those of the Company, which competition may have a material adverse effect on sales of the Company's seats and its business and financial condition generally.

The Company also relies on trade secrets that it seeks to protect, in part, through confidentiality and non-disclosure agreements with employees, customers and other parties. There can be no assurance that these agreements will not be breached, that the Company would have adequate remedies for any such breach or that the Company's trade secrets will not otherwise become known to or independently developed by competitors. The Company may be involved from time to time in litigation to determine the enforceability, scope and validity of proprietary rights. Any such litigation could result in substantial cost to the Company and diversion of effort by the Company's management and technical personnel. Additionally, with respect to licensed technology, there can be no assurance that the licensor of the technology will have the resources, financial or otherwise, or desire to defend against any challenges to the rights of such licensor to its patents.

DEPENDENCE ON ACCEPTANCE BY AUTOMOBILE MANUFACTURERS AND CONSUMERS; MARKET COMPETITION

The Company's ability to successfully market its seats and radar products will in large part be dependent upon the willingness of automobile manufacturers to incur the substantial expense involved in the purchase and installation of the Company's products and systems, and, ultimately, upon the acceptance of the Company's products by consumers. The Company's potential customers may be reluctant to modify their existing automobile models, where necessary, to incorporate the Company's products. In addition, automobile manufacturers may be reluctant to purchase key components from a small, development-stage company with limited financial and other resources. The Company's ability to successfully market its seats and radar products will also be dependent in part upon its ability to persuade automobile manufacturers that the Company's products are sufficiently unique that they cannot be obtained elsewhere. See "--Competition; Possible Obsolescence of Technology" and "--Lack of Exclusive Licenses on IVS-TM- and Heated and Cooled Seats; Potential Loss of Exclusivity of License on Radar for Maneuvering and Safety." There

can be no assurance that the Company will be successful in this effort. Furthermore, in the event the Company is successful in obtaining favorable responses from automobile manufacturers, the Company may need to license its technology to potential competitors to ensure adequate additional sources of supply in light of automobile manufacturers' reluctance to purchase products from a sole source supplier (particularly where the continued viability of such supplier is in doubt, as may be the case with the Company). Acceptance of the Company's components and systems for electric vehicles is dependent upon market acceptance of electric vehicles, as to which there can be no assurance.

LACK OF CAPITAL TO FUND PROPOSED ELECTRIC VEHICLE JOINT VENTURE; STRATEGY UNTESTED

In February 1996, the Company entered into a memorandum of understanding (which by its terms expired on August 29, 1996) with a strategic partner to enter into a proposed joint venture in India to develop, market and/or manufacture electric vehicles. The terms of the memorandum of understanding called for the Company to contribute cash and certain technology to the proposed joint venture in exchange for a minority equity stake. The Company presently lacks the capital to make such a financial contribution to a joint venture entity, and currently does not propose to apply any of the net proceeds of the Offering for such purpose. Accordingly, unless the terms of the joint venture were to be revised so as to eliminate or substantially reduce the Company's required capital contribution, or unless the Company can find a new or additional joint venture partner, the Company would be unable to participate in the proposed joint venture on its original terms. No assurance can be given that the Company will be able to reduce its required capital contribution to the proposed joint venture or obtain additional financing for the proposed joint venture. Furthermore, there can be no assurance that the Company and its proposed partner will ever consummate the proposed joint venture.

Even if the Company were able to obtain sufficient funding to participate in the proposed joint venture in India or similar joint ventures in other countries, there can be no assurance that the governments of such countries would grant the necessary permits, authority and approvals for any such joint venture or similar enterprise or for the development, manufacture and sale of electric vehicles, that consumer interest would be sufficient or economic factors affecting consumer demand would be favorable to make such ventures financially feasible, or that competition will not exist or develop that would materially adversely affect the financial feasibility of such ventures. In addition, many of the Company's competitors in the electric vehicle market have greater financial resources than the Company. See "--Dependence on Acceptance by Automobile Manufacturers and Consumers; Market Competition" and "--Competition; Possible Obsolescence of Technology."

The Company has treated certain costs totaling approximately $700,000 incurred in connection with prototype development in anticipation of the formation of the Indian joint venture as capitalized expenses. In the event that the joint venture is never formed, the Company will in the future be required to treat such costs as current period expenses. In such event, such expenses will reduce income or increase losses during the period in which they are charged. If the joint venture is formed and the Company obtains contracts from it that are related to the prototype development, such costs will be expensed and matched against the related revenues.

LIMITED MANUFACTURING EXPERIENCE

To date, the Company has been engaged in only limited manufacturing, principally of the IVS-TM- in small quantities, and there can be no assurance that the Company's efforts to establish its manufacturing operations for any of its products (including electric vehicles) will not exceed estimated costs or take longer than expected or that other unanticipated problems will not arise which will materially adversely affect the Company's operations, financial condition and/or business prospects. The Company has already experienced significant delays and cost overruns in connection with its electric vehicle contracts. See "--Electric Vehicle Cost Overruns and Significant Contract Losses." Automobile manufacturers demand on-time delivery of quality products, and some have required the payment of substantial financial penalties for

failure to deliver components to their plants on a timely basis. Such penalties, as well as costs to avoid them, such as working overtime and overnight air freighting parts that normally are shipped by other less expensive means of transportation, could have a material adverse effect on the Company's business and financial condition. Moreover, the inability to meet demand for the Company's products on a timely basis would materially adversely affect the Company's reputation and prospects. The Company currently is seeking to identify and hire a vice president of operations with manufacturing experience. However, no assurance can be given that the Company will be successful in identifying or hiring such an individual on terms affordable to the Company (or on any terms).

RESTATEMENT OF 1996 1ST QUARTER AND 2ND QUARTER FINANCIAL RESULTS

On October 24, 1996, the Company filed two Forms 10-Q/A amending the Company's quarterly reports on Form 10-Q for the periods ended March 31, 1996 and June 30, 1996, respectively, to adjust revenues and expenses associated with development contracts. In the six months ended June 30, 1996, these adjustments resulted in a decrease in revenues from development contracts and related grants of $1,500,000 and a decrease in expenses related to direct development contract costs and related grants of $570,000, which caused an increased operating loss and net loss of $930,000. Net loss per share for such period increased by $.23.

DEPENDENCE ON AND STRAINED RELATIONS WITH VENDORS AND SUPPLIERS

The Company is dependent on various vendors and suppliers for the components of its products. Although the Company believes that there are a number of alternative sources for most of these components, certain components are only available from a limited number of suppliers. Due to the Company's recent cash shortfalls, prior to the completion of the Bridge Financing, the Company was unable to pay most of its vendors and suppliers on a timely basis. As a result, although most of the Company's accounts payable are now current, the Company believes that its relations with many of such vendors and suppliers may be strained. Many of such vendors and suppliers will no longer extend trade credit to the Company. There can be no assurance that any of such vendors and suppliers will not limit or cease doing business with the Company in the future or further alter the terms on which they do business with the Company. The loss of any significant supplier, in the absence of a timely and satisfactory alternative arrangement, or an inability to obtain essential components on reasonable terms or at all, could materially adversely affect the Company's business and operations. The Company's business and operations could also be materially adversely affected by delays in deliveries from suppliers.

DEFAULT UNDER BANK CREDIT LINE

The Company has a secured line of credit from a commercial bank to borrow funds based on costs incurred and billings made under a major electric vehicle development contract. The Company has experienced significant delays and cost overruns under such electric vehicle contract, which may delay or impair the Company's ability to collect the remaining payments due under this contract. See "--Electric Vehicle Cost Overruns and Significant Contract Losses." The line of credit is secured by a security interest in all of the Company's personal property, including, but not limited to, all accounts receivable, equipment, inventory and general intangibles. As of December 5, 1996, the Company had approximately $1,100,000 outstanding under the secured line of credit. The Company intends to use part of the proceeds of the Offering to repay all amounts due under the line of credit. See "Use of Proceeds." The line of credit expired by its terms but has been extended until December 31, 1996.

The Company has breached certain financial covenants under the line of credit, which default would entitle the bank to declare all sums outstanding under the line of credit immediately due and payable. However, the bank has agreed to forbear until December 31, 1996 from exercising its rights and remedies with respect to the Company's breaches of the financial covenants.

SHARES ELIGIBLE FOR FUTURE SALE

Future sales of Class A Common Stock by existing stockholders pursuant to Rule 144 under the Securities Act, pursuant to the Subsequent Offering or otherwise, or the potential of such sales, could have an adverse effect on the price of the Company's securities. Pursuant to the Subsequent Offering, 1,620,000 Selling Securityholder Warrants and the underlying Class A Common Stock will be registered for resale subsequent to this Offering, subject to a contractual restriction that the Selling Securityholders not sell any of the Selling Securityholder Warrants for at least 90 days after the date of this Prospectus and, during the period from 91 to 270 days after the date of this Prospectus, may only sell specified percentages of such Selling Securityholder Warrants. Approximately 7,068,500 shares of Class A Common Stock are outstanding prior to completion of the Offering. 3,000,000 of such shares are Escrow Shares not transferable unless released from escrow pursuant to the Escrow Agreement. See "Principal Shareholders--Escrow Shares." Of the 4,068,500 shares of Class A Common Stock outstanding prior to the Offering that are not Escrow Shares, 795,197 are "restricted securities," all of which are currently eligible for sale pursuant to Rule 144 under the Securities Act. However, all directors and executive officers of the Company and certain holders of the outstanding shares of Class A Common Stock have agreed not to sell any shares of Common Stock for a period of 13 months from the date of this Prospectus without the prior written consent of the Underwriter. In addition, the holders of the Unit Purchase Option and the holders of 760,000 shares of Class A Common Stock or options and warrants to purchase shares of Class A Common Stock have certain demand and "piggy-back" registration rights with respect to their securities. Exercise of such rights could involve substantial expense to the Company. See "Description of Securities," "Shares Eligible for Future Sale," "Subsequent Offering" and "Underwriting."

In connection with certain threatened claims against the Company and its directors and officers, certain of the Company's shareholders have indicated to the Company that they may attempt to sell all or part of their holdings of Class A Common Stock. See "--Legal Proceedings."

OUTSTANDING OPTIONS AND WARRANTS

Upon completion of this Offering, the Company will have outstanding (i) a minimum of 2,625,000 and a maximum of 3,600,000 Class A Warrants to purchase shares of Class A Common Stock; (ii) the Selling Securityholder Warrants to purchase 1,620,000 shares of Class A Common Stock; (iii) the Unit Purchase Option to purchase an aggregate of a minimum of 525,000 and a maximum of 720,000 shares of Class Common Stock, assuming exercise of the underlying Class A Warrants; (iv) 530,000 shares of Class A Common Stock reserved for issuance upon exercise of options under the Company's 1993 Stock Option Plan, under which options to purchase 312,543 shares of Class A Common Stock are outstanding; and (v) a minimum of 280,218 and a maximum of 284,388 shares of Class A Common Stock issuable upon exercise of outstanding warrants. Holders of such warrants and options are likely to exercise them when, in all likelihood, the Company could obtain additional capital on terms more favorable than those provided by such warrants and options. Further, while these warrants and options are outstanding, the Company's ability to obtain additional financing on favorable terms may be adversely affected.

LEGAL PROCEEDINGS

HBI Financial Inc., a shareholder of the Company, and certain affiliated persons and entities (collectively, "HBI"), have threatened various claims against the Company and its directors and officers arising out of the December 1995 private placement by the Company of 750,000 shares of Class A Common Stock. HBI alleges that the Company made false and misleading statements and failed to disclose certain information in connection with such private placement. The Company believes these allegations to be without merit. While, to the Company's knowledge, HBI has commenced no legal action against the Company in connection with such claims, no assurance can be given that HBI will not do so in the future. If HBI were to commence such legal action, the Company would be forced to defend such action and/or settle with HBI, the costs of which defense and/or any resulting liability or settlement could

have a material adverse effect on the Company's financial condition. John W. Clark, a director of the Company, is a general partner of an affiliate of HBI Financial Inc.

The Company is subject to other litigation in the ordinary course of its business, none of which is expected to have a material adverse effect on the Company. See "Business--Legal Proceedings."

LIMITED MARKETING CAPABILITIES; UNCERTAINTY OF MARKET ACCEPTANCE

Because of the sophisticated nature and early stage of development of its products, the Company will be required to educate potential customers and successfully demonstrate that the merits of the Company's products justify the costs associated with such products. In certain cases, the Company will likely encounter resistance from customers reluctant to make the modifications necessary to incorporate the Company's products into their products or production processes. In some instances, the Company may be required to rely on its distributors or other strategic partners to market its products. The success of any such relationship will depend in part on the other party's own competitive, marketing and strategic considerations, including the relative advantages of alternative products being developed and/or marketed by any such party. There can be no assurance that the Company will be able to market its products properly so as to generate meaningful product sales.

TIME LAG FROM PROTOTYPE TO COMMERCIAL SALES

The sales cycle in the automotive components industry is lengthy and can be as long as six years or more for products that must be designed into a vehicle, since some companies take that long to design and develop a car. Even when selling parts that are neither safety-critical nor highly integrated into the vehicle, there are still many stages that an automotive supply company must go through before achieving commercial sales. The sales cycle is lengthy because an automobile manufacturer must develop a high degree of assurance that the products it buys will meet customer needs, interface as easily as possible with the other parts of a vehicle and with the automobile manufacturer's production and assembly process, and have minimal warranty, safety and service problems. In the case of electric vehicles, another factor affecting the pace of commercialization is the pace of development of the electric vehicle industry itself. Since that industry has been and probably will continue to be slow to develop, electric vehicle products can generally be expected to require even longer times for commercialization than products intended for use in conventional gasoline-powered vehicles.

SPECIAL FACTORS APPLICABLE TO THE AUTOMOTIVE INDUSTRY IN GENERAL

The automobile industry is cyclical and dependent on consumer spending. The Company's future sales may be subject to the same cyclical variations as the automotive industry in general. There have been recent reports of declines in sales of automobiles on a worldwide basis, and there can be no assurance that continued or increased declines in automobile production would not have a material adverse effect on the Company's business or prospects. Additionally, automotive customers typically reserve the right to unilaterally cancel contracts completely or to require unilateral price reductions. Although they generally reimburse companies for actual out-of-pocket costs incurred with respect to the particular contract up to the point of cancellation, these reimbursements typically do not cover costs associated with acquiring general purpose assets such as facilities and capital equipment, and may be subject to negotiation and substantial delays in receipts by the Company. Any unilateral cancellation of, or price reduction with respect to, any contract that the Company may obtain could reduce or eliminate any financial benefits anticipated from such contract and could have a material adverse effect on the Company's financial condition and results of operations.

COMPETITION; POSSIBLE OBSOLESCENCE OF TECHNOLOGY

The automotive component and electric vehicle industries are subject to intense competition. Most of the Company's competitors are substantially larger in size, have substantially greater financial, marketing

and other resources than the Company, and have more extensive experience and records of successful operations than the Company. Competition extends to attracting and retaining qualified technical and marketing personnel. There can be no assurance that the Company will successfully differentiate its products from those of its competitors, that the marketplace will consider the Company's current or proposed products to be superior or even comparable to those of its competitors, or that the Company can succeed in establishing relationships with automobile manufacturers. Furthermore, no assurance can be given that competitive pressures faced by the Company will not adversely affect its financial performance. Due to the rapid pace of technological change, the Company's products may even be rendered obsolete by future developments in the industry. The Company's competitive position would be adversely affected if it were unable to anticipate such future developments and obtain access to the new technology.

DEPENDENCE ON KEY PERSONNEL; NEED TO RETAIN TECHNICAL PERSONNEL

The Company's success will depend to a large extent upon the continued contributions of Lon E. Bell, Ph.D., Chief Executive Officer, President and Chairman of the Board of Directors and the founder of the Company, and Joshua M. Newman, Vice President of Corporate Development and Planning and a Director. The Company has obtained key-person life insurance coverage in the amount of $2,000,000 on the life of Dr. Bell and in the amount of $1,000,000 on the life of Mr. Newman. The Company is currently applying for an increase in the coverage amount on the life of Mr. Newman to $2,000,000. Neither Dr. Bell nor Mr. Newman is bound by an employment agreement with the Company. The loss of the services of Dr. Bell, Mr. Newman or any of the Company's executive personnel could materially adversely affect the Company. The success of the Company will also depend, in part, upon its ability to retain qualified engineering and other technical and marketing personnel. There is significant competition for technologically qualified personnel in the geographical area of the Company's business and the Company may not be successful in recruiting or retaining sufficient qualified personnel.

POTENTIAL CHARGES TO INCOME

In connection with the Company's initial public offering completed in 1993, the Escrow Shares were placed (and currently remain) in an escrow account, and are subject to release to the beneficial owners of such shares in the event the Company attains certain pre-tax income goals. In the event any Escrow Shares are released to persons who are current or former officers or other employees of the Company, compensation expense will be recorded for financial reporting purposes. Accordingly, in the event of the release of the Escrow Shares from escrow, the Company will recognize during the periods in which the earnings thresholds are met or are probable of being met one or more substantial non-cash charges which would have the effect of substantially increasing the Company's loss or reducing or eliminating earnings, if any, at such time. Although the amount of compensation expense recognized by the Company will not affect the Company's total shareholders' equity or reduce its working capital, it may have a depressive effect on the market price of the Company's securities. The Company also expects to incur a non-recurring charge to operations in each fiscal quarter up to and including the fiscal quarter in which the closing of the Offering occurs relating to the repayment of the Bridge Notes and associated costs of their issuance the aggregate amount of which, together with the charge the Company will incur upon repayment of the Bridge Notes, will be approximately $500,000. See "Principal Shareholders--Escrow Shares" and Management's Discussion and Analysis of Financial Condition and Results of Operations."

POTENTIAL PRODUCT LIABILITY

The Company's business will expose it to potential product liability risks which are inherent in the manufacturing, marketing and sale of automotive components. In particular, there may be substantial warranty and liability risks associated with critical safety components of the Company's products. If available, product liability insurance generally is expensive. While the Company presently has $5,000,000 of product liability coverage with respect to the IVS-TM- product and its electric vehicle prototypes, there can be no assurance that it will be able to obtain or maintain such insurance on acceptable terms with respect to

other products the Company may develop, or that any insurance obtained will provide adequate protection against any potential liabilities. In the event of a successful claim against the Company, a lack or insufficiency of insurance coverage could have a material adverse effect on the Company's business and operations.

GOVERNMENT AUDITS OF GRANTS

For the year ended December 31, 1995, and for the nine months ended September 30, 1996, the Company received a total of $1,469,000 and $1,454,000, respectively, in Federal and state government grants to fund the Company's development of various of its products, including electric vehicles. The Company's grants are subject to periodic audit by such government authorities for the purpose of confirming, among other things, progress in development and that grant moneys are being used and accounted for as required by the granting authority. If, as a result of any such audit, a granting authority were to disallow expenses submitted for reimbursement, such authority could seek recovery of such funds from the Company. The Company is not aware of any pending or threatened audits with respect to the Company's grants and does not have any reason to believe that any grant moneys have been applied in a manner inconsistent with grant requirements or that any grant audits are otherwise warranted or likely. However, no assurance can be given that any such audits will not be commenced in the future or that, if commenced, any such audits would not result in an obligation of the Company to reimburse funds to the granting authority.

IMMEDIATE AND SUBSTANTIAL DILUTION

Purchasers of Units in the Offering will experience immediate and substantial dilution of approximately $3.66 or 64% (if each Unit contains the minimum of 175 shares of Class A Common Stock) or $2.38 or 57% (if each Unit contains the maximum of 240 shares of Class A Common Stock) per share in the net tangible book value per share of Class A Common Stock. Additional dilution to public investors may result to the extent that the Class A Warrants, Unit Purchase Option or other outstanding options or warrants to purchase Class A Common Stock are exercised at a time when the net tangible book value per share exceeds the exercise price of such securities. See "Dilution."

NO DIVIDENDS

The Company has not paid any cash dividends on its Common Stock since its inception and, by reason of its present financial status and its contemplated financial requirements, does not anticipate paying any cash dividends in the foreseeable future. It is anticipated that earnings, if any, which may be generated from operations will be used to finance the operations of the Company.

FLUCTUATIONS IN QUARTERLY RESULTS; SIGNIFICANT DECLINE IN REVENUES EXPECTED; POSSIBLE VOLATILITY OF STOCK PRICE

Factors such as announcements by the Company of quarterly variations in its financial results, or unexpected losses, could cause the market price of the Class A Common Stock of the Company to fluctuate significantly. The results of operations in previous quarters have been partially dependent on large grants, orders and development contracts, which may not recur in the future. In addition, the Company's quarterly operating results may fluctuate significantly in the future due to a number of other factors, including timing of product introductions by the Company and its competitors, availability and pricing of components from third parties, timing of orders, foreign currency exchange rates, technological changes and economic conditions generally. Development contract revenues are expected to decline significantly in the next two fiscal quarters because the activity on the Company's major electric vehicle development contract is expected to diminish during the fourth quarter of 1996 and ultimately conclude at the end of 1996 with no replacement contract presently scheduled to follow. In recent years, the stock markets in general, and the share prices of technology companies in particular, have experienced extreme

fluctuations. These broad market and industry fluctuations may adversely affect the market price of the Class A Common Stock. In addition, failure to meet or exceed analysts' expectations of financial performance may result in immediate and significant price and volume fluctuations in the Class A Common Stock.

SIGNIFICANT INFLUENCE OF PRINCIPAL SHAREHOLDER

Upon completion of the Offering, the Company's principal shareholder, Dr. Bell, will beneficially own approximately 32% of the outstanding shares of Class A Common Stock of the Company (approximately 31% if the Underwriters' over-allotment option is exercised in full) assuming that each Unit includes the maximum of 240 shares of Class A Common Stock, and, therefore, will have the power to significantly influence the management and policies of the Company. See "Principal Shareholders" and "Description of Securities."

ANTI-TAKEOVER EFFECTS OF UNISSUED PREFERRED STOCK

The Company's Board of Directors has the authority to issue up to 5,000,000 shares of Preferred Stock and to determine the price, rights, preferences and privileges of those shares without any further vote or action by the shareholders. The rights of the holders of Class A Common Stock will be subject to, and may be adversely affected by, the rights of the holders of any shares of Preferred Stock that may be issued in the future. The issuance of Preferred Stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire a majority of the outstanding voting stock of the Company. However, the Company has no present plans to issue shares of Preferred Stock.

RISK OF FOREIGN SALES

A substantial percentage of the Company's revenues to date have been from sales to foreign countries and accordingly, the Company's business is subject to many of the risks of international operations, including governmental controls, tariff restrictions, foreign currency fluctuations and currency control regulations.

POTENTIAL ADVERSE EFFECT OF REDEMPTION OF WARRANTS

Commencing one year from the date of this Prospectus, the Class A Warrants may be redeemed by the Company at a redemption price of $.05 per Warrant upon not less than 30 days' prior written notice if the closing bid price of the Class A Common Stock shall have averaged in excess of 175% of the Class A Warrant exercise price per share for 30 consecutive trading days ending within 15 days of the notice. Redemption of the Class A Warrants could force the holders (i) to exercise the Class A Warrants and pay the exercise price therefor at a time when it may be disadvantageous for the holders to do so, (ii) to sell the Class A Warrants at the then current market price when they might otherwise wish to hold the Class A Warrants, or (iii) to accept the nominal redemption price which, at the time the Class A Warrants are called for redemption, is likely to be substantially less than the market value of the Class A Warrants. See "Description of Securities--Class A Warrants."

CURRENT PROSPECTUS AND STATE REGISTRATION TO EXERCISE WARRANTS

Holders of Class A Warrants will be able to exercise the Class A Warrants only if (i) a current prospectus under the Securities Act relating to the securities underlying the Class A Warrants is then in effect and (ii) such securities are qualified for sale or exempt from qualification under the applicable securities laws of the states in which the various holders of Class A Warrants reside. Although the Company has undertaken and intends to use its best efforts to maintain a current prospectus covering the securities underlying the Class A Warrants following completion of the Offering to the extent required by

Federal securities laws, there can be no assurance that the Company will be able to do so. The value of the Class A Warrants may be greatly reduced if a prospectus covering the securities issuable upon the exercise of the Class A Warrants is not kept current or if the securities are not qualified, or exempt from qualification, in the states in which the holders of Class A Warrants reside. Persons holding Class A Warrants who reside in jurisdictions in which such securities are not qualified and in which there is no exemption will be unable to exercise their Class A Warrants and would either have to sell their Class A Warrants in the open market or allow them to expire unexercised. If and when the Class A Warrants become redeemable by the terms thereof, the Company may exercise its redemption right even if it is unable to qualify the underlying securities for sale under all applicable state securities laws. See "Description of Securities--Class A Warrants."

POSSIBLE ADVERSE EFFECT ON LIQUIDITY OF THE COMPANY'S SECURITIES DUE TO THE INVESTIGATION OF D.H. BLAIR INVESTMENT BANKING CORP. AND D.H. BLAIR & CO., INC. BY THE SECURITIES AND EXCHANGE COMMISSION

The Commission is conducting an investigation concerning various business activities of the Underwriter and D.H. Blair & Co., Inc. ("Blair & Co."), a selling group member which will distribute substantially all of the Units offered hereby. The investigation appears to be broad in scope, involving numerous aspects of the Underwriter's and Blair & Co.'s compliance with the Federal securities laws and compliance with the Federal securities laws by issuers whose securities were underwritten by the Underwriter or Blair & Co., or in which the Underwriter or Blair & Co. made over-the-counter markets, persons associated with the Underwriter or Blair & Co., such issuers and other persons. The Company has been advised by the Underwriter that the investigation has been ongoing since at least 1989 and that it is cooperating with the investigation. The Underwriter cannot predict whether this investigation will ever result in any type of formal enforcement action against the Underwriter or Blair & Co., or, if so, whether any such action might have an adverse effect on the Underwriter or the securities offered hereby. The Company has been advised that Blair & Co. intends to continue to make a market in the securities following the Offering. An unfavorable resolution of the Commission's investigation could have the effect of limiting such firm's ability to make a market in the Company's securities, which could adversely affect the liquidity or price of such securities. See "Underwriting."

ADVERSE EFFECT ON LIQUIDITY ASSOCIATED WITH POSSIBLE RESTRICTIONS ON MARKET-MAKING ACTIVITIES IN THE COMPANY'S SECURITIES

The Underwriter has advised the Company that Blair & Co., among others, intends to continue to make a market in the Company's securities. Rule 10b-6 under the Securities Act of 1934, as amended (the "Exchange Act"), may prohibit Blair & Co. from engaging in any market-making activities with regard to the Company's securities for the period from nine business days (or such other applicable period as Rule 10b-6 may provide) prior to any solicitation by the Underwriter of the exercise of Class A Warrants until the later of the termination of such solicitation activity or the termination (by waiver or otherwise) of any right that the Underwriter may have to receive a fee for the exercise of Class A Warrants following such solicitation. As a result, Blair & Co. may be unable to provide a market for the Company's securities during certain periods while the Class A Warrants are exercisable. In addition, under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the Selling Securityholder Warrants may not simultaneously engage in market-making activities with respect to any securities of the Company for the applicable "cooling off" period (at least two and possibly nine business days) prior to the commencement of such distribution. Accordingly, in the event the Underwriter or Blair & Co. is engaged in a distribution of the Selling Securityholder Warrants, neither of such firms will be able to make a market in the Company's securities during the applicable restrictive period. Any temporary cessation of such market-making activities could have an adverse effect on the market price of the Company's securities. See "Underwriting."

ARBITRARY DETERMINATION OF PRICE AND TERMS OF UNITS

The public offering price of the Units and the exercise price and other terms of the Class A Warrants have been determined in part by negotiation between the Company and the Underwriter and are not necessarily related to the Company's asset value, net worth, results of operations or other established criteria of value. See "Underwriting."

USE OF PROCEEDS

The net proceeds of the Offering, at an assumed public offering price of $1,000 per Unit, are estimated to be approximately $13,100,000 ($15,125,000 if the Over-Allotment Option is exercised in full) after deducting underwriting discounts and estimated expenses of the Offering. A portion of the net proceeds will be allocated to the retirement of debt as follows: (i) the Bridge Notes bearing interest at 10% per annum and due and payable upon the earlier to occur of the closing of the Offering or October 31, 1997, in the amount of $2,850,000 plus accrued interest from October 31, 1996 (the proceeds from which have been and are being used to finance the Company's operations, including payments to vendors and suppliers and other general and administrative expenses, pending completion of the Offering); (ii) all outstanding amounts due under a secured bank line of credit bearing interest at the bank's "prime rate" plus 1.3% per annum and due and payable December 31, 1996 (see "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources"), in the amount of approximately $1,100,000 (the proceeds from which have been and are being used to finance the Company's performance under a contract to develop passenger electric vehicle systems for an Asian manufacturing company, and the Company's obligations under which have been partially guaranteed by Lon E. Bell, Ph.D., Chief Executive Officer, President and Chairman of the Board of Directors, founder of the Company and a principal shareholder of the Company); and (iii) the September 1996 working capital loan made by Dr. Bell bearing interest at 8% per annum and due and payable on demand, in the principal amount of $200,000 (the proceeds from which were used to augment the Company's short-term working capital). In addition, the Company intends to apply approximately $100,000 of the net proceeds of the Offering to pay deferred executive salaries. The Company intends to apply the balance of the net proceeds of the Offering (approximately $8,820,000) to fund near-term production engineering, manufacturing, research and development and marketing of its products, allocated approximately as follows: $7,320,000 to the Company's thermoelectric heated and cooled seats and radar for maneuvering and safety technologies, and $1,500,000 to the Company's electric vehicle components and production systems technologies and voice interactive navigation and entertainment. To the extent that the Company has net proceeds from the Offering that it is not able to use for the foregoing purposes, the Company intends to use such net proceeds for general corporate purposes. Pending the uses described above, the net proceeds of the Offering will be invested in short-term interest-bearing securities or money market funds.

The amounts and timing of such expenditures may vary significantly depending upon numerous factors, including the progress of the Company's research and development programs, the timing of development contracts and grant funding, if any, technological advances, determinations as to commercial potential and the status of competitive products. Expenditures may also be dependent upon the establishment of strategic arrangements with other companies, the availability of financing and other factors. Subject to the variables set forth above, the Company anticipates that the net proceeds of this Offering, together with its existing resources, should be sufficient to finance its working capital requirements for approximately the next 12 months.

DILUTION

The following discussion and tables allocate no value to the Class A Warrants and assume no exercise of the Underwriter's Over-Allotment Option.

As of September 30, 1996, the Company had a net tangible book value of $1,004,000 or approximately $.25 per share of Class A Common Stock. Net tangible book value per share represents the amount of the Company's total tangible assets, less liabilities, divided by the number of shares of Class A Common Stock outstanding (excluding the Escrow Shares). Giving retroactive effect to the sale of the 15,000 Units offered hereby at an assumed price of $1,000 per Unit, and giving pro forma effect to the $500,000 charge to operations to be incurred upon repayment of the Bridge Notes, the pro forma net tangible book value at September 30, 1996 would have been (i) $2.05 per share if each Unit contains the minimum of 175 shares of Class A Common Stock, representing an immediate increase in net tangible book value of $1.80 per share to the present shareholders and an immediate dilution of $3.66 per share to new investors from the public offering price, and (ii) $1.79 per share if each Unit contains the maximum of 240 shares of Class A Common Stock, representing an immediate increase in net tangible book value of $1.54 per share to the present shareholders and an immediate dilution of $2.38 per share to new investors from the public offering price. Dilution per share represents the difference between the public offering price and the pro forma net tangible book per share value after the Offering.

The following table illustrates the per share dilution to be incurred by public investors from the public offering price:

	IF EACH UNIT CONTAINS THE MINIMUM OF 175 SHARES OF CLASS A COMMON STOCK	IF EACH UNIT CONTAINS THE MAXIMUM OF 240 SHARES OF CLASS A COMMON STOCK
Assumed public offering price per share of Class A Common Stock	$ 5.71	$ 4.17
Net tangible book value before Offering	.25	.25
Increase attributable to new investors	1.80	1.54
Pro forma net tangible book value after Offering	2.05	1.79
Dilution of net tangible book value to new investors	$ 3.66	$ 2.38

The following table sets forth the difference between the present shareholders and the public investors with respect to the number of shares of Class A Common Stock purchased from the Company, the total consideration paid and the average price per share:

	IF EACH UNIT CONTAINS THE MINIMUM OF 175 SHARES OF CLASS A COMMON STOCK				
	NUMBER	PERCENT OF TOTAL	AMOUNT	PERCENT OF TOTAL	AVERAGE PRICE PER SHARE
Current Shareholders	4,068,500(1)	61%	$ 20,045,000	57%	$ 4.93
Investors in the Offering	2,625,000	39%	15,000,000	43%	$ 5.71
	6,693,500(1)	100.0%	$ 35,045,000	100.0%	

	IF EACH UNIT CONTAINS THE MAXIMUM OF 240 SHARES OF CLASS A COMMON STOCK				
	NUMBER	PERCENT OF TOTAL	AMOUNT	PERCENT OF TOTAL	AVERAGE PRICE PER SHARE
Current Shareholders	4,068,500(1)	53%	$ 20,045,000	57%	$ 4.93
Investors in the Offering	3,600,000	47%	15,000,000	43%	$ 4.17
	7,668,500(1)	100.0%	$ 35,045,000	100.0%	

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(1) Excludes the Escrow Shares. See "Principal Shareholders--Escrow Shares."

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

The Company's Class A Common Stock has traded on the Nasdaq SmallCap Market under the symbol ARGNA since June 10, 1993. The Company has applied for inclusion of the Class A Warrants on the Nasdaq SmallCap Market. The Units will not be listed or traded separately on Nasdaq. The following table sets forth the high and low bid prices for the Class A Common Stock as reported on the Nasdaq SmallCap Market for each quarterly period (or part thereof) from the beginning of the first quarter of 1994 through September 30, 1996.

	HIGH	LOW
1994		
1st Quarter	$ 10.00	$ 7.50
2nd Quarter	9.75	8.00
3rd Quarter	10.00	9.00
4th Quarter	12.00	9.75
1995		
1st Quarter	13.50	9.50
2nd Quarter	10.50	9.50
3rd Quarter	12.50	9.00
4th Quarter	11.25	10.25
1996		
1st Quarter	10.75	10.00
2nd Quarter	12.00	9.00
3rd Quarter	11.00	7.50

The last reported sales price of the Class A Common Stock on the Nasdaq SmallCap Market on December 5, 1996 was $5.75 per share. As of December 5, 1996, there were approximately 50 holders of record of the Class A Common Stock (not including beneficial owners holding shares in nominee accounts).

The Company has not paid any cash dividends since its formation and, given its present financial status and its anticipated financial requirements, does not expect to pay any cash dividends in the foreseeable future. It is anticipated that earnings, if any, which may be generated from operations will be used to finance the operations of the Company.

CAPITALIZATION

The following table sets forth (i) the capitalization of the Company at September 30, 1996, (ii) the pro forma capitalization of the Company at September 30, 1996 giving effect to the Bridge Financing as if it had occurred on that date and (iii) the pro forma capitalization of the Company at September 30, 1996 as adjusted at that date to give effect to the sale of the Units offered hereby at an assumed offering price of $1,000 per unit (and the application of the net proceeds therefrom) and assuming the minimum and maximum shares of Class A Common Stock per Unit. See "Use of Proceeds," "Management's Discussion and Analysis of Results of Operations and Financial Condition" and the financial statements of the Company and related notes thereto included elsewhere in this Prospectus.

	SEPTEMBER 30, 1996 (IN THOUSANDS)			
			PRO FORMA (AS ADJUSTED)(1)(3)	
	ACTUAL	PRO FORMA (1)(2)	MINIMUM	MAXIMUM
Short term debt				
Capital lease--short term portion	$ 19	$ 19	$ 19	$ 19
Note payable to shareholder	200	200	--	--
Bank loan payable	2,532	2,532	1,432	1,432
10% Notes payable(4)	--	2,850	--	--
10% Convertible subordinated debentures(4)	--	150	--	--
Total short term debt	2,751	5,751	1,451	1,451
Long term portion of capital lease	50	50	50	50
Shareholders' equity				
Preferred stock, no par value; 5,000,000 shares authorized, none issued	--	--	--	--
Common stock:				
Class A, no par value; 17,000,000 shares authorized and 4,068,500 shares issued and outstanding actual and pro forma, excluding 3,000,000 shares issued and held in escrow; 17,000,000 shares authorized and 6,693,500 shares minimum and 7,668,500 shares maximum issued and outstanding, excluding 3,000,000 shares issued and held in escrow, as adjusted	17,321	17,321	30,421	30,421
Class B, no par value; 3,000,000 shares authorized, none issued	--	--	--	--
Warrants to purchase common stock	--	--	150	150
Contributed capital	3,115	3,115	3,115	3,115
Deficit accumulated during development stage(2)	(19,432)	(19,432)	(19,932)	(19,932)
Total shareholders' equity	1,004	1,004	13,754	13,754
Total capitalization	$ 3,805	$ 6,805	$ 15,255	$ 15,255

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(1) Does not include (i) a minimum of 787,500 and a maximum of 1,080,000 shares of Class A Common Stock issuable upon exercise of the Over-Allotment Option and the Class A Warrants included in the Units issuable upon exercise of the Over-Allotment Option; (ii) a minimum of 2,625,000 and a maximum of 3,600,000 shares of Class A Common Stock issuable upon exercise of the Class A Warrants included in the Units offered hereby; (iii) a minimum of 525,000 and a maximum of 720,000 shares of Class A Common Stock issuable upon exercise of the Unit Purchase Option and the Class A

Warrants included in the Units included in the Unit Purchase Option; (iv) a minimum of 280,218 and a maximum of 284,388 shares of Class A Common Stock issuable upon exercise of outstanding warrants; (v) 530,000 shares of Class A Common Stock presently reserved for issuance under the Company's 1993 Stock Option Plan, as amended, under which options to purchase 312,543 shares of Class A Common Stock are outstanding. "Description of Securities" and "Underwriting."

(2) Gives pro forma effect to the October 1996 issuance of the Bridge Units, net of approximately $500,000 of issuance costs, as if the issuance had occurred as of September 30, 1996. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

(3) As adjusted to give effect to the sale of the 15,000 Units offered hereby at an offering price of $1,000 per Unit and the application of the net proceeds therefrom (including the automatic conversion of the Bridge Debentures into Class A Warrants, the repayment of the principal on the Bridge Notes and the corresponding charge to operations upon repayment thereof estimated at $500,000). See "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

(4) The Bridge Notes and Bridge Debentures are payable on the earlier of the closing of this Offering or October 31, 1997; provided that the Bridge Debentures will automatically convert upon the closing of the Offering into an aggregate of 1,620,000 Selling Securityholder Warrants.

BRIDGE FINANCING

In October 1996, the Company completed the Bridge Financing from which it received net proceeds of approximately $2,500,000. The Bridge Notes and the Bridge Debentures are payable, together with interest at the rate of 10% per annum, on the earlier of October 31, 1997 or the closing of the Offering. See "Use of Proceeds." The Bridge Debentures are convertible upon the Closing of the Offering into the Selling Securityholder Warrants, each of which will be identical to the Class A Warrants included in the Units offered hereby, and which will entitle the holders thereof to purchase an aggregate of 1,620,000 shares of Class A Common Stock. The Company has agreed to register subsequent to the Offering for resale the Selling Securityholder Securities, subject to the contractual restriction that the Selling Securityholders have agreed not to exercise the Selling Securityholder Warrants for a period of one year from the closing of the Offering and not to sell the Selling Securityholder Warrants except after specified periods commencing 90 days after the closing date of the Offering. See "Subsequent Offering."

SELECTED FINANCIAL DATA

The selected financial data of the Company presented below as of and for the four years ended December 31, 1995, as of and for the period April 23, 1991 (Inception) to December 31, 1991 and for the period April 23, 1991 (Inception) to December 31, 1995 have been derived from the audited financial statements of the Company. The selected financial data of the Company presented below at September 30, 1996 and for the nine months ended September 30, 1995 and 1996 and for the period April 23, 1991 (Inception) to September 30, 1996 have been derived from unaudited financial statements of the Company and, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods. The results of operations for the nine months ended September 30, 1996 are not necessarily indicative of future results of operations. The selected financial data presented below should be read in conjunction with the financial statements and related notes thereto appearing elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	PERIOD FROM APRIL 23, 1991 (INCEPTION) TO DECEMBER 31, 1991	FISCAL YEARS ENDED DECEMBER 31,				PERIOD FROM APRIL 23, 1991 (INCEPTION) TO DECEMBER 31, 1995	NINE MONTHS ENDED SEPTEMBER 30, 1995
		1992	1993	1994	1995		
	(IN THOUSANDS EXCEPT PER SHARE DATA)						
OPERATING DATA:							
Total revenues.....	$ --	$ 1,900	$ 2,289	$ 2,640	$ 7,809	$ 14,638	$ 4,806
Costs and expenses:							
Direct development contract and related grant costs.....	--	--	525	928	5,332	6,785	3,895
Direct grant costs.....	84	1,647	1,649	803	339	4,522	390
Research and development....	221	356	1,578	2,137	2,367	6,659	1,785
Selling, general and administrative, including reimbursable administrative costs.....	311	1,356	2,340	3,235	3,135	10,377	1,820
Total costs and expenses.....	616	3,359	6,092	7,103	11,173	28,343	7,890
Operating Loss.....	(616)	(1,459)	(3,803)	(4,463)	(3,364)	(13,705)	(3,084)
Interest Income....	--	--	163	228	127	518	124
Interest Expense...	--	--	--	--	--	--	--
Net loss.....	$ (616)	$ (1,459)	$ (3,640)	$ (4,235)	$ (3,237)	$ (13,187)	$ (2,960)
Net loss per share.....	$ (.61)	$ (1.46)	$ (1.64)	$ (1.28)	$ (.98)	--	$ (0.90)
Weighted average number of shares outstanding.....	1,000	1,000	2,213	3,300	3,306	--	3,300

	SEPTEMBER 30, 1996	PERIOD FROM APRIL 23, 1991 (INCEPTION) TO SEPTEMBER 30, 1996
OPERATING DATA:		
Total revenues.....	$ 6,501	$ 21,139
Costs and expenses:		
Direct development contract and related grant costs.....	9,142	15,927
Direct grant costs.....	101	4,623
Research and development....	1,544	8,203
Selling, general and administrative, including reimbursable administrative costs.....	1,838	12,215
Total costs and expenses.....	12,625	40,968
Operating Loss.....	(6,124)	(19,829)

Interest Income....	42	560
Interest Expense...	(163)	(163)
Net loss.....	$ (6,245)	$ (19,432)
Net loss per share.....	$ (1.54)	--
Weighted average number of shares outstanding.....	4,060	--

	AS OF DECEMBER 31,				
	1991	1992	1993	1994	1995
	(IN THOUSANDS)				
BALANCE SHEET DATA:					
Working capital (deficit).....	$ (438)	$ (1,644)	$ 8,833	$ 4,149	$ 6,481
Total assets.....	55	969	9,721	7,162	8,995
Long-term debt.....	--	--	--	78	68
Total liabilities.....	460	2,494	701	2,376	1,797
Deficit accumulated during development stage.....	(616)	(2,075)	(5,715)	(9,950)	(13,187)
Total shareholders' equity (accumulated deficit).....	(405)	(1,525)	9,020	4,786	7,198

	AS OF SEPTEMBER 30, 1996
BALANCE SHEET DATA:	
Working capital (deficit).....	$ 351
Total assets.....	5,876
Long-term debt.....	50
Total liabilities.....	4,872
Deficit accumulated during development stage.....	(19,432)
Total shareholders' equity (accumulated deficit).....	1,004

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial statements of the Company and related notes thereto appearing elsewhere in this Prospectus, and is qualified in its entirety by the same and by other more detailed financial information appearing elsewhere in this Prospectus.

OVERVIEW OF DEVELOPMENT STAGE ACTIVITIES

The Company's operations during the development stage have focused on the research and development of technologies to adapt them for a variety of uses in the automotive industry. Generally, the Company licenses the rights to these technologies from the holders of the related patents. As development proceeds, the Company seeks to generate revenues from the sale of prototypes, then from specific development contracts, pre-production orders and, ultimately, production orders. The benefit of prototype sales is to gain experience and information regarding the performance of the prototypes and to develop customer interest in and comfort with the technology. Development contracts are from customers interested in developing a particular use or project using the Company's technologies and are generally longer term activities (from six months to one year) involving, in some cases, pre-production orders of larger quantities of the product for final testing by the customer before submitting a production order. Revenues obtained as grant funding from government agencies interested in promoting the technologies for specific tasks or projects, and development funds from prototype sales to customers help offset the development expenses overall. Throughout the development stage, development costs and administrative expenses have and are expected to continue to exceed the revenues from customers and from grant agencies.

The Company received no funds to offset its development expenses from any funding source in 1991 and, in 1992, secured its first outside grant funding totaling $1,900,000. In 1993, the Company sold $188,000 in prototypes of its developing technology adaptations and, in addition, recorded $2,101,000 in grant revenue. In 1994, the sale of prototypes increased and the Company recorded its first development contract revenues, increasing revenues from these sources to $1,336,000. Grant revenues became less important as a source of total revenues, decreasing in 1994 to 49% of total revenues from 92% in 1993. In 1995, the Company recorded development funding revenue from customers of $5,418,000 plus related grant funds of $1,872,000. The Company also recorded additional grant revenue of $519,000.

RESULTS OF OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 1996 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1995

REVENUES. Revenues for the nine months ended September 30, 1996 ("1996") were $6,501,000 as compared with revenues of $4,806,000 in the nine months ended September 30, 1995. Approximately $5,535,000 of 1996 revenue relates to a single electric vehicle development contract and related grants, which is an increase of approximately $1,871,000 over 1995. Development contract revenues are expected to decline significantly in the next two fiscal quarters because the activity on the major electric vehicle development contract is expected to diminish during the fourth quarter of 1996 and ultimately conclude at the end of 1996 with no replacement contract presently scheduled to follow. Therefore, the Company does not expect any revenues from this major electric vehicle development contract in 1997. The percentage of completion method of accounting is used for this contract and, accordingly, revenues and gross profit are recognized as work is performed based on the relationship between actual costs incurred and total estimated costs at completion. Revenues and gross profit are recognized prospectively after taking into account revisions in estimated total contract costs and contract values, and estimated losses are recorded when identified. As discussed below, the Company recorded a charge to operations of approximately $1,625,000 during the nine months ended September 30, 1996 to provide for the ultimate estimated loss expected on the contract. Grant revenue is recorded when reimbursable costs are incurred.

The level of activity in the contract involved considerably more labor and material expenses in 1996 compared to the beginning stages of the contract in 1995, when engineering design was the principal activity. In 1996, two prototypes of the vehicle to be built under the contract were constructed and improved with design modification changes. Kits for all vehicle frames with motor controllers required under the contract were completed and shipped to the customer and final tooling for body panels and interior portions of the vehicle and remaining parts were being ordered.

During 1996, development continued on the Company's climate control seat system and radar system, some of which was funded pursuant to development contracts. The magnitude of the revenues recognized for the development of the seat systems, radar systems and for the sale of IVS products in 1996 was $847,000, compared to $727,000 in 1995. The Company began selling IVS-TM- products in December 1995. Demand for the IVS-TM- product in 1996 was weak.

Grant revenues in 1996 of approximately $119,000 were related to new grants for the IVS-TM- and radar products, compared to $480,000 in 1995 that were related to two prior electric vehicle projects and a project in the seat systems area. Certain other grant revenues that are related to the electric vehicle development have been combined with the development contract revenue. These grant revenues totaled $815,000 in 1996 compared to $872,000 in 1995.

DIRECT DEVELOPMENT CONTRACT AND RELATED GRANT COSTS. Direct development contract and related grant costs increased to $9,142,000 in 1996 from $3,895,000 in 1995 due to the increased activity in the Company's electric vehicle program. In 1996, two prototypes of the vehicle were constructed and improved with design modification changes, kits for all vehicle frames with motor controllers were completed and shipped to the customer, and final tooling for body panels and interior portions of the vehicle and remaining parts were being ordered. In 1995, engineering design was the principal activity. The amount for 1996 includes a provision of $1,625,000 for the ultimate loss expected on the Company's major electric vehicle contract that was provided for primarily in the second quarter of 1996. The cost overruns were caused by unanticipated design and development problems and continued delays in the completion of the contract, as well as other factors, which resulted in higher labor costs together with higher than expected tooling and material costs.

DIRECT GRANT COSTS. Direct Grant Costs in 1996 were $101,000 compared to $390,000 in 1995. These costs are related to the projects for which grant revenues are reported. The decrease in amount reflects the reduction in grant project activities during 1996.

RESEARCH AND DEVELOPMENT EXPENSES. Research and development expenses were $1,544,000 in 1996 compared to $1,785,000 in 1995. These expenses represent unfunded research and development expenses. Expenses of research and development projects that are specifically funded by development contracts from customers are classified under direct development contract and related grant costs or direct grant costs. The Company's research and development expenses fluctuate significantly from period to period, due to both changing levels of activity and changes in the amount of such activities that are covered by customer contracts or grants. Where possible, the Company seeks funding from third parties for its research and development activities.

SELLING, GENERAL AND ADMINISTRATIVE ("SG&A") EXPENSES. SG&A expenses were $1,838,000 in 1996 compared to $1,820,000 in 1995. Direct and indirect overhead expenses included in SG&A which are associated with development contracts are allocated to such contracts.

INTEREST INCOME (EXPENSE). The interest expense in 1996 is related to the bank line of credit obtained to finance work on the major electric vehicle contract. There was no such loan in 1995. Interest income decreased to $42,000 in 1996 compared to $124,000 in 1995 reflecting the overall lower cash balance during 1996.

YEAR ENDED DECEMBER 31, 1995 COMPARED TO YEAR ENDED DECEMBER 31, 1994

Total revenues increased by $5,169,000 to $7,809,000 in the year ended December 31, 1995 from the year ended December 31, 1994 due to the increase in development contract work for customers. Development contract revenues including revenues from the sales of prototypes increased to $7,290,000, which includes $1,872,000 of grant funding related to these development activities, compared to $1,336,000 in 1994. The substantial increase in development revenues is primarily attributable to revenues in 1995 from the Company's electric vehicle development contract which were $4,040,000 compared to $48,000 in 1994. These contracts are related to orders for prototype models and kits to make approximately 50 electric vehicles. Grant revenue from activities not related to development contracts decreased from $1,304,000 in 1994 to $519,000 in 1995 due to the completion in 1994 of three grants accounting for $577,000 of the decrease and due to the decrease in billings for two other grants.

Direct costs for development contracts and related grants increased from $928,000 in 1994 to $5,332,000 in 1995 primarily as a result of the Company's electric vehicle development contract together with development contract costs in the climate control seat and radar programs. In the electric vehicle program the costs primarily consisted of tooling costs for prototype materials, internal and external engineering services and consulting. Direct costs for grants decreased from $803,000 in 1994 to $339,000 in 1995, due to the decrease in the number of and activity under grants as described above.

Research and development expenses include the unfunded portion of direct wages of Company engineers and technicians, outside consultants, prototype tooling and prototype materials. Such expenses increased from $2,137,000 in 1994 to $2,367,000 in 1995 primarily due to costs associated with completing the development of the Company's IVS-TM- product. Included in the research and development expenses are fees for licenses and royalties of $248,000 in 1994 and $345,000 in 1995. Research and development is expected to continue at high levels as work continues toward the commercialization of the Company's electric vehicle, radar and seat products as well as on improvements to the IVS-TM- product.

SG&A decreased from $3,235,000 in 1994 to $3,135,000 in 1995. Increases in rent, legal expenses, sales commissions and depreciation were offset by decreases in the provision for doubtful accounts and recruiting expenses. Interest income decreased from $228,000 in 1994 to $127,000 in 1995 due to the lower amount of invested cash in 1995.

Future fiscal periods will be negatively impacted to the extent the Company incurs charges to income resulting from the vesting of options granted at prices below fair market value on date of grant and the vesting of performance options on the date such performance goals are attained (See Note 8 of Notes to the Financial Statements). Substantial charges to income will also be incurred at such time that financial or per share targets for the release of shares held in escrow are met (See Note 7 of Notes to the Financial Statements).

YEAR ENDED DECEMBER 31, 1994 COMPARED TO YEAR ENDED DECEMBER 31, 1993

Total revenues increased from $2,289,000 in the year ended December 31, 1993 to $2,640,000 in the year ended December 31, 1994. Revenues for 1994 included $1,336,000 in development contracts from customers compared to $188,000 in 1993. The increase in sales of prototypes and development contract revenue compared to 1993 is because the Company's products were further along in the development cycle and due to increased marketing efforts which expanded in 1994. Also, the Company was able to offer more advanced prototypes of the Company's products to automotive manufacturers for testing and analysis. Revenue from grants decreased from $2,101,000 in 1993 to $1,304,000 in 1994 due to an electric vehicle "Showcase" grant program completed in 1993 with a grant-funded follow-on program that began in 1993 and was completed in the first half of 1994.

Direct costs for development contracts and related grants increased from $525,000 in 1993 to $928,000 in 1994. The increase is due to the increased numbers of customer prototypes. In 1993, the costs of

producing prototypes was greater relative to the related revenues because the state of development and ease of production was not as advanced as in 1994, and also because the Company was not able to charge as much to customers as in 1994.

Research and development expenses increased from $1,578,000 in 1993 to $2,137,000 in 1994 due to accelerated development of its products, primarily the IVS-TM- System, Climate Controlled Seat System and the Ultra Wideband Radar products. Research and Development activities provide benefit to some of the specific prototypes sold and development contracts since most of the technology is common within a product line. Included in these expenses in 1994 was $248,000 in license acquisition costs and minimum royalties related to the IVS-TM-, the Climate Controlled Seat and the radar technology.

SG&A expenses increased from $2,340,000 in 1993 to $3,235,000 in 1994 primarily due to the hiring of additional personnel (from approximately 43 to 69), development of a marketing department and marketing activities, and other increases in administrative expenses in support of the increases in development activities. Many of these increases in activities initially occurred in the second six months of 1993, but had a full year effect in 1994. In addition, SG&A expenses increased in 1994 by approximately $240,000 due to the start of the lease in February 1994 at the present location. Previously, the Company occupied office space at minimal expense. SG&A expenses in 1993 included $549,000 in compensation expense related to the granting of stock options compared to $1,000 of such expenses in 1994.

Interest income of $163,000 was earned in 1993 on invested cash as compared with $228,000 in 1994. The net loss increased from $3,640,000 in 1993 to $4,235,000 in 1994 due primarily to the increase in development activity expenses relative to the amount of grant and customer funding obtained, and, in part, to the increases in selling expenses to increase that activity and to the increase in costs associated with being in a new facility for the full year in 1994.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 1996, the Company had working capital of $351,000. The Company's principal sources of operating capital have been the proceeds of its initial public offering in September 1993, the private placement of common stock in December 1995 and the October 1996 Bridge Financing discussed below, together with revenues from grants, development contracts and the sale of prototypes to customers. To a lesser extent, the Company received capital contributions from the Company's principal shareholders before becoming a public company and has received loans from the Company's Chief Executive Officer and principal shareholder subsequent to such date.

Cash and cash equivalents decreased by $4,218,000 during the period from December 31, 1995 to September 30, 1996. Operating activities used $6,796,000, of which $6,245,000 was for the operating loss, $1,098,000 was for the increase in unbilled revenues and accounts receivable (primarily related to the development contract and grant related to the Company's electric vehicle program), and $700,000 was related to work in anticipation of a proposed joint venture company in India. Reductions of $501,000 in prepaid expenses and other assets related to the electric vehicle program and increases in accounts payable of $410,000 partially offset the other uses of cash for operating activities. Investing activities used $187,000 related to the purchase of property and equipment.

Financing activities provided $2,765,000 of which $2,532,000, net of repayments, was from borrowing under a revolving bank line of credit established to finance the cash flows of the major electric vehicle contract. The line of credit expired by its terms but was extended until December 31, 1996. As of September 30, 1996, the Company was in violation of certain financial and other covenants contained in the loan agreement. However, the bank has agreed to waive its rights and remedies with respect to some of such violations and to forbear until December 31, 1996 from exercising its rights and remedies with respect to all others. See "Risk Factors--Default Under Bank Credit Line." A portion of the proceeds of the Offering will be applied to repayment of obligations incurred by the Company under the credit line. See "Use of Proceeds."

The Company expects to incur losses for the foreseeable future due to the continuing cost of its product development and marketing activities. To fund its operations, the Company will continue to need cash from financing sources unless and until such time as sufficient profitable production contracts are obtained. Cash inflows during the development and early stage production period are dependent upon achieving certain billing milestones under existing development contracts and grants, and on obtaining new production and/or development contracts. Cash outflows are dependent upon the level and timing of production and/or development work and the amount of research and development and overhead expenses. Cash inflows must be supplemented by cash from debt and/or equity financing.

Subsequent to September 30, 1996, the Company's working capital diminished to almost zero. In October 1996, the Company completed the Bridge Financing. The Bridge Debentures will, upon completion of the Offering, automatically convert into an aggregate of 1,620,000 Class A Warrants. The net proceeds to the Company from the Bridge Financing were approximately $2,500,000, net of costs of issuance of approximately $500,000. A portion of the proceeds of the Offering will be applied to repayment of the Bridge Notes. See "Use of Proceeds." A substantial portion of the costs of issuance of the Bridge Financing will be charged to operations upon repayment of the Bridge Notes.

Except for the historical information contained herein, the matters discussed above include forward looking statements that involve risks and uncertainties, including with respect to the electric vehicle project, potential further delays in the completion of the contract, unanticipated costs associated with the project which may cause the estimated loss to increase, unanticipated product design problems and inability to obtain a financial or strategic partner, and with respect to the overall operations and expected future operating losses, the timing and amount of financing required to continue operations, and other risks detailed from time to time in the Company's other filings with the Commission.

CHARGE TO INCOME IN THE EVENT OF RELEASE OF SHARES FROM ESCROW

In the event any Escrow Shares are released from escrow to persons who are officers and other employees of the Company, compensation expense will be recorded for financial reporting purposes. Therefore, in the event the Company attains any of the earnings thresholds required for the release of Escrow Shares from escrow, such release will be deemed additional compensation expense of the Company and the Company will recognize during the periods in which the earnings thresholds are met or are probable of being met or such minimum bid prices attained what will likely be one or more substantial charges which would have the effect of substantially increasing the Company's loss or reducing or eliminating earnings, if any, at such time. Although the amount of compensation expense recognized by the Company will not affect the Company's total shareholders' equity or its working capital, it may have a depressive effect on the market price of the Company's common stock.

BUSINESS

GENERAL

Amerigon is a development stage company formed in 1991 to develop, manufacture and market proprietary high technology automotive components and systems for sale to automobile and other original equipment manufacturers. The Company's business strategy is to apply aerospace and defense industry technology to products for the automotive market. The Company has principally focused on developing proprietary positions in the following technologies: (i) thermoelectric heated and cooled seats; (ii) radar for maneuvering and safety; (iii) voice interactive navigation and entertainment; and (iv) electric vehicle components and production systems.

The Company has substantially completed development of the first generation of IVS-TM-. The IVS-TM- provides spoken-word navigation directions to driver and passengers using an in-vehicle compact audio disc system. To date, the IVS-TM- product has not been commercially successful and likely would require substantial further development before it could be expected to achieve significant sales. The Company is presently seeking to sell the IVS-TM- product line and the Company's interests in related technology or to find a strategic or financial partner to help further develop and market the IVS-TM- product. If the Company is unable to consummate such a sale or arrange such a relationship in the near future, the Company plans to discontinue sales and further development of the IVS-TM- and related technology. See "Risk Factors-- Possible Termination of License of Voice Recognition Software Technology."

The Company's other products are in various stages of development. The Company is presently working with three of the world's largest automotive original equipment manufacturers on pre-production development programs for heated and cooled seats. In addition, the Company has sold multiple prototypes of its heated and cooled seats and radar for maneuvering and safety to potential customers for evaluation and demonstration.

The Company was founded on the premise that technology proven for use in the defense and aerospace industries could be successfully adapted to the automotive and transportation industries. Amerigon has focused on technologies that it believes can be readily adapted to automotive needs for advanced vehicle electronics and for electric vehicle systems. The Company seeks to avoid direct competition with established automotive suppliers of commodity products by identifying market opportunities where the need for rapid technological change gives an edge to new market entrants with proprietary products.

The Company has recently determined to focus its resources primarily on developing its heated and cooled seat and radar for maneuvering and safety technologies. The Company has adopted this strategy primarily because the Company believes that the markets for these products have greater near-term potential than the markets for its other products, and because these technologies afford the Company its best opportunities to exploit competitive advantages over rival companies. The Company also would expect continued necessary development and marketing of the Company's voice interactive navigation technologies and electric vehicle systems to entail very high costs, to the point that they would likely exceed the Company's financial resources. Even if the Company were able to overcome this financial challenge, management also believes that the Company might not be able to develop and successfully market the next generation of IVS-TM-, and might not be able to successfully develop and profitably manufacture electric vehicles or their components, without commercial or technical assistance from one or more strategic partners. Accordingly, the Company is presently seeking to sell the IVS-TM- product line and the Company's interests in related technology or to find a strategic or financial partner to help further develop and market the IVS-TM- product. If the Company is unable to consummate such a sale or arrange such a relationship in the near future, the Company plans to discontinue sales and further development of the IVS-TM- and related technology. The Company is also presently seeking strategic and financial partners to help support continued development and marketing of the Company's electric vehicle systems. If the Company is unable to arrange such a relationship in the near term, the Company will attempt to sell its proprietary interests

and other assets in and relating to its electric vehicle technology or abandon their development. See "Risk Factors--Possible Disposition or Abandonment of Electric Vehicle and IVS-TM- Product Businesses."

The Company has recently experienced serious cash shortfalls. In October 1996, the Company completed the Bridge Financing to enable it to continue operations until the completion of the Offering. A portion of the proceeds of the Offering will be applied to repayment of the Bridge Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Use of Proceeds."

PRODUCTS

CLIMATE CONTROL SEAT SYSTEM

The Company's Climate Control Seat ("CCS") system utilizes non-exclusive, licensed, patented technology to improve the temperature comfort of automobile passengers. The CCS uses one or more small (approximately two-inch square and one-eighth inch thick) thermoelectric modules, which are solid-state devices the surfaces of which turn hot or cold depending on the polarity of applied direct current electricity. Heat-transfer parts attached to the modules cool or heat air that is blown past them. The conditioned air is then circulated through ducts and pads in the seat so that the surface of the seat grows warm or cool for the passengers, with small quantities of conditioned air passing through the seat to flow directly on the passengers. Each seat has individual electronic controls to adjust the level of heating or cooling. The CCS uses substantially less energy than conventional air conditioners by focusing the cooling directly on the passengers through the seat, rather than cooling the entire ambient air volume and the interior surfaces of the vehicle.

The CCS offers several benefits compared to conventional heated car seats. First, the thermoelectric technology provides both heating and cooling. The system also provides environmental benefits because it cools without the use of fluorine-based refrigerants or other liquids. The CCS could be used as the sole source of climate control in certain cars, such as low cost European cars or electric vehicles. Only a portion of the cars sold in Europe come equipped with factory air conditioning because of cost and effect on gas mileage, and the range of electric vehicles is greatly reduced by the large amount of energy required to operate traditional air conditioners. For some consumers, seat-based cooling is expected to be sufficient, while others will prefer it to be augmented with moderate cooling of the ambient air. In either case, there is the potential for significant reductions in energy usage, which would result in greater gas mileage in conventional vehicles and greater range in electric vehicles.

Additional development is needed before the CCS can be commercialized. In particular, a production-engineered design is being modified to make the units less complex, more energy efficient and less expensive to manufacture and install. The Company is also working to reduce fan noise and condensation resulting from operation of the seat in the cooling mode. The Company's initial marketing of the CCS has been to automobile and vehicle seat manufacturers directly. The Company is presently working with three of the world's largest automotive original equipment manufacturers on pre-production development programs for the CCS. However, there can be no assurance that these development programs will lead to commercial production orders.

Since Amerigon's CCS system provides both heating and cooling, the Company believes that the potential market for CCS is larger than the market for heated seats alone. The Company also believes that the CCS concept could be applied to seats other than those used in motor vehicles, e.g. to aircraft, theater, and stadium seating.

RADAR FOR MANEUVERING AND SAFETY

In January 1994, the Company obtained a limited exclusive license from the Regents of the University of California (Lawrence Livermore National Laboratory) to certain "pulse-echo," "ultra-wideband" radar

technology for use in certain specified passenger vehicle applications. The license requires the Company to achieve commercial sales of products by the end of 1998. Failure to achieve commercial sales will result in the loss of exclusivity of the license with respect to any particular application. See "--Proprietary Rights and Patents." This technology was originally developed as part of a laser fusion program to measure the short bursts of energy emitted during fusion experiments. This type of radar sends out from one to two million short radio impulses every second to a distance of 5 to 10 meters, each lasting a billionth of a second. These short impulses enable the radar to operate across a wider and lower band of radio frequency, making it less likely to suffer from interference from other radar signals, and allowing it to penetrate dirt, snow and ice.

The Company has applied this technology to develop demonstration prototypes of a parking aid and a lane change aid. The parking aid detects a vehicle or other object that reflects radar signals behind the automobile and provides an audible or visual signal as the driver approaches it. The lane change aid detects vehicles to the side of the automobile when the driver attempts to turn or change lanes and emits an audible warning signal. The Company began marketing these radar products extensively in 1994 and has received contracts to design evaluation prototypes from eight automotive manufacturers for both the parking and lane change aids. These products are now under evaluation by customers. The Company's near term objective is to obtain further development agreements from some of these customers to customize the system design during 1997.

Several automotive original equipment manufacturers are now offering ultrasonic or infrared laser distance sensors for parking aids. The Company believes that the advantage of its radar technology is superior performance. Competing products in the automotive industry have utilized ultrasonic and infrared sensors which require line of sight from the sensor to the target and installation with outside lenses. Dirt, ice, rain, fog or snow can obstruct the function of such systems. Although they offer reasonable accuracy at short distances, they are comparatively range-limited and are subject to false trigger problems due to interference with the required line of sight. Amerigon's radar technology, on the other hand, is less susceptible to these environmental conditions, and can even penetrate plastic, allowing it to be mounted inside plastic bumpers or tail light assemblies. Although there is currently considerable interest among automobile manufacturers for various radar products, there is substantial competition from large and well-established companies for these product opportunities, including for possible industrial applications. See "--Competition--Radar for Maneuvering and Safety." In addition, considerable research and development will be required to develop the Company's radar technology into finished products, including design and development of application software and antenna systems and production engineering to reduce costs and increase reliability.

INTERACTIVE VOICE SYSTEMS (IVS-TM-)

The IVS-TM- was initially designed to apply voice recognition technology incorporating proprietary features and computer systems to provide an inexpensive and easy-to-use tool for people to receive directions to their destination while driving their vehicle. To date, the IVS-TM- product has not been commercially successful and likely would require substantial further development before it could be expected to achieve significant sales. In 1995, the Company had pre-production orders for approximately 2,000 units. As of September 30, 1996, only approximately 2,700 units have been produced and sold. The Company has not accepted a recent order for a small number of additional units. The Company is presently seeking to sell the IVS-TM- product line and the Company's interests in related technology or to find a strategic or financial partner to help further develop and market the IVS-TM- product. Further development efforts would focus on streamlining data-entry, lowering costs, improving the compatibility of the product with audio compact disc ("CD") units and exploring other applications of the technology. If the Company is not able to sell its interests in the IVS-TM- product line and related technology, or obtain a financial or strategic partner in the near term, the Company will discontinue sales and further development

of IVS-TM- and related technology. See "Risk Factors--Possible Disposition or Abandonment of Electric Vehicle and IVS-TM- Product Businesses."

The IVS-TM- provides navigation directions through the car's CD system using actual spoken words stored on the CD through digital compression technology. The car CD system or radio functions normally when the IVS-TM- is not giving or receiving instructions, but can be temporarily interrupted to use the IVS-TM- functions. The IVS-TM- has three components: a small microphone mounted near the sun visor, similar to a cellular phone microphone; an electronic module (approximately two-thirds the size of a standard video cassette tape) that is mounted inside the dashboard, under the seat or in the trunk; and a standard automobile CD player and radio. In most instances, the CD player is modified by its manufacturer to provide additional ports in the back of the unit for connecting to the IVS-TM- electronic module.

The system operates by requesting a starting point and a destination point, each of which must be spelled out, one letter at a time, by the driver or a passenger, and confirmed by the unit. Way-points may include specific street names and addresses, cross-streets or "points of interest" (such as airports, hotels, gas stations, major restaurants, ATMs and tourist attractions.). The IVS-TM- provides step-by-step verbal instructions on how to reach the destination. The IVS-TM- uses a proprietary routing algorithm that selects the most favorable route to a given destination taking into account average highway and street speeds, one way streets and distances.

The operating software and digital map data for the IVS-TM- are stored on a CD that is inserted in the car stereo when the system is in use. The CDs, which contain encrypted maps for various metropolitan areas, are packaged inside the same box with the IVS-TM- hardware. Customers call a toll-free number to access the maps they wish from the selection available on the CDs. Upon payment by credit card for requested metropolitan areas, the customer is provided a code number that unlocks the encrypted maps once the number is spoken into the IVS-TM- unit.

To date the Company has completed encrypted maps for twenty metropolitan areas including Atlanta, Boston, Chicago, Dallas/Ft. Worth, Denver, Detroit, Houston, Indianapolis, Las Vegas, the five counties in Los Angeles, Miami, New York and Northern New Jersey, Orlando, Philadelphia, Phoenix, Sacramento, San Diego, San Francisco, Seattle and Washington D.C./Baltimore. Using map technology licensed from an unrelated third party, the Company does map checking and limited upgrading to make the maps suitable for use with the IVS-TM-.

The Company believes that the IVS-TM- has several advantages over other navigation systems which generally utilize manual keyboards or touch screens to input data, visual map displays for showing locations, and global positioning satellite systems or other expensive sensors for identifying the vehicle's location. The IVS-TM- is not only less costly but simpler and safer to use because it relies solely on verbal instructions, and drivers are not distracted by the need to look at a visual display or manipulate a keyboard or other complicated controls. In addition, competitive navigation systems with visual displays require extensive modification to the interior of a vehicle if the display is to fit in the dashboard, thereby reducing the feasibility of offering the product as a dealer-installed option or aftermarket product.

In December 1995 and January 1996, the Company shipped the first IVS-TM- product to be sold initially to the consumer electronics market. Four manufacturers of automotive CD players (Kenwood, Alpine, Clarion and Fujitsu-Ten Eclipse) have modified certain of their CD player models for compatibility with the IVS-TM-. To date, the IVS-TM- has only been sold to the retail aftermarket.

The Company is exploring voice remote control of certain automotive electrical systems such as, among other things, raising and lowering windows, changing seat positions and changing heating and air conditioning settings. There are additional possible applications of the system using the capability inherent in the basic IVS-TM- system.

The Company has failed to make advance royalty payments required by the terms of the governing license agreement for certain voice-recognition software technology used in the IVS-TM-. The license

agreement affords the licensor the opportunity to terminate the agreement under such circumstances. If the licensor were to terminate such license, in order to continue to manufacture and sell the IVS-TM-, the Company would either need to reach an accommodation with such licensor or identify and secure a license to use a substitute software technology, neither of which can be assured. The adaptation of substitute software technology under such circumstances might result in additional development costs to the Company. If the Company were unable to reach an accommodation with the licensor or identify and secure a substitute license, the Company's ability to sell the IVS-TM- product line and the Company's interests in related technology might be impaired.

ELECTRIC VEHICLE SYSTEMS

The Company is seeking financial partners to help fund further research and development of its electric vehicle technology and strategic partners to assist the Company in manufacturing and distribution. If the Company is not able to obtain such financial or strategic partners, the Company will abandon further development of its electric vehicle technology or attempt to sell its proprietary interests and other assets in and relating thereto. See "Risk Factors--Possible Disposition or Abandonment of Electric Vehicle and IVS-TM-Product Businesses."

By developing its own products and managing programs related to electric vehicles (such as the Showcase Electric Vehicle Program and the Running Chassis Program), the Company has developed a base of knowledge and expertise concerning electric vehicles. The Company's experience has included the ground-up design of electric vehicles and testing and integration of state of the art components being made available for electric vehicles by other companies. The Company's electric vehicle systems program is presently focused on two main fronts. The first comprises the development and production of electric vehicles, principally for developing country markets. The Company hopes to implement this initiative in the near-term through a proposed joint venture project in India (see "--Electric Vehicles"). The Company's other main electric vehicle undertaking would center on the marketing and distribution of its Energy Management System (see "--Energy Management System").

ELECTRIC VEHICLES. The Company has nearly completed a contract for approximately $9.6 million to develop approximately fifty aluminum-chassis passenger electric vehicle systems for an Asian manufacturing company. The electric vehicles produced under this contract include two of the Company's other proprietary products, the CCS and the Energy Management System. In its results for the nine months ended September 30, 1996, the Company reported cost overruns on this contract that resulted in the Company recording charges to operations for the ultimate estimated loss at completion of the contract of approximately $1,625,000. The Company may continue to experience cost overruns on this contract due to unanticipated design and development problems and continuing delays in the completion of this contract, as well as other factors.

In February 1996, the Company entered into a memorandum of understanding (which expired on August 29, 1996) with a strategic partner to enter into a proposed joint venture in India to develop, market and/or manufacture electric vehicles. The terms of the memorandum of understanding called for the Company to contribute cash and certain technology to the proposed joint venture in exchange for a minority equity stake. The Company presently lacks the capital to make such a financial contribution to the joint venture entity, and currently does not propose to apply any of the net proceeds of the Offering for such purpose. Accordingly, unless the terms of the joint venture were to be revised so as to eliminate or substantially reduce the Company's required capital contribution, or unless the Company can find a new or additional joint venture partner, the Company would be unable to participate in the proposed joint venture on its original terms. See "Risk Factors--Lack of Capital to Fund Proposed Electric Vehicle Joint Venture; Strategy Untested." Notwithstanding the expiration of the memorandum of understanding, the Company believes that a joint venture with the same strategic partner on similar terms remains possible, although there can be no assurance it will be consummated.

The proposed joint venture called for the Company to produce approximately 60 electric mini-cars in knock-down kits for assembly in India. The Indian co-venturer would have been expected to build the manufacturing capability for full-scale production. In anticipation of the formation of the Indian joint venture, the Company has begun prototype development work on a mini-car called the "REVA," designed principally for the Indian market. The Company has produced five fully-functional REVA prototypes.

The Company intends to focus its electric vehicle development activity on vehicles intended for use in developing Asian countries. The Company believes that there may be considerable demand for low cost electric vehicles in these markets. For example, in India, auto capacity is currently estimated at 300,000, which is comparatively small when measured against India's 20 million household middle class population. Less than 20% of these households own cars; more than 50% own motorcycles. As a result, in India there is a growing demand for vehicles and a large unfilled backlog of orders. Because of this backlog, Indian consumers typically must put down a 10% cash deposit for a car and often have to wait for up to a year or more for delivery. In India, most cars sell for $7,500 or more and are expensive to operate due to the limited availability of gas and high costs of maintenance. The REVA is designed to be priced at less than $6,000 and to be relatively inexpensive to operate due to the availability of electricity for re-charging batteries in most households and the minimal number of parts compared to gas-powered cars. If the proposed Indian joint venture were to go forward successfully, the Company might search for similar opportunities in other developing countries. The Company has no present plans to try to sell its electric vehicles in the United States.

ENERGY MANAGEMENT SYSTEM. The Company's "Energy Management System" is a proprietary computer-based system under development by the Company for electric vehicles. The Energy Management System has two functions. First, it optimizes battery charging and use based on the age and condition of the battery to maximize vehicle range and extend battery life. The second function is to automatically adjust the operation of the systems of an electric vehicle to improve performance. For example, if the vehicle air conditioner is running, the system can momentarily turn it down during acceleration so that additional energy is available for propelling the vehicle. The system can also predict available range for typical freeway, city or mountain driving, and whether specific trips are possible (such as a commute to work or a trip to the grocery store). These features of the Energy Management System are important in electric vehicle applications because the range of electric vehicles initially will be limited to approximately 60 to 120 miles between charges, and because the frequency of battery replacement will be more important in determining the cost of operating an electric vehicle than the cost of the electricity necessary to recharge the battery.

The Energy Management System consists of two components: first, a custom-developed printed circuit board with a micro-processor computer chip and other standard, commercially available computer components, that serves as the "brain" of the system; and second, custom-developed sensors installed on each of the vehicle's batteries to provide information concerning the batteries' status. Optimal decisions are either implemented automatically by the system or communicated to the driver through a text display in the instrument panel. The Company has completed initial research and development of prototype Energy Management Systems and is installing units in the electric vehicles it assembles under development orders and in prototypes for the proposed Indian joint venture.

The Company intends to try to market the Energy Management System by licensing its technology to other companies making electric vehicles. See "--Proprietary Rights and Patents." However, the system requires customization for the particular electric vehicle it is to control, including modification of the software, and requires extensive integration into the vehicle since it must connect with various other systems, receive sensor inputs from throughout the vehicle, and communicate with a visual display in the instrument panel. Because of these integration requirements, the Company or its licensees would need to undertake significant application engineering to adapt this product for each electric vehicle model. Furthermore, because development of the electric vehicle industry is subject to numerous uncertainties, the Company cannot predict whether there would ever be commercial sales of its system. Substantial

additional investments in development of this product would be based upon customer interest as the electric vehicle market develops.

MARKETING AND SALES

In the automotive components industry, products typically proceed through five stages of research and development and commercialization. Initial research on the product concept comes first, in order to assess its technical feasibility and economic costs and benefits, and often includes the development of an internal prototype for the supplier's own evaluation of the product. If the product appears feasible, a functioning prototype or demonstration prototype is manufactured by the component supplier to demonstrate and test the features of the product. This prototype is then marketed to automotive companies to generate sales of evaluation prototypes for internal evaluation by the automobile manufacturer. If the automobile manufacturer remains interested in the product after testing initial evaluation prototypes, it typically works with the component supplier to refine the product and then purchase second and subsequent generation engineering prototypes for further evaluation. Finally, the automobile manufacturer determines to either purchase the component for a production vehicle or terminate interest in the component.

The time required to progress through these five stages of commercialization varies widely. Automotive companies will take longer to evaluate components that are critical to the safe operation of the vehicle where a product failure can result in a passenger death. Conversely, if the product is not safety critical, the evaluation can proceed more quickly since the risk of product liability is smaller. Another factor influencing the time required to complete the product sales cycle relates to the required level of integration of the component into other vehicle systems. Products that are installed by the factory generally require a medium amount of time to evaluate since other vehicle systems are affected and because a decision to introduce the product into the vehicle is not easily reversed, as it is with dealer-installed options. Products that are installed by an auto dealer take the least amount of time to evaluate since they have little impact on other vehicle systems. The Company's products vary in how they fit within these two factors affecting the time required for completing the sales cycle. The CCS has a moderate effect on other vehicle systems and would be a factory installed item. The Company's radar system and energy management system would also be factory installed and would have a greater impact on other vehicle systems.

The Company's CCS, radar products and IVS-TM-, all of which are derived from technologies used in the aerospace or defense industries, are designed primarily to be applied to new gasoline-powered vehicles, with possible aftermarket application to existing gasoline-powered vehicles. The energy management system and the electric vehicle systems are uniquely designed for application to electric vehicles.

PROPRIETARY RIGHTS AND PATENTS

The Company acquires developed technologies through licenses and joint development contracts in order to optimize the Company's expenditure of capital and time, and to adapt and commercialize such technologies in automotive products which are suitable for mass production. The Company also develops technologies or furthers the development of acquired technologies through internal research and development efforts by Company engineers.

The Company has adopted a policy of seeking to control, where practical, the exclusive rights to use technology related to its products through patents or licenses for proprietary technologies or processes. The Company currently has several license arrangements and outstanding patent applications.

ANS, the licensor of the IVS-TM- technology, has been granted United States patents on the audio navigation technology. Feher Design Inc., the licensor of the CCS technology, was issued three United States patents and has applied for foreign patent protection on the technology. The Company is aware that a Japanese patent has already been issued to another entity on technology similar to the CCS technology.

The Company's limited exclusive license from the Regents of the University of California (Lawrence Livermore National Laboratory) for the Company's radar technology requires the Company to achieve commercial sales of products by the end of 1998. Commercial sales are defined as sales of non-prototype products to at least one original equipment manufacturer. Failure to achieve commercial sales for a particular application will result in the loss of exclusivity of the license for that application, in which event the licensor will have the right to grant other entities a non-exclusive license for that application at terms no more favorable than those enjoyed by the Company.

The Company was recently issued a patent on a key function of the Energy Management System and has applied for additional patents. The Company believes that those elements of the Energy Management System not covered by the patent are protected as trade secrets. Lawrence Livermore National Laboratory has been issued four United States patents on the technology since 1994 and has filed several additional United States patent applications. The Company has additional patent applications in progress or filed on improvements to each of its technologies.

Because of rapid technological developments in the automotive industry and the competitive nature of the market, the patent position of any component manufacturer is subject to uncertainties and may involve complex legal and factual issues. Consequently, although the Company either owns or has licenses to certain patents, and is currently processing additional patent applications, it is possible that no patents will issue from any pending applications or that claims allowed by any existing or future patents issued or licensed to the Company will be challenged, invalidated, or circumvented, or that any rights granted thereunder will not provide adequate protection to the Company. There is an additional risk that the Company may be required to participate in interference proceedings to determine the priority of inventions or may be required to commence litigation to protect its rights, which could result in substantial costs to the Company.

In addition to its patent rights, the Company relies upon certain proprietary know-how and trade secrets in its business and has entered into employee and third party non-disclosure agreements to protect its proprietary technology. The Company has not received any notice that its products infringe on the proprietary rights of third parties.

COMPETITION

The automotive components and systems business is highly competitive. The Company may experience competition directly from automobile manufacturers, most of which have the capability to manufacture competing products. Many of the existing and potential competitors of the Company have considerably greater financial and other resources than the Company, including, but not limited to, an established customer base, greater research and development capability, established manufacturing capability and greater marketing and sales resources. The Company also competes indirectly with related products that do not offer equivalent features to the Company's products, but can substitute for the Company's products. The Company believes that its products will compete on the basis of price, performance and quality.

CCS

The Company is not aware of any competitors that are offering systems for both heating and cooling automotive car seats, although substantial competition exists for the supply of heated-only seats. It is possible that competitors will be able to expand or modify their current products by adding a cooling function to their seats based upon a technology not covered by patented technology licensed to the Company, or by licensing rights to these patents from the inventor. The CCS competes indirectly with alternative methods of providing passenger climate control in a vehicle such as heating and air conditioning systems, which are currently available for almost all vehicles. The Company hopes to develop a market niche for this product initially as a luxury in conventional gasoline-powered cars in Europe, where gasoline prices are relatively high, as well as in electric vehicles which, due to their reliance on batteries, could

benefit from a less energy intensive source of climate control. The Company is aware that a Japanese patent has already been issued to another entity on technology similar to the CCS technology.

RADAR FOR MANEUVERING AND SAFETY

The potential market for automotive radar has attracted many aerospace companies who have developed a variety of radar technologies. A few automotive original equipment manufacturers are now offering ultrasonic or infrared laser distance sensors for parking aids. These companies have far greater technical and other resources than does the Company. While the Company believes that its licensed radar technology has competitive advantages which are protected by intellectual property rights in the applications the Company is developing, it is possible that the market will not accept the Company's radar products or that competitors will find ways to offer similar products without infringing on the Company's intellectual property rights.

IVS-TM-

The Company is aware that there are 20 or more competitors developing car-based navigation systems, and is aware of at least 13 companies that have systems that are very advanced in the development cycle, including systems from Blaupunkt-werk GmbH, Bosch Electronics, Clarion Corporation of America, Motorola Incorporated, Sanyo Fisher USA Corp., Siemens Automotive LP, Sony Electronics, Phillips Electronics, Pioneer Electronic Corp. and General Motors Corporation. Several of these competitors have achieved significant sales of their systems in Japan and Europe, and recently have introduced their product in the United States or are planning to introduce their product in the United States. Many of these competitors have established relationships with automobile manufacturers. The Company expects that new competitors will enter the market once United States sales are established. All the competitive systems of which the Company is currently aware of utilize visual displays and, unlike the Company's IVS-TM-, most of them rely on global positioning satellite systems to identify the location of the vehicle. While these features of competitive navigation systems may enhance consumer acceptance of the systems, they are more costly than the Company's system.

Under a recent agreement in principle with ANS, one of the licensors of the Company's IVS-TM- technology, ANS will have rights which will allow it to manufacture, sell and/or license the voice recognition use in navigation which would allow it to compete with the Company. ANS does not at this time have a product for commercial sale. The Company is not aware of any other competitor that has offered a voice recognition system for identifying the vehicle location or desired destination, although at least two competitors use a voice recognition system to allow drivers to control some of the functions of the system, such as the movement of the map or the visual display, and several competitors use speech output, but not input, systems to provide verbal directions to the destination.

ELECTRIC VEHICLE SYSTEMS

ELECTRIC VEHICLES. The potential market for electric vehicles and electric vehicle systems, when and if it develops into a significant commercial market, is expected to attract many of the domestic and international automobile manufacturers. Currently, many automobile manufacturers are doing development work on electric vehicles, and some have announced plans to enter the commercial market. General Motors Corporation has recently introduced a production electric vehicle that is now available for lease in the United States.

The Company has experience in the design and prototyping of Electric Vehicle Systems which it believes provide certain niche market opportunities. The Company believes such a niche now exists in developing Asian countries. Accordingly, the Company initially intends to sell its Electric Vehicle Systems in selected Asian markets where competition at this time is from a limited number of higher priced gasoline-powered cars. The emergence of a significant market, if such emergence occurs, will cause other

competitors to enter the market, all of which may have far greater depth of technical, manufacturing, and marketing resources than does the Company. The Company does not intend to enter the U.S. market at this time.

ENERGY MANAGEMENT SYSTEM. The Company is aware of one competitor, Hughes Power Control Systems, which is developing and offering a product which competes directly with the Energy Management System. The Company is also aware of several automobile manufacturers that plan to incorporate the function of the Energy Management System into electronic modules currently manufactured or which may be manufactured in the future.

EMPLOYEES

As of November 1, 1996, the Company had 83 employees. Approximately 21 of the Company's employees, or about 25% of the Company's personnel, are covered under a collective bargaining agreement. The Company considers its employee relations to be satisfactory.

PROPERTIES

The Company maintains its corporate headquarters and research and development facilities in leased space in a Monrovia, California industrial park. The lease expires February 14, 1997, but the Company has a right to extend it until July 31, 1997. The Company has also leased a manufacturing and office facility in Alameda, California through December 31, 1996. The Company believes that its facilities are adequate for its present and immediately projected needs.

LEGAL PROCEEDINGS

HBI has threatened various claims against the Company and its directors and officers arising out of the December 1995 private placement by the Company of shares of Class A Common Stock. HBI alleges that the Company made false and misleading statements and failed to disclose certain information in connection with such private placement. The Company believes these allegations to be without merit. While, to the Company's knowledge, HBI has commenced no legal action against the Company in connection with such claims, no assurance can be given that HBI will not do so in the future. If HBI were to commence such legal action, the Company would be forced to defend such action and/or settle with HBI, the costs of which defense and/or any resulting liability or settlement could have a material adverse effect on the Company's financial condition. John W. Clark, a director of the Company, is a general partner of an affiliate of HBI Financial Inc.

On November 14, 1996, Gibbins Pattern & Plastic, Inc. ("Gibbins"), a supplier to the Company, filed suit against the Company in Michigan state court in the circuit court for the County of Wayne, Michigan for breach of contract, open account/account stated, and unjust enrichment/quantum meruit. Gibbins alleges that the Company has failed to pay for delivered products. The Company has withheld certain payments because Gibbins has failed to provide the Company with assurance of future performance. Gibbins has claimed a total of $231,548 in damages. The Company intends to defend the matter vigorously and believes that the lawsuit will not have a material adverse effect on the Company.

DIRECTORS AND OFFICERS

The directors and officers of the Company are as follows:

NAME	AGE	POSITION
Lon E. Bell, Ph.D.	56	President, Chief Executive Officer, and Chairman of the Board
Daniel R. Coker	44	Vice President of Sales and Marketing
R. John Hamman, Jr.	55	Vice President of Finance and Chief Financial Officer
James L. Mertes	44	Vice President of Operations and Quality
Joshua M. Newman	38	Vice President of Corporate Development and Planning, Secretary and Director
Roy A. Anderson	75	Director
Roger E. Batzel	75	Director
John W. Clark	51	Director
A. Stephens Hutchcraft, Jr.	66	Director
Michael R. Peevey	58	Director
Norman R. Prouty, Jr.	57	Director

Dr. Lon E. Bell has been the President, Chief Executive Officer and Chairman of the Board of the Company since its formation in April 1991. Dr. Bell co-founded Technar Incorporated with Dr. Allen Gillespie and Mr. Robert Diller, Amerigon's Chief Engineer, in 1967, which developed and manufactured automotive components, and served as its Chairman and President until selling majority ownership of Technar to TRW Inc. in 1986. Dr. Bell continued managing Technar as its President until 1991, when he left to form the Company. Dr. Bell received his undergraduate degree in mathematics from the California Institute of Technology in 1962, where he also was granted a Masters degree in rocket propulsion in 1963 and a Ph.D. in mechanical engineering in 1968.

Daniel R. Coker joined the Company as Vice President of Sales and Marketing in March, 1996. Previously, he worked with Arvin, Inc., a tire pressure sensor manufacturer, from 1986 through 1995 as Vice President and General Manager of North American Operations. Mr. Coker received his BS degree from Tennessee Technological University in 1974.

R. John Hamman, Jr. joined the Company in August, 1995 as Vice President of Finance and Chief Financial Officer. From 1986 to 1994, he was Vice President of Finance for Amcare, Inc., a provider of pharmaceutical drugs and supplies to long-term care facilities. Mr. Hamman received his BS degree from Denison University and an MBA degree from Northwestern University, and is a CPA.

James L. Mertes joined the Company in 1993 as Vice President of Quality and was promoted to Vice President of Operations and Quality in 1994. Immediately prior to joining the Company, Mr. Mertes was Director of Quality at TRW Sensor Operations, a unit of TRW Inc., for two years.

Joshua M. Newman joined the Company in March 1992 as Vice President of Corporate Development and Planning, and became a Director in April 1993. Prior to joining the Company, Mr. Newman worked as a management consultant, first for the Boston Consulting Group from 1988 through December 1990, and then as an independent electric vehicle consultant until joining the Company. Mr. Newman received his undergraduate degree in history from the University of California at Davis in 1981 and an MBA from Harvard University in 1988.

Roy A. Anderson has been a Director of the Company since the closing of the Company's initial public offering. Mr. Anderson is Chairman Emeritus of Lockheed Corporation. He served as Chairman of the Board and Chief Executive Officer of Lockheed from 1977 until his retirement on December 31, 1985. He remained on Lockheed's board of directors until December 31, 1990, and also served as a consultant to that company until December 31, 1992. Mr. Anderson is a member of the boards of the Los Angeles Music Center, the Greater Los Angeles United Way, the Los Angeles World Affairs Council. He is Chairman and Chief Executive Officer of the Weingart Foundation and Co-Chairman of the Select Panel of Project California.

Roger E. Batzel has been a Director of the Company since the closing of the Company's initial public offering. In April 1988, he retired after 16 years as Director of Lawrence Livermore National Laboratory and became Director Emeritus. From March 1, 1988 to the present, Mr. Batzel has been a scientist at Lawrence Livermore National Laboratory, serving initially as associate director at large, and then as a consultant, and beginning in 1991 as a laboratory associate.

John W. Clark has been a Director of the Company since July 1996. Since May 1995, Mr. Clark has been a General Partner of Westar Capital Associates, a private equity investment company. From 1990 to May 1995, he was a private investor. Prior to 1990, Mr. Clark was President of Valentec International Corporation, a producer of metal and electronic components for military and commercial products. Mr. Clark serves as a director for All Post, Inc., Dogloo, Inc., and Scripps Clinic MSO, Inc.

A. Stephens Hutchcraft, Jr. has been a Director of the Company since the closing of the Company's initial public offering. From December 1992 through December 1993, Mr. Hutchcraft served as Chairman and Chief Executive Officer of Kaiser Aluminum & Chemical Corporation, and served as its President from 1982 to May 1993. He has been a Director of that Company since 1982.

Michael R. Peevey has been a Director of the Company since the closing of the Company's initial public offering. From October 1990 until he retired in March 1993, Mr. Peevey was President of Southern California Edison and SCE Corporation. Prior thereto, he was Executive Vice President of such entities since January 1986. Mr. Peevey has been President and Chief Executive Officer of New Energy Partners since March 1995. Mr. Peevey serves as a Director of ElectroRent Corporation, Dames & Moore, Inc. and Ocal, Inc.

Norman R. Prouty has been a Director of the Company since the closing of the Company's initial public offering. Mr. Prouty was a general partner of the investment banking firm of Lazard Freres & Co., from 1990 to 1993 and a limited partner during 1994. The firm subsequently became a limited liability company and Mr. Prouty was a Limited Managing Director during 1995 until his retirement on December 31, 1995. Since January 1996, Mr. Prouty has been a private investor. Previously, Mr. Prouty was a Vice President and Senior Credit Officer of Citibank, N.A. where he was engaged in domestic and international banking for approximately 20 years.

LIMITATION OF LIABILITY AND INDEMNIFICATION MATTERS

The Company's Articles of Incorporation limit the liability of its directors. As permitted by the California General Corporation Law, directors will not be liable to the Company for monetary damages arising from a breach of their fiduciary duty as directors in certain circumstances. Such limitation does not affect liability for any breach of a director's duty to the Company or its shareholders (i) with respect to approval by the director of any transaction from which he derives an improper personal benefit, (ii) with respect to acts or omissions involving an absence of good faith, that he believes to be contrary to the best interests of the Company or its shareholders, that involve intentional misconduct or a knowing and culpable violation of law, that constitute an unexcused pattern of inattention that amounts to an abdication of his duty to the Company or its shareholders, or that show a reckless disregard for his duty to the Company or its shareholders in circumstances in which he was or should have been aware, in the ordinary course of performing his duties, of a risk of serious injury to the Company or its shareholders, or (iii) based

on transactions between the Company and its directors or another corporation with interrelated directors or on improper distributions, loans or guarantees under applicable sections of the California General Corporation Law. Such limitation of liability also does not affect the availability of equitable remedies such as injunctive relief or rescission.

The Company's Bylaws provide that the Company shall indemnify its directors and officers to the full extent permitted by California law, including circumstances in which indemnification is otherwise discretionary under California law, and the Company has entered into indemnity agreements with its directors and officers providing such indemnity.

CERTAIN TRANSACTIONS

Lon E. Bell, Ph.D., Chief Executive Officer, President and Chairman of the Board of Directors, founder of the Company and a principal shareholder of the Company, co-founded CALSTART (a non-profit consortium of companies engaged in the development and manufacture of products that benefit the environment) in 1992, served as its interim President, and for the last three years has served on its Board of Directors and been a member of its Executive Committee.

The Company leased space from CALSTART from June 1992 until April 1994 at no charge, at which time the Company moved to its current facility. On April 1, 1996, the Company signed a lease with CALSTART for a 24,000 square foot manufacturing and office facility located in Alameda, California for a term beginning November 15, 1995 and ending December 31, 1996 for an advance payment of $450,000 and approximately $11,500 per month.

The Company managed the Showcase Program, co-managed the Neighborhood Electric Vehicle Program, and currently manages three other electric vehicle programs for CALSTART, for which the Company recognized revenues of $679,000 from CALSTART in 1992, $1,649,000 in 1993, $802,000 in 1994, and $2,198,000 in 1995. Such amounts represent reimbursement of expenses incurred by the Company in managing the Showcase Program in 1992, for four programs in 1993, for three programs in 1994, and for four programs in 1995.

Effective March 31, 1993, Dr. Bell granted an option to Mr. Newman to purchase up to 354,485 shares of Class A Common Stock owned by Dr. Bell, of which 75% relate to Dr. Bell's Escrow Shares held in escrow. Of the 354,485 shares, 81,787 are presently fully vested and 245,361 will vest at such time, if ever, as such Escrow Shares are released as Class A Common Stock from escrow. Of the option grant, options on 27,337 shares have expired without becoming vested and options on 60,000 shares have been exercised and sold through December 5, 1996. The exercise price is $1.15 per share and the options expire March 31, 2003.

In May 1993, Dr. Bell granted options to purchase 10,000 shares of his Class A Common Stock each to Directors Messrs. Anderson, Batzel, Hutchcraft, Peevey and Prouty. Of the 50,000 options, 12,500 (or 2,500 options per director) are fully vested and the balance will vest at such time, if ever, as the Escrow Shares are released as Class A Common Stock from the escrow. The exercise price is $6.00 per share and the options expire in 1999.

In August 1995, Dr. Bell granted options to purchase 10,000 shares of his Class A Common Stock to Mr. Hamman at $12.00 per share of which 2,500 became vested in August 1996 and the remaining 7,500 options will vest at such time, if ever, as the Escrow Shares are released as Class A Common Stock from escrow. Such options expire in August 2000.

In March 1996, Dr. Bell granted options to purchase 5,000 shares of his Class A Common Stock to Mr. Coker. Of the 5,000 options, 1,250 will vest in March of 1997 and the balance will vest at such time, if ever, as the Escrow Shares are released as Class A Common Stock from the escrow. The exercise price is $10.38 per share and the options expire in March 2001.

In September 1996, Dr. Bell extended a $200,000 working capital loan to the Company. The loan bears interest at 8% per annum and is payable on demand. A portion of the proceeds of the Offering will be used to pay interest and principal on such working capital loan. See "Use of Proceeds."

In the event that the Company goes forward with its proposed joint venture project in India, the Company and its potential joint venture partner intend to grant Mr. Prouty options to purchase an equity interest in the joint venture entity if Mr. Prouty is able to arrange financing for the project from third party investors.

The Company periodically engages Adaptrans, an entity owned by David Bell, Dr. Bell's son, for engineering design services. Such services primarily involve assistance in the development and refinement of the Energy Management System. Adaptrans is engaged only on an "as needed" basis and the Company pays approximately $8,000 per month for such services. Through November 30, 1996, the Company had paid Adaptrans a total of $167,200 for such services.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of the Company's Class A Common Stock as of September 30, 1996 by (i) each person who is known by the Company to own beneficially more than 5% of the Company's outstanding Class A Common Stock; (ii) each of the Company's directors and nominees; (iii) each of the named executive officers identified in the Company's Proxy Statement dated June 17, 1996 and (iv) all executive officers and directors of the Company as a group:

NAME AND ADDRESS(1)	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS BEFORE OFFERING	PERCENT OF CLASS AFTER OFFERING(2)
Lon E. Bell(3)(4)(5)	3,451,938	48.9%	32.4%
Joshua M. Newman(5)(6)	21,787	*	*
Roy A. Anderson(5)(7)(8)	42,500	*	*
Roger E. Batzel(5)(7)(8)	42,500	*	*
John W. Clark	12,500	*	*
A. Stephens Hutchcraft, Jr.(5)(7)(8)	42,500	*	*
Michael R. Peevey(4)(6)(7)	42,500	*	*
Norman R. Prouty(4)(6)(7)	42,500	*	*
DDJ Capital Management, LLC	560,000	7.9%	5.2%
All executive officers and directors as a group (9 persons)(4)(7)	3,704,538	51.1%	34.7%

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* Less than 1%.

(1) For all shareholders other than DDJ Capital Management, LLC, the address is c/o the Company, 404 E. Huntington Drive, Monrovia, CA 91016. The address for DDJ Capital Management, LLC is 141 Linden Street, Suite 4, Wellesley, MA 02181.

(2) Assumes that each Unit will include the maximum of 240 shares of Class A Common Stock.

(3) 2,592,903 of the shares are held in Escrow. See "Escrow Shares" below.

(4) By virtue of the number of shares of stock owned by Dr. Lon Bell, and his position as an officer, director and founder of the Company, he is deemed the "parent" of the Company within the meaning of the rules and regulations promulgated under the Securities Act of 1933 (the "Act"). Dr. Bell has transferred by gift and sale an aggregate of 26,666 shares to each of three trusts, for which he and his spouse are co-trustees, created for the benefit of his children. Such shares total 79,998 and are included in Dr. Bell's beneficial ownership in the above table.

(5) Of these shares, Dr. Bell has granted the following options to purchase shares of his Class A Common Stock: 267,148 shares to Joshua Newman; 10,000 shares to R. John Hamman, Jr.; 411,072 shares to other employees and consultants; and 10,000 shares each to Messrs. Anderson, Batzel, Hutchcraft, Peevey and Prouty. Of the total options outstanding, options to purchase 349,795 shares of Class A Common Stock relate to Dr. Bell's Escrow Shares and are exercisable only at such time, if ever, as the Escrow Shares are released as Class A Common Stock from Escrow, and the remaining options do not relate to Escrow Shares. All of the 738,220 shares issuable upon the exercise of these options are included in Dr. Bell's beneficial ownership in the above table.

(6) Includes 21,787 shares issuable upon exercise of options granted by Dr. Bell, which have vested to date. Does not include 245,361 shares issuable upon the exercise of options to purchase Dr. Bell's Escrow Shares, which vest only at such time, if ever, as the Escrow Shares are released from Escrow.

(7) Includes, as to each of Messrs. Anderson, Batzel, Hutchcraft, Peevey and Prouty, 2,500 shares issuable upon the exercise of options granted by Dr. Bell. Does not include, as to each person, 7,500 shares issuable upon the exercise of options to purchase Dr. Bell's Escrow Shares, which vest only at such time, if ever, as the Escrow Shares are released from Escrow.

(8) Includes, as to each of Messrs. Anderson, Batzel, Hutchcraft, Peevey and Prouty, 40,000 shares issuable upon exercise of options granted under the Company's 1993 Stock Option Plan.

ESCROW SHARES

As a condition of the Company's Initial Public Offering ("IPO") in June 1993, the Company's then existing shareholders (the "Original Shareholders") placed the Escrow Shares into escrow pursuant to an agreement (the "Escrow Agreement") by and among the Original Shareholders, the Company, and the escrow agent. The Escrow Agreement will terminate upon the earlier of the release of all the Escrow Shares or April 30, 1999 (the "Escrow Period"). During the Escrow Period, the Original Shareholders may vote, but may not transfer, the Escrow Shares; however, options for Escrow Shares may be granted. The Escrow Shares will automatically be released from escrow to the Original Shareholders upon satisfaction of certain conditions with respect to 1,000,000 shares, referred to as "Escrow Target I," and with respect to an additional 2,000,000 shares, referred to as "Escrow Target II." Such conditions are as follows:

(a) Escrow Target I: 1,000,000 of the Escrow Shares will be released in the event that the Company's Minimum Pretax Income (as defined below) for any of the fiscal years ending December 31, 1996, 1997 and 1998 equals or exceeds the following amounts, after giving effect to the shares issued pursuant to the Offering, and after giving effect to the exercise of warrants presently outstanding and the Class A Warrants to be issued in connection with the Offering:

FISCAL YEAR ENDING	PRO FORMA AFTER THE OFFERING	PRO FORMA AFTER THE OFFERING AND EXERCISE OF WARRANTS
	(IN THOUSANDS)	
December 31, 1996	$ 8,750	$ 13,900
December 31, 1997	13,125	20,850
December 31, 1998	17,500	27,800

(b) Escrow Target II: The remaining 2,000,000 Shares held in Escrow will be released in the event that the Company's Minimum Pretax Income (as defined below) for any of the fiscal years ending December 31, 1996, 1997 and 1998 equals or exceeds the following amounts, after giving effect

to the shares issued pursuant to the Offering, and after giving effect to the exercise of warrants presently outstanding and to be issued in connection with the Offering:

FISCAL YEAR ENDING	PRO FORMA AFTER THE OFFERING	PRO FORMA AFTER THE OFFERING AND EXERCISE OF WARRANTS
	(IN THOUSANDS)	
December 31, 1996	$ 15,750	$ 25,020
December 31, 1997	21,000	33,360
December 31, 1998	26,250	41,700

"Minimum Pretax Income" means for any fiscal year the Company's net income before provision for income taxes and exclusive of (i) any extraordinary items, (ii) charges to income resulting from the release of the Escrow Shares or (iii) charges to income resulting from options granted by Dr. Bell or of options granted under the Company's 1993 Stock Option Plan, as reflected in the Company's audited financial statements. The Escrow Agreement provides that the minimum pretax income conditions in Escrow Target I and Escrow Target II be adjusted for any issuance of Class A Common Stock after the IPO other than stock issued upon the exercise of the underwriter's over-allotment option granted in connection with the IPO, underwriter's warrants granted in connection with the IPO or options under the 1993 Stock Option Plan.

The escrow targets set forth above were determined by negotiation between the Company and the underwriter of the IPO and should not be construed to imply or predict any future earnings by the Company or any increase in the market price of its securities.

On April 30, 1999, all shares that have not been released from escrow will automatically be exchanged for shares of Class B Common Stock, which will then be released from escrow. The Class B Common Stock is neither transferable nor convertible and its rights with respect to dividends and liquidation distributions are inferior to those of the Class A Common Stock. See "Description of Securities--Common Stock." Therefore, the Class B Common Stock has limited economic value. Any money, securities, rights or property distributed in respect of the Escrow Shares, including any property distributed as dividends or pursuant to any stock split, merger, recapitalization, dissolution, or total or partial liquidation of the Company, shall be held in escrow until release of the Escrow Shares. Any dividends or other distributions made with respect to Escrow Shares for which the relevant earnings levels have not been reached within the Escrow Period will be forfeited and contributed to the capital of the Company on April 30, 1999.

The Company expects that the release, if any, of the Escrow Shares will be deemed compensatory and, accordingly, will result in substantial charges to earnings equal to the fair market value of the Escrow Shares as of the date on which they are released. Such charges could substantially increase the loss or reduce or eliminate the Company's net income for financial reporting purposes for the periods in which the Escrow Shares are released or are probable of being released. Although the amount of compensation expense recognized by the Company will not affect total stockholders' equity, it may have a negative effect on the market price of the Company's securities. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Pursuant to the terms of a shareholders agreement among the Original Shareholders, if Class B Common Stock is issued at the end of the Escrow Period, and if any such shareholder, or the beneficiary of the trust which is the shareholder, is not or ceases to be an employee, director or consultant of the Company, then all of his shares of Class B Common Stock will be forfeited and contributed to the capital of the Company by the shareholder for no additional consideration. Furthermore, the agreement provides that Class B Common Stock may be forfeited by each shareholder in order to ensure that each shareholder will hold no more than one share of Class B Common Stock for each share of Class A Common Stock held by such shareholder, if only Escrow Target I has been met (after giving effect to the release of one-third of

the Escrow Shares to such shareholder), or no more than three shares of Class B Common Stock for each share of Class A Common Stock held by such shareholder, if neither target is met.

The following table sets forth the number of Escrow Shares owned by all original shareholders of the Company:

Dr. Bell	2,592,903
Allen Gillespie	218,100
Robert Diller	129,000
Trusts for the benefit of Dr. Bell's children	59,997
	3,000,000

SUBSEQUENT OFFERING

The Company has agreed to register, subsequent to the Offering, an additional 1,620,000 Class A Warrants (the "Selling Securityholder Warrants") for sale by the holders thereof (the "Selling Securityholders") and 1,620,000 shares of Class A Common Stock (the "Selling Securityholder Stock") underlying the Selling Securityholder Warrants, all for resale from time to time by the Selling Securityholders subject to the restrictions described below. The Selling Securityholders will obtain the Selling Securityholder Warrants upon completion of the Offering as a result of the automatic conversion of the Bridge Debentures. See "Management's Discussion and Analysis--Liquidity and Capital Resources." The Selling Securityholder Warrants and the Selling Securityholder Stock are sometimes collectively referred to herein as the "Selling Securityholder Securities."

The Selling Securityholder Warrants are identical to the Class A Warrants included in the Units offered hereby. All of the Selling Securityholder Warrants issued upon conversion of the Bridge Debentures and the Class A Common Stock issuable upon exercise of such Selling Securityholder Warrants will be registered under the Securities Act and will become tradeable subsequent to the Effective Date subject to the following contractual restrictions: each Selling Securityholder has agreed (i) not to sell, transfer, or otherwise dispose publicly of the Selling Securityholder Warrants except after the time periods and in the percentage amounts set forth below, on a cumulative basis, and (ii) not to exercise the Selling Securityholder Warrants for a period of one year from the closing of the Offering. Purchasers of the Selling Securityholder Warrants will not be subject to such restrictions.

LOCK-UP PERIOD	PERCENTAGE ELIGIBLE FOR RESALE
Before 90 days after Closing	0%
Between 91 and 150 days	25%
Between 151 and 210 days	50%
Between 211 and 270 days	75%
After 270 days	100%

After the one year period following the effective date of the Offering, the Selling Securityholders will be able to exercise the Selling Securityholder Warrants and sell the Class A Common Stock issuable upon exercise thereof without restriction. The Company will not receive any proceeds from the sale of the Selling Securityholder Warrants. Sales of Selling Securityholder Warrants issued upon conversion of the Bridge Debentures or the securities underlying such Class A Warrants or even the potential of such sales could have an adverse effect on the market prices of the Class A Common Stock and the Class A Warrants.

There are no material relationships between any of the Selling Securityholders and the Company, nor have any such material relationships existed within the past three years. The Company has been informed

by the Underwriter that there are no agreements between the Underwriter and any Selling Securityholder regarding the distribution of the Selling Securityholder Warrants or the underlying securities.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the Selling Securityholder Warrants may not simultaneously engage in market-making activities with respect to any securities of the Company during the applicable "cooling-off" period (at least two and possibly nine business days) prior to the commencement of such distribution. Accordingly, in the event the Underwriter or Blair & Co. is engaged in a distribution of the Selling Securityholder Warrants, neither of such firms will be able to make a market in the Company's securities during the applicable restrictive period. However, neither the Underwriter nor Blair & Co. has agreed to nor is either of them obligated to act as broker-dealer in the sale of the Selling Securityholder Warrants, and the Selling Securityholders may be required, and in the event Blair & Co. is a market-maker, will likely be required, to sell such securities through another broker-dealer. In addition, each Selling Securityholder desiring to sell Warrants will be subject to the applicable provisions of the Exchange Act and the rules and regulations thereunder, including without limitation Rules 10b-6 and 10b-7, which provisions may limit the timing of the purchases and sales of shares of the Company's securities by such Selling Securityholder.

The Selling Securityholders and broker-dealers, if any, acting in connection with such sales might be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act and any commission received by them and any profit on the resale of the securities might be deemed to be underwriting discount and commissions under the Securities Act.

DESCRIPTION OF SECURITIES

The Company's authorized capital consists of 40,000,000 shares of Class A Common Stock, no par value, 3,000,000 shares of Class B Common Stock, no par value, and 5,000,000 shares of preferred stock, no par value (the "Preferred Stock").

UNITS

Each Unit consists of a minimum of 175 and a maximum of 240 shares of the Company's Class A Common Stock, no par value per share, and an equal number of Class A Warrants. The actual number of shares of Class A Common Stock and Class A Warrants to be included in each Unit will be determined by negotiations between the Company and the Underwriter, based primarily upon the market price of the outstanding Class A Common Stock and a determination of the number of shares of Class A Common Stock and Class A Warrants needed to successfully market the Units in light of market conditions. The components of the Units will be separately transferable upon issuance.

COMMON STOCK

The holders of each class of common stock have one vote per share on each matter considered by shareholders. The holders of common stock may cumulate their votes in the election of directors upon giving notice as required by law. Shareholders have no preemptive rights. All outstanding shares are, and all shares to be sold and issued in the Offering will be, fully paid, non-assessable and legally issued. The Board of Directors is authorized to issue additional shares of common stock within the limits authorized by the Company's charter and without shareholder action. Reference is made to the Company's Articles of Incorporation and By-Laws, as well as to the applicable provisions of the California General Corporation Law, for a more detailed description of the rights and liabilities of shareholders.

CLASS A COMMON STOCK

Prior to the Offering, 7,068,500 shares of Class A Common Stock have been issued and are outstanding, held of record by 50 shareholders (not including beneficial owners holding in nominee accounts), of which 3,000,000 shares are Escrow Shares subject to release to the beneficial owners of such

shares in the event the Company attains certain pre-tax income goals. See "Principal Shareholders-- Escrow Shares." Upon consummation of the sale of the Units offered hereby, there will be 9,693,500 shares of Class A Common Stock issued and outstanding assuming that each Unit includes the minimum of 175 shares of Class A Common Stock, and 10,668,500 shares of Class A Common Stock issued and outstanding assuming that each Unit includes the maximum of 240 shares of Class A Common Stock, 3,000,000 of which, in either case, will be Escrow Shares.

CLASS B COMMON STOCK

No shares of Class B Common Stock are issued and outstanding. The Class B Common Stock is non-transferable and non-convertible. Further, the Class B Common Stock is subject to forfeiture under certain circumstances. See "Principal Shareholders--Escrow Shares." Holders of the Class B Common Stock will be entitled to receive, on a per share basis, only five percent (5%) of the dividends as may be declared by the Board of Directors on the Class A Common Stock, and five percent (5%) of the amount receivable by holders of Class A Common Stock upon liquidation or dissolution of the Company.

PREFERRED STOCK

Shares of Preferred Stock may be issued from time to time in one or more series and the Board of Directors, without further shareholder approval, is authorized to fix the dividend rights and terms, conversion rights, voting rights (whole, limited or none), redemption rights and terms, liquidation preferences, sinking funds and any other rights, preferences, privileges and restrictions applicable to each such series of Preferred Stock. The purpose of authorizing the Board of Directors to determine such rights and preferences is to eliminate delays associated with a shareholder vote on specific issuances. The issuance of the Preferred Stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of Class A Common Stock and, under certain circumstances, make it more difficult for a third party to gain control of the Company. Such issuance also could adversely affect the distributions on and liquidation preference of the Class A Common Stock by creating one or more series of Preferred Stock with distribution or liquidation preferences senior to the Class A Common Stock. The Company does not currently intend to issue any shares of its authorized Preferred Stock.

CLASS A WARRANTS

Each Class A Warrant entitles the registered holder thereof to purchase, at any time until the fifth anniversary of the Effective Date, one share of the Company's Class A Common Stock at an exercise price of 135% of the amount equal to $1,000 divided by the number of shares of Class A Common Stock included in each Unit, subject to adjustment. Commencing one year from the date hereof, the Company may, upon 30 days' written notice, redeem each Class A Warrant in exchange for $0.05 per Class A Warrant if the closing Bid Price of the Class A Common Stock as reported by Nasdaq or the closing Bid Price on any national stock exchange (if the Company's Class A Common Stock is listed thereon) shall have, for 30 consecutive business days ending within 15 days of the date of the notice of redemption, averaged in excess of 175% of the Class A Warrant exercise price per share (subject to adjustment in the event of any reverse stock splits or other similar events). The notice of redemption will be sent to the registered address of the registered holder of the Class A Warrant. All Class A Warrants must be redeemed if any are redeemed; provided, however, that the Class A Warrants underlying the Unit Purchase Option may only be redeemed under limited circumstances. See "Underwriting."

The Class A Warrants will be issued pursuant to a warrant agreement (the "Warrant Agreement") among the Company, the Underwriter and U.S. Stock Transfer Corporation as warrant agent (the "Warrant Agent"), and will be evidenced by warrant certificates in registered form. The exercise price of the Class A Warrants was determined by negotiation between the Company and the Underwriter and should not be construed to be predictive of, or to imply that, any price increases will occur in the

Company's securities. The exercise price of the Class A Warrants and the number and kind of shares of Class A Common Stock or other securities and property to be obtained upon exercise of the Class A Warrants are subject to adjustment in certain circumstances, including a stock split of, or stock dividend on, or a subdivision, combination or recapitalization of, the Class A Common Stock or the issuance of shares of Class A Common Stock at less than the market price of the Class A Common Stock. Additionally, an adjustment would be made upon the sale of all or substantially all of the assets of the Company for less than the market value thereof, a merger or other unusual events (other than share issuances pursuant to employee benefit and stock incentive plans for directors, officers and employees of the Company) so as to enable holders of the Class A Warrants to purchase the kind and number of shares or other securities or property (including cash) receivable in such event by a holder of the kind and number of shares of Class A Common Stock that might otherwise have been purchased upon exercise of such Class A Warrant. No adjustment for previously paid cash dividends, if any, will be made upon exercise of the Class A Warrants.

The Class A Warrants may be exercised upon surrender of the Class A Warrant certificate on or prior to the expiration date (or earlier redemption date) of such Class A Warrants at the offices of the Warrant Agent with the form of "Election of Purchase" on the reverse side of the Class A Warrant certificate completed and executed as indicated, accompanied by payment of the full exercise price (by certified or bank check payable to the order of the Company) for the number of Class A Warrants being exercised. Shares of Class A Common Stock issuable upon exercise of Class A Warrants and payment in accordance with the terms of the Warrants will be fully paid and non-assessable.

The Class A Warrants do not confer upon the holders of Class A Warrants any voting or other rights of the shareholders of the Company. Upon notice to the holders of Class A Warrants, the Company has the right to reduce the exercise price or extend the expiration date of the Class A Warrants. Although this right is intended to benefit the holders of Class A Warrants, to the extent the Company exercises this right when the Class A Warrants would otherwise be exercisable at a price higher than the prevailing market price of the Class A Common Stock, the likelihood of exercise, and resultant increase in the number of shares outstanding, may result in making more costly, or impeding, a change in control of the Company.

The description above is subject to the provisions of the Warrant Agreement, as amended, which has been filed as an exhibit to the Registration Statement, of which this Prospectus forms a part, and reference is made to such exhibit for a detailed description thereof.

UNIT PURCHASE OPTION

The Company has agreed to grant to the Underwriter, upon the closing of the Offering, the Unit Purchase Option to purchase up to 1,500 Units. These Units will, when issued, be identical to the Units offered hereby, except that the Class A Warrants included in the Unit Purchase Option are subject to redemption by the Company, in accordance with the terms of the Warrant Agreement, at any time after the Unit Purchase Option has been exercised and the underlying Class A Warrants are outstanding. The Unit Purchase Option cannot be transferred, sold, assigned or hypothecated for two years, except to any officer of the Underwriter or members of the selling group or their officers. The Unit Purchase Option is exercisable during the three-year period commencing two years from the date hereof at an exercise price of $1,300 per Unit (130% of the initial public offering price) subject to adjustment in certain events to protect against dilution. The holders of the Unit Purchase Options have certain demand and piggyback registration rights. See "Underwriting."

REGISTRATION RIGHTS

Commencing one year from the date of this Prospectus, the holders of the Unit Purchase Option will have certain demand and piggyback registration rights relating to such options and the underlying securities. These registration rights are in addition to the similar demand and piggyback registration rights granted to the holders of outstanding warrants issued to the Underwriter in connection with the initial

public offering of the Company in 1993, which, upon completion of the Offering, will entitle the holders thereof to purchase up to a minimum of 220,218 shares of the Company's Class A Common Stock exercisable at $8.99 per share, or a maximum of 224,388 shares of Class A Common Stock exercisable at $8.82 per share, until June 4, 1998. The Company has also granted certain piggyback registration rights to HBI, Sutro & Co., Incorporated, The Galileo Fund, L.P. and The Copernicus Fund, L.P. with respect to an aggregate of 797,325 shares of Class A Common Stock. The exercise of the registration rights relating to the Unit Purchase Option or the outstanding warrants may involve substantial expense to the Company and have a depressive effect on the market price of the Company's securities.

The Company has also agreed to register, subsequent to the Offering, the Selling Securityholder Securities for resale by the holders thereof. See "See Subsequent Offering."

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Company's Class A Common Stock and the Warrant Agent for the Class A Warrants is U.S. Stock Transfer Corporation, 1745 Gardena Avenue, Suite 200, Glendale, California 91204.

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to the Offering, the Company will have outstanding an aggregate of 7,068,500 shares of Class A Common Stock. 3,000,000 of such shares are Escrow Shares not transferable unless released from escrow pursuant to the Escrow Agreement. See "Principal Shareholders -- Escrow Shares." In addition, an aggregate of 264,757 shares of Class A Common Stock are issuable pursuant to outstanding warrants. Of the 4,068,500 shares of Class A Common Stock outstanding prior to the Offering that are not Escrow Shares, 795,197 are "restricted securities" as that term is defined under Rule 144. All such shares of Class A Common Stock will be eligible for sale under Rule 144 (subject to the restrictions on transfer agreed to between the current shareholders and the Underwriter, as set forth below, and the restrictions on transfer with respect to the Escrow Shares) and will be freely transferable without restriction under the Securities Act except for any shares purchased by any person who is or thereby becomes an "affiliate" of the Company, which shares will be subject to the resale limitations contained in Rule 144 promulgated under the Securities Act.

In general, under Rule 144, as currently in effect, a person (or persons whose shares are aggregated), with respect to restricted securities that satisfy a two-year holding period, may sell within any three-month period a number of restricted shares which does not exceed the greater of 1% of the then outstanding shares of such class of securities or the average weekly trading volume during the four calendar weeks prior to such sale. Sales under Rule 144 are also subject to certain requirements as to the manner of sale, notice and the availability of current public information about the Company. Rule 144 also permits, under certain circumstances, the sale of shares by a person who is not an affiliate of the Company, with respect to restricted securities that satisfy a three-year holding period, without regard to the volume or other resale limitations. For shares issued in consideration of an unsecured or non-recourse promissory note, the holding period does not commence until the note is paid in full. The above is a brief summary of Rule 144 and is not intended to be a complete description thereof.

The "restricted" Class A Common Stock currently is eligible for sale pursuant to Rule 144. However, the directors and executive officers of the Company and certain holders of 5% or more of the outstanding Class A Common Stock have agreed not to sell, assign or transfer any of their shares of Class A Common Stock, options or warrants for a period of 13 months after the closing date of the Offering without the prior consent of the Underwriter. In addition, the Company has granted certain registration rights with respect to the Unit Purchase Option and the securities underlying it. See "Underwriting."

Pursuant to registration rights acquired in the Bridge Financing, the Company will, subsequent to the Offering, register for resale on behalf of the Selling Securityholders, the Selling Securityholder Securities,

subject to the contractual restriction that the Selling Securityholders have agreed (i) not to exercise the Selling Securityholder Warrants for a period of one year for the closing of the Offering and (ii) not to sell the Selling Securityholder Warrants except pursuant to the restrictions set forth below:

LOCK-UP PERIOD	PERCENTAGE ELIGIBLE FOR RESALE
Before 90 days after closing	0%
Between 91 and 150 days after closing	25%
Between 151 and 210 days after closing	50%
Between 211 and 270 days after closing	75%
After 270 days after closing	100%

Following the Offering, no predictions can be made of the effect, if any, of future public sales of restricted shares or the availability of restricted shares for sale in the public market. Moreover, the Company cannot predict the number of shares of Class A Common Stock that may be sold in the future pursuant to Rule 144 because such sales will depend on, among other factors, the market price of the Class A Common Stock and the individual circumstances of the holders thereof. The availability for sale of substantial amounts of Class A Common Stock acquired through the exercise of the Class A Warrants under Rule 144, other options or the Unit Purchase Option could adversely affect prevailing market prices for the Class A Common Stock.

Beginning one year from the date of this Prospectus, the holders of the Unit Purchase Option will have demand and piggy-back registration rights relating to such options and the underlying securities and the holders of warrants issued to the underwriter in connection with the Company's initial public offering in 1993 will have certain demand and piggy-back registration rights with respect to a minimum of 220,218 and a maximum of 224,388 shares of Class A Common Stock into which such warrants are exercisable. See "Underwriting." The Company has also granted certain piggyback registration rights to HBI, Sutro & Co., Incorporated, The Galileo Fund, L.P. and The Copernicus Fund, L.P. with respect to an aggregate of 797,325 shares of Class A Common Stock.

Except as set forth above, no stockholder of the Company, nor any holder of warrants to purchase shares of the Class A Common Stock, has any registration rights.

UNDERWRITING

D.H. Blair Investment Banking Corp. (the "Underwriter") has agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase the 15,000 Units offered hereby from the Company on a "firm commitment" basis, if any are purchased. It is expected that Blair & Co., will distribute as a selling group member substantially all of the Units offered hereby. Blair & Co. is substantially owned by family members of J. Morton Davis. Mr. Davis is the sole stockholder of the Underwriter.

The Underwriter has advised the Company that it proposes to offer the Units to the public at the public offering price set forth on the cover page of this Prospectus, and that it may allow, to selected dealers who are members of the National Association of Securities Dealers, Inc. (the "NASD"), concessions, not in excess of $ per Unit, of which not in excess of $ per Unit may be reallowed to other dealers who are members of the NASD. After the public offering, the public offering price, concessions and reallowances may be changed by the Underwriter.

The Company has granted an option to the Underwriter, exercisable during the 45-day period from the date of this Prospectus, to purchase up to 2,250 additional Units at the public offering price set forth on the cover page of this Prospectus, less the underwriting discounts and commissions. The Underwriter may exercise this option in whole, or, from time to time, in part, solely for the purpose of covering over-allotments, if any, made in connection with the sale of the Units offered hereby.

The Company has agreed to pay to the Underwriter a non-accountable expense allowance representing 3% of the aggregate offering price of the Units offered hereby (plus 3% of the aggregate offering price of any Units purchased pursuant to the Underwriter's Over-allotment Option), $40,000 of which has been paid to date.

The Company has agreed to sell to the Underwriter and its designees, on the closing date of the Offering, for nominal cost, the Unit Purchase Option (the "Unit Purchase Option") to purchase up to 1,500 Units at an exercise price of $1,300 per Unit, subject to certain anti-dilution provisions. The Units purchasable upon exercise of the Unit Purchase Option are identical to the Units offered hereby, except that the Warrants contained therein are subject to redemption by the Company, in accordance with the terms of the Warrant Agreement, only after the Unit Purchase Option has been exercised and the underlying warrants are outstanding. The Unit Purchase Option will be exercisable during the three-year period commencing two years from the date of this Prospectus. The Unit Purchase Option may not be transferred, sold, assigned or hypothecated for two years from the date of this Prospectus except to any NASD member participating in the offering or any officers of the Underwriter or any such NASD member. The Company has agreed to register under the Securities Act at its expense on one occasion, and at the expense of the Underwriter on another occasion, the Unit Purchase Option and/or the underlying securities at the request of the holder thereof. The Company has also agreed to certain "piggyback" registration rights for the holders of the Unit Purchase Option and/or the underlying securities.

For the life of the Unit Purchase Option, the holders are given the opportunity to profit from a rise in the market price of the Company's Common Stock and Class A Warrants with a resulting dilution in the interest of other shareholders. The Company may find it more difficult to raise additional equity capital while the Unit Purchase Option is outstanding and, at any time when the holders of the Unit Purchase Option might be expected to exercise it, the Company would probably be able to obtain equity capital on terms more favorable than those provided in the Unit Purchase Option.

Except for HBI, the Copernicus Fund and the Galileo Fund, all of the current directors and executive officers of the Company, all shareholders owning 5% or more of the issued and outstanding Class A Common Stock of the Company and certain holders of 1% but less than 5% of all of the issued and outstanding Class A Common Stock of the Company have agreed not to sell, transfer or assign any of their shares of Common Stock, options or warrants without the prior written consent of the Underwriter for a

period of 13 months from the closing date of the Offering, other than (i) bona fide gifts and transfers to trusts for estate planning purposes where the transferee agrees to be bound by the transfer restrictions described herein and (ii) the sale of shares owned by Lon E. Bell, Ph.D., pursuant to the exercise, by the holders thereof, of options on such shares previously granted by Dr. Bell.

In connection with the Offering, the Company has extended the term of an agreement providing for the payment of a fee to the Underwriter in the event the Underwriter is responsible for a merger or other acquisition transaction to which the Company is a party until five years from the date of completion of the Offering.

The Underwriter acted as the sole underwriter for the Company's initial public offering in June 1993. In connection therewith, the Underwriter received warrants which, upon completion of the Offering, will entitle the holders thereof to purchase a minimum of 220,218 shares of Class A Common Stock exercisable at $8.99 per share, or a maximum of 224,388 shares of Class A Common Stock exercisable at $8.82 per share.

The Underwriting Agreement provides for reciprocal indemnification between the Company and the Underwriter against certain liabilities, including liabilities under the Securities Act.

The Company has agreed not to solicit Class A Warrant exercises other than through the Underwriter, unless the Underwriter declines to make such solicitation. Upon any exercise of the Class A Warrants after the first anniversary of the date of this Prospectus, the Company will pay the Underwriter a fee of 5% of the aggregate exercise price of the Class A Warrants, if (i) the market price of the Company's Common Stock on the date the Class A Warrants are exercised is greater than the then exercise price of the Class A Warrants; (ii) the exercise of the Class A Warrants was solicited by a member of the NASD, as designated in writing on the warrant certificate subscription form; (iii) the Class A Warrants are not held in a discretionary account; (iv) disclosure of compensation arrangements was made both at the time of the Offering and at the time of exercise of the Class A Warrants; and (v) the solicitation of exercise of the Class A Warrant was not in violation of Rule 10b-6 promulgated under the Exchange Act.

In connection with the Offering, the Underwriter may engage in passive market making transactions in the Class A Common Stock on Nasdaq in accordance with Rule 10b-6A under the Securities Exchange Act of 1934, as amended, during the two business day period before commencement of offers or sales of the Units. The passive market making transactions must comply with applicable volume and price limits and be identified as such. In general, a passive market maker may display its bid at a price not in excess of the highest independent bid for the security; if all independent bids are lowered below the passive market maker's bid, however, such bid must then be lowered when certain purchase limits are exceeded. Unless granted an exemption by the Commission from Rule 10b-6, the Underwriter will be prohibited from engaging in any other market marking activities with regard to the Company's securities for the period from nine business days (or such other applicable period as Rule 10b-6 may provide) prior to any solicitation by the Underwriter of the exercise of the Class A Warrants until the later of the termination of such solicitation activity or the termination (by waiver or otherwise) of any right that the Underwriter may have to receive a fee for the exercise of Class A Warrants following such solicitation. As a result, the Underwriter may be unable to continue to provide a market for the Company's securities during certain periods while the Class A Warrants are exercisable.

The Company has agreed with the Underwriter that the Underwriter will have the right to appoint one director to the Company's Board of Directors for a period of five years following the completion of the Offering.

The public offering price of the Units and the exercise prices and other terms of the Class A Warrants have been determined by negotiations between the Company and the Underwriter and are not necessarily related to the Company's asset value, net worth or other established criteria of value. Factors considered in determining the offering price of the Units and the exercise price and other terms of the Class A Warrants

include the present state of the Company's development, the future prospects of the Company, an assessment of management, the general condition of the securities markets and other factors deemed relevant.

The Underwriter has informed the Company that the Commission is conducting an investigation concerning various business activities of the Underwriter and Blair & Co., a selling group member which will distribute substantially all of the Units offered hereby. The investigation appears to be broad in scope, involving numerous aspects of the Underwriter's and Blair & Co.'s compliance with Federal securities laws and compliance with the Federal securities laws by issuers whose securities were underwritten by the Underwriter or Blair & Co., or in which the Underwriter or Blair & Co. made over-the-counter markets, persons associated with the Underwriter or Blair & Co., such issuers and other persons. The Company has been advised by the Underwriter that the investigation has been ongoing since at least 1989 and that the Underwriter is cooperating with the investigation. The Underwriter cannot predict whether this investigation will ever result in a formal enforcement action against the Underwriter or Blair & Co. or, if so, whether any such action might have an adverse effect on the Underwriter, Blair & Co. or the securities offered hereby. The Company has been advised that the Underwriter or Blair & Co. intends to make a market in the securities following the Offering. An unfavorable resolution of the Commission's investigation could have the effect of limiting such firm's ability to make a market in the Company's securities, which could adversely affect the liquidity or price of such securities.

LEGAL MATTERS

Certain legal matters in connection with the Offering have been passed upon for the Company by O'Melveny & Myers LLP, Los Angeles, California. Bachner, Tally, Polevoy & Misher LLP, New York, New York, have acted as counsel to the Underwriter in connection with the Offering.

EXPERTS

The financial statements as of December 31, 1995 and 1994 and for each of the three years ended December 31, 1995, and for the period April 23, 1991 (Inception) to December 31, 1995 included in this Prospectus have been so included in reliance on the report (which contains an explanatory paragraph relating to the Company's need to obtain financing to repay its debt and finance continued operations) of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

Pursuant to Item 12 of the Instructions to Form S-2, the following documents are hereby incorporated herein in their entirety by reference thereto:

(1) The Company's Annual Report on Form 10-K for the Company's fiscal year ended December 31, 1995.

(2) The Company's Quarterly Report on Form 10-Q/A for the three-month period ended March 31, 1996.

(3) The Company's Quarterly Report on Form 10-Q/A for the three-month period ended June 30, 1996.

(4) The Company's Quarterly Report on Form 10-Q for the three-month period ended September 30, 1996.

(5) The Company's Current Report on Form 8-K filed July 17, 1996.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Amerigon Incorporated (a Development Stage Enterprise)

In our opinion, the accompanying balance sheet and the related statements of operations, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Amerigon Incorporated (a Development Stage Enterprise) at December 31, 1994 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1995, and for the period from April 23, 1991 (inception) to December 31, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

The Company has incurred significant losses during 1996, is in default of its bank line of credit agreement, and has entered into a bridge financing agreement. As more fully described in Note 14 to the financial statements, the Company will need to obtain additional financing to repay its debt and finance continued operations.

PRICE WATERHOUSE LLP

Costa Mesa, California
February 26, 1996, except
as to Note 14 which is as
of December 4, 1996

AMERIGON INCORPORATED
(A DEVELOPMENT STAGE ENTERPRISE)
BALANCE SHEET
(IN THOUSANDS)

ASSETS

	DECEMBER 31,		
	1994	1995	SEPTEMBER 30, 1996 (UNAUDITED)
Current assets:			
Cash and cash equivalents	$ 2,405	$ 4,486	$ 268
Short term investments	2,910	--	--
Accounts receivable less allowance of $100 in 1994 and 1995 (Note 13)	768	1,052	1,053
Unbilled revenue (Notes 10 and 11)	275	1,468	2,565
Inventory (Note 4)	--	243	127
Deferred contract costs	--	--	700
Prepaid expenses and other assets	89	961	460
Total current assets	6,447	8,210	5,173
Property and equipment, net (Note 4)	715	785	703
Total assets	$ 7,162	$ 8,995	$ 5,876

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:			
Accounts payable (Note 13)	$ 262	$ 1,123	$ 1,533
Deferred revenue (Note 10)	1,754	94	141
Accrued liabilities (Note 4)	282	512	416
Note payable to shareholder			200
Bank loan payable			2,532
Total current liabilities	2,298	1,729	4,822
Long-term portion of capital lease (Note 12)	78	68	50
Commitments (Notes 9 and 12)			
Shareholders' equity: (Notes 7 and 8)			
Preferred Stock, no par value; 5,000 shares authorized, none issued and outstanding			
Common Stock:			
Class A--No par value; 17,000 shares authorized, 3,300 and 4,050 issued and outstanding in 1994 and 1995, respectively. (An additional 3,000 shares held in escrow)	11,634	17,270	17,321
Class B--No par value; 3,000 shares authorized, none issued and outstanding			
Contributed capital	3,102	3,115	3,115
Deficit accumulated during development stage	(9,950)	(13,187)	(19,432)
Total shareholders' equity	4,786	7,198	1,004
Total liabilities and shareholders' equity	$ 7,162	$ 8,995	$ 5,876

See accompanying notes to the financial statements.

AMERIGON INCORPORATED
(A DEVELOPMENT STAGE ENTERPRISE)
STATEMENT OF OPERATIONS
(IN THOUSANDS EXCEPT PER SHARE DATA)

	YEAR ENDED DECEMBER 31,			FROM APRIL 23, 1991 (INCEPTION) TO DECEMBER 31,	NINE MONTHS ENDED SEPTEMBER 30,		FROM APRIL 23, 1991 (INCEPTION) TO SEPTEMBER 30,
	1993	1994	1995	1995	1995	1996	1996
					(UNAUDITED)		(UNAUDITED)
Revenues:							
Development contracts and related grants	$ 188	$ 1,336	$ 7,290	$ 8,814	$ 4,326	$ 6,382	$ 15,196
Grants	2,101	1,304	519	5,824	480	119	5,943
Total revenues	2,289	2,640	7,809	14,638	4,806	6,501	21,139
Costs and expenses:							
Direct development contract and related grant costs	525	928	5,332	6,785	3,895	9,142	15,927
Direct grant costs	1,649	803	339	4,522	390	101	4,623
Research and development	1,578	2,137	2,367	6,659	1,785	1,544	8,203
Selling, general and administrative, including reimbursable administrative costs	2,340	3,235	3,135	10,377	1,820	1,838	12,215
Total costs and expenses	6,092	7,103	11,173	28,343	7,890	12,625	40,968
Operating loss	(3,803)	(4,463)	(3,364)	(13,705)	(3,084)	(6,124)	(19,829)
Interest income	163	228	127	518	124	42	560
Interest expense						(163)	(163)
Net loss	$ (3,640)	$ (4,235)	$ (3,237)	$ (13,187)	$ (2,960)	$ (6,245)	$ (19,432)
Net loss per share	$ (1.64)	$ (1.28)	$ (0.98)		$ (0.90)	$ (1.54)	
Weighted average number of shares outstanding	2,213	3,300	3,306		3,300	4,060	

See accompanying notes to the financial statements.

AMERIGON INCORPORATED
(A DEVELOPMENT STAGE ENTERPRISE)
STATEMENT OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)

	PREFERRED STOCK		COMMON STOCK CLASS A		COMMON STOCK CLASS B		CONTRIBUTED CAPITAL	DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	TOTAL
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT			
Balance at April 23, 1991 (Inception)...	--	--	1,000	$ 100	--	--	--	--	$ 100
Contributed capital--founders' services provided without compensation.....							$ 111		111
Net loss.....								$ (616)	(616)
Balance at December 31, 1991.....	--	--	1,000	100	--	--	111	(616)	(405)
Transfer of common stock to employee by principal shareholder for services....							150		150
Contributed capital--founders' services provided without compensation.....							189		189
Net loss.....								(1,459)	(1,459)
Balance at December 31, 1992.....	--	--	1,000	100	--	--	450	(2,075)	(1,525)
Issuance of common stock (public offering).....			2,300	11,534					11,534
Options granted by pricipal shareholder for services.....							549		549
Contribution of notes payable to contributed capital.....							2,102		2,102
Net loss.....								(3,640)	(3,640)
Balance at December 31, 1993.....	--	--	3,300	11,634	--	--	3,101	(5,715)	9,020
Compensation recorded for variable plan stock option (Note 8).....							1		1
Net loss.....								(4,235)	(4,235)
Balance at December 31, 1994.....	--	--	3,300	11,634	--	--	3,102	(9,950)	4,786
Private placement of common stock.....			750	5,636			1		5,637
Compensation recorded for variable plan stock option (Note 8).....							12		12
Net loss.....								(3,237)	(3,237)
Balance at December 31, 1995.....	--	--	4,050	17,270	--	--	3,115	(13,187)	7,198
Unaudited Information:									
Exercise of stock options.....			19	145					145
Expenses of sale of stock.....				(94)					(94)
Net loss.....								(6,245)	(6,245)
Balance at September 30, 1996.....	--	--	4,069	$17,321	--	--	$3,115	$(19,432)	$1,004

See accompanying notes to the financial statements

AMERIGON INCORPORATED
(A DEVELOPMENT STAGE ENTERPRISE)
STATEMENT OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,			FROM APRIL 23, 1991 (INCEPTION) TO DECEMBER 31, 1995	NINE MONTHS ENDED SEPTEMBER 30,		FROM APRIL 23, 1991 (INCEPTION) TO SEPTEMBER 30, 1996
	1993	1994	1995		1995	1996	
					(UNAUDITED)		(UNAUDITED)
Operating Activities:							
Net Loss	$ (3,640)	$ (4,235)	$ (3,237)	$ (13,187)	$ (2,960)	$ (6,245)	$ (19,432)
Adjustments to reconcile net loss to net cash used in operating activities:							
Depreciation and amortization	65	176	283	554	221	269	823
Provision for doubtful accounts	--	100	10	110	--	--	110
Stock option compensation	549	1	12	712	--	--	712
Contributed capital--founders' services provided without cash compensation	--	--	--	300	--	--	300
Change in operating assets and liabilities:							
Accounts receivable	(544)	(286)	(294)	(1,162)	457	(1)	(1,163)
Unbilled revenue	436	(32)	(1,193)	(1,468)	(1,036)	(1,097)	(2,565)
Inventory	--	--	(243)	(243)	(515)	116	(127)
Deferred contract costs	--	--	--	--	--	(700)	(700)
Prepaid expenses and other assets	(55)	(23)	(872)	(960)	(204)	501	(459)
Accounts payable	162	(203)	861	1,123	342	410	1,533
Deferred revenue	46	1,708	(1,660)	94	(868)	47	141
Accrued liabilities	102	92	230	512	(22)	(96)	416
Net cash used in operating activities	(2,879)	(2,702)	(6,103)	(13,615)	(4,585)	(6,796)	(20,411)
Investing activities:							
Purchase of property and equipment	(134)	(635)	(353)	(1,271)	(276)	(187)	(1,458)
Proceeds from disposition of property	--	9	--	9	--	--	9
Short term investments	--	(2,910)	2,910	--	2,910	--	--
Net cash used in investing activities	(134)	(3,536)	2,557	(1,262)	2,634	(187)	(1,449)
Financing activities:							
Proceeds from sale of common stock, net	11,534	--	5,636	17,270	--	(94)	17,176
Proceeds from sale of warrants	--	--	1	1	--	--	1
Proceeds from exercise of stock options	--	--	--	--	--	145	145
Borrowing under line of credit	--	--	1,100	1,100	--	5,180	6,280
Repayment of line of credit	--	--	(1,100)	(1,100)	--	(2,648)	(3,748)
Repayment of capital lease	--	--	(10)	(10)	(10)	(18)	(28)
Proceeds from note payable to shareholder	--	--	--	--	--	200	200
Notes payable contributed to capital	--	--	--	2,102	--	--	2,102
Net cash provided by financing activities	11,534	--	5,627	19,363	(10)	2,765	22,128
Net increase (decrease) in cash	8,521	(6,238)	2,081	4,486	(1,961)	(4,218)	268
Cash and cash equivalents at beginning of period	122	8,643	2,405	--	2,405	4,486	--
Cash and cash equivalents at end of period	$ 8,643	$ 2,405	$ 4,486	$ 4,486	$ 444	$ 268	$ 268

See accompanying notes to the financial statements

AMERIGON INCORPORATED
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS

NOTE 1--THE COMPANY:

Amerigon Incorporated (the "Company" or "Amerigon") is a development stage enterprise, which was incorporated in California on April 23, 1991, primarily to develop, manufacture and market proprietary, high technology automotive components and systems for gasoline-powered and electric vehicles.

Amerigon's activities through December 31, 1995 include (1) obtaining the rights to the basic technology and continuing development of the audio navigation system, the climate control seat system, and certain ultra-wideband radar applications; (2) obtaining financing from grants and other sources and conducting development programs related to electric vehicles and its other products; (3) marketing of these development stage products to automotive companies and their suppliers; and (4) completing the development, in December 1995, of the audio navigation system and selling the first commercial units.

The Company's strategy has been to augment the expenditure of its own funds on research and development by seeking and obtaining various grants which support the development of electric vehicles and related technologies. Through such grant funded activities and development contracts with customers, the Company has opportunities to gain access to new technologies and to extend its own product development efforts.

NOTE 2--BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION

The financial statements include amounts that are based on management's judgments. Certain reclassifications have been made for consistent presentation.

DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of all financial instruments, comprising cash and cash equivalents, accounts receivable and unbilled revenues, accounts payable, accrued expenses and capital leases, approximate fair value because of the short maturities of these instruments.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

All investments with original maturities of less than 90 days are considered cash equivalents.

CONCENTRATION OF CREDIT RISK

Financial instruments which subject the Company to concentration of credit risk consist primarily of cash equivalents, accounts receivable and unbilled revenue. Cash equivalents are invested in the money market account of a major U.S. financial services company and the risk is considered limited. The risk associated with accounts receivable and unbilled revenue is limited by the large size and credit worthiness

NOTE 2--BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

of the Company's commercial customers and the federal and California government agencies providing grant funding. Three government agencies are included in the $2,520,000 of accounts receivable and unbilled revenues at December 31, 1995, representing 22%, 15% and 12%, respectively, of the total. No individual commercial customer represents greater than 10% of the total. One government agency and one commercial customer represent 16% and 52%, respectively, of revenues for the year ending December 31, 1995. Two government agencies and one commercial customer represent 28%, 10%, and 10%, respectively, of revenues for the year ending December 31, 1994. For the year ending December 31, 1993, one funding agency represented 59% of revenues. In addition, revenues from foreign customers represented 54% of total revenues for the year ended December 31, 1995 and insignificant percentages of revenues for the two preceding years.

INVENTORY

Inventory, other than inventoried purchases relating to development contracts, is valued at the lower of cost, on the first-in, first-out basis, or market. Inventory related to development contracts is stated at cost, and is removed from inventory when used in the development project.

PROPERTY AND EQUIPMENT

Property and equipment, including additions and improvements, are recorded at cost. Expenditures for repairs and maintenance are charged to expense as incurred. When property or equipment is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Gains or losses from retirements and disposals are recorded as other income or expense.

Property and equipment are depreciated over their estimated useful lives ranging from three to five years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the lease. Depreciation and amortization are computed using the straight-line method.

DEVELOPMENT CONTRACT REVENUES

The Company has entered into a series of fixed-price development contracts, which include (1) specific engineering and tooling services to prepare the Company's products and the related manufacturing processes for commercial sales to certain original equipment manufacturers ("OEMs"); (2) the development of complete electric vehicle systems (Note 10); and (3) prototype products developed during the research and development process, some of which are sold to third parties for evaluation purposes. Revenue is recognized on development contracts using the percentage of completion method or, in the case of short duration contracts, when the prototype or service is delivered. Revenues earned are recorded on the balance sheet as Unbilled Revenue until billed. All amounts received from customers in advance of the development effort are reflected on the balance sheet as Deferred Revenue until such time as the contracted work is performed.

GRANT REVENUES

Revenue from government agency grants and other sources pursuant to cost reimbursement and cost sharing arrangements (Note 11) is recognized when reimbursable costs have been incurred. Grant revenues earned are recorded on the balance sheet as Unbilled Revenue until billed.

NOTE 2--BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

RESEARCH AND DEVELOPMENT EXPENSES

Research and development activities are expensed as incurred. These amounts represent direct expenses for wages, materials and services associated with development contracts, grant program activities and the development of the Company's products. The Company has expensed, as Research and Development, payments for license rights to technology and minimum royalties which amounted to $345,000 in 1995, $248,000 in 1994 and $260,000 in 1993. Research and development does not include any overhead or administrative costs.

ACCOUNTING FOR STOCK-BASED COMPENSATION

The Financial Accounting Standards Board has issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), effective for years beginning after December 15, 1995. For purposes of recording expense associated with stock-based compensation, the Company intends to continue to apply the provisions of APB Opinion 25 and related interpretations. The effect of adoption of SFAS 123 in the year ending December 31, 1996 is not known.

INCOME TAXES

Income taxes for periods subsequent to the Company's election to report as a "C" Corporation for tax purposes are determined under guidelines prescribed by Financial Accounting Standards Board Statement No. 109 (SFAS 109), "Accounting for Income Taxes." Under the liability method specified by SFAS 109, the deferred tax assets and liabilities are measured each year based on the difference between the financial statement and tax bases of the assets and liabilities at the applicable enacted Federal and state tax rates. A valuation allowance is provided for the portion of net deferred tax assets considered unlikely to be realized.

NET LOSS PER SHARE

The Company's net loss per share calculations are based upon the weighted average number of shares of common stock outstanding. Excluded from this calculation are the 3,000,000 Escrowed Contingent Shares (Note 7). Common stock equivalents (stock options and stock warrants) are anti-dilutive in 1995 and 1994 and are excluded from the net loss per share calculation.

INTERIM RESULTS (UNAUDITED)

The accompanying balance sheet at September 30, 1996 and the statements of operations and cash flows for the nine month periods ended September 30, 1995 and 1996 and for the period April 23, 1991 (inception) to September 30, 1996, and the statement of shareholders' equity for the nine month period ended September 30, 1996 are unaudited. In the opinion of management, these statements have been prepared on the same basis as the audited financial statements and include all adjustments, consisting of only normal recurring adjustments, necessary for the fair statement of results of the interim periods. The data disclosed in the notes to the financial statements for those periods are also unaudited.

NOTE 2--BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

RECLASSIFICATIONS

Certain amounts for the year ended December 31, 1995 have been reclassified to be consistent with the presentation for the nine months ended September 30, 1996 and 1995.

NOTE 3--GOING CONCERN:

The Company is a development stage enterprise and has incurred losses from operations since its inception of $13,187,000 through December 31, 1995. The Company may continue to incur losses for the foreseeable future due to the costs anticipated to be incurred with the development, manufacture and marketing of its products. (See Note 14.)

NOTE 4--DETAILS OF CERTAIN FINANCIAL STATEMENT COMPONENTS (IN THOUSANDS):

	DECEMBER 31,	
	1994	1995
INVENTORY:		
Raw materials and component parts	--	$ 243
Finished goods	--	--
	--	$ 243
PROPERTY AND EQUIPMENT:		
Equipment	$ 372	$ 611
Computer equipment	476	578
Leasehold improvements	139	151
	987	1,340
Less: accumulated depreciation and amortization	(272)	(555)
	$ 715	$ 785
ACCRUED EXPENSES:		
Accrued salaries	$ 116	$ 328
Accrued vacation	152	165
Other accrued liabilities	14	19
	$ 282	$ 512

NOTE 5--INCOME TAXES:

There are no assets or liabilities for income taxes, nor income tax expense included in the financial statements because the Company has incurred losses since inception for both book and tax purposes. Prior to the effective date of the initial public offering in 1993, the Company elected to be taxed as an S corporation for both federal and state income tax purposes. As a result, the Company was not subject to federal taxation and was subject to state taxation at a reduced rate (2.5%). Subsequent to the public offering, the Company has incurred net operating losses for federal and state purposes of $9,559,000 and $4,778,000 respectively, and has generated tax credits for certain research and development activities of

NOTE 5--INCOME TAXES: (CONTINUED)
$301,000 and $167,000 for federal and state purposes, respectively. Federal net operating losses and tax credits expire from 2008 through 2010 and state net operating losses expire from 1998 through 2000. The use of such net operating losses would be limited in the event of a change in control of the Company.

A valuation allowance of $3,919,000 has been provided for the entire amount of the deferred tax assets created by these net operating loss and tax credit carry-forwards, which represents an increase in the valuation allowance of $1,327,000 from December 31, 1994. The remaining temporary differences are primarily attributable to depreciation, unbilled grant revenue, deferred revenue and accrued compensated absences.

NOTE 6--LINE OF CREDIT

On November 27, 1995, the Company entered into a line of credit agreement with a bank under which the Company may borrow up to $4 million based on certain costs incurred and billings made under a major electric vehicle development contract (Note 10). The line of credit provides for interest at the prime rate plus 1.3% and payments from the customer are applied as repayments, unless otherwise paid by the Company. All assets of the Company have been pledged as collateral and the loan has been guaranteed by the Company's president, a principal shareholder. The loan agreement restricts the Company's payment of dividends and any redemptions or retirement of stock. The agreement contains certain required financial statement ratios and limits certain loans, investments, acquisitions and dispositions of assets. The loan agreement expires June 30, 1996. No amounts are outstanding under the line of credit at December 31, 1995.

NOTE 7--SHAREHOLDERS' EQUITY:

COMMON STOCK

The Class A and Class B Common Stock are substantially the same on a share-for-share basis, except that holders of outstanding shares of Class B Common Stock will be entitled to receive dividends and distributions upon liquidation at a per share rate equal to five percent of the per share rate received by holders of outstanding shares of Class A Common Stock. The Class B Common Stock is neither transferable nor convertible and is subject to cancellation under certain circumstances.

PUBLIC OFFERING OF CLASS A COMMON STOCK

In June 1993, the Company sold 2,300,000 shares of its Class A Common Stock for net proceeds of $11,534,000. The Company issued Warrants to purchase 204,757 shares of Class A Common Stock, as subsequently adjusted pursuant to anti-dilution provisions (Note 8). Immediately prior to the public offering, $2,102,000 of the outstanding balance of notes payable to shareholders were contributed by the shareholders to the capital of the Company.

PRIVATE PLACEMENT OF CLASS A COMMON STOCK

On December 29, 1995, the Company sold 750,000 shares of its Class A Common Stock for $6,000,000 and received net proceeds of $5,636,000. The investors received registration rights pursuant to which the Company must register these shares. The stock purchase agreement also restricts the sale of additional

NOTE 7--SHAREHOLDERS' EQUITY: (CONTINUED)
stock until June 30, 1996. In addition, the Company issued Warrants to purchase 60,000 shares of Class A Common Stock (Note 8).

ESCROW AGREEMENT

Prior to the effective date of the June 1993 initial public offering, 3,000,000 shares of the Company's Class A Common Stock ("Escrowed Contingent Shares") were deposited into escrow by the then existing shareholders in proportion to their then current holdings. These shares are not transferable (but may be voted) and will be released from escrow in the event the Company attains certain earnings levels (which have been adjusted for the December 29, 1995, private placement) during the period through December 31, 1998 or the market price of the Class A Common Stock reaches specified levels during the period through June 10, 1996.

The release of the Escrowed Contingent Shares will be deemed compensatory and, accordingly, will result in charges to earnings equal to the fair market value of the Escrowed Contingent Shares recorded ratably over the period beginning on the date when management determines that any of the specified events are probable of being attained and ending on the date when the goal is attained causing the Escrowed Contingent Shares to be released. At the time a goal is attained, previously unrecognized compensation expense will be adjusted by a one-time charge based on the then fair market value of the shares released from Escrow. Such charges could substantially reduce the Company's net income or increase the Company's loss for financial reporting purposes in the periods such charges are recorded. The specified events are not considered probable of attainment at this time.

On April 30, 1999, all shares that have not been released from Escrow will automatically be exchanged for shares of Class B Common Stock, which will then be released from Escrow. Any dividends or other distributions made with respect to Escrowed Contingent Shares that have not been released from Escrow as Class A Common Stock will be forfeited and contributed to the capital of the Company on April 30, 1999.

NOTE 8--STOCK OPTIONS AND STOCK WARRANTS:

1993 STOCK OPTION PLAN

Under the Company's 1993 Stock Option Plan (the "Plan"), as amended in June 1995, 550,000 shares of the Company's Class A Common Stock are reserved for issuance, pursuant to which officers and employees of the Company as well as other persons who render services to or are otherwise associated with the Company are eligible to receive qualified ("incentive") and/or non-qualified stock options.

The Plan, which expires in April 2003, is administered by the Board of Directors or a stock option committee designated by the Board of Directors. The selection of participants, allotment of shares, determination of price and other conditions of purchase of options is to be determined by the Board or stock option committee at its sole discretion, in order to attract and retain personnel instrumental to the success of the Company. Incentive stock options granted under the Plan are exercisable for a period of up to 10 years from the date of grant at an exercise price which is not less than the fair market value of the Common Stock on the date of the grant, except that the term of an incentive stock option granted under the Plan to a shareholder owning more than 10% of the voting power of the Company on the date of grant

NOTE 8--STOCK OPTIONS AND STOCK WARRANTS: (CONTINUED)
may not exceed five years and its exercise price may not be less than 110% of the fair market value of the Common Stock on the date of the grant.

OPTIONS GRANTED BY PRINCIPAL SHAREHOLDER ("BELL OPTIONS")

Dr. Lon Bell, the president and principal shareholder of the Company, has granted options to purchase shares of his Class A Common Stock, 75% of which are Escrowed Contingent Shares. The holder of these options can exercise the portions of his options related to Escrowed Contingent Shares only upon release of these shares from escrow as Class A Common Stock. The option holder has no right to purchase Class B Common Stock should such shares be released (Note 7). Any options granted at prices below fair market value on the date of grant result in compensation expense with respect to options to purchase the 25% of such shares not placed in escrow. Compensation expense and a corresponding adjustment to contributed capital on options to purchase Escrowed Contingent Shares will be recorded when they are released or it is determined they are probable of being released as Class A Common Stock.

In 1993, options were granted at prices below fair market value for which compensation expense was recorded for the non-escrowed shares. Additional compensation expense will be recorded if the related Escrowed Contingent Shares are released from escrow. Certain of the Bell options granted during 1993 to one individual were granted contingent on certain future performance criteria and are accounted for as a variable plan. The Company recorded $1,000 and $12,231 of compensation expense in 1994 and 1995, respectively related to 1,500 and 5,028 of those options, respectively.

The following table summarizes stock option activity:

	1993 STOCK OPTION PLAN		BELL OPTIONS	
	NUMBER	PRICE	NUMBER	PRICE
Outstanding at December 31, 1992	--		--	
Granted	80,000	$ 6.00-8.00	850,572	$ 1.15-8.00
Canceled	--		(27,337)	1.15
Outstanding at December 31, 1993	80,000	6.00-8.00	823,235	1.15-8.00
Granted	63,574	8.25-11.69	--	--
Canceled	(2,064)	9.00-9.75	--	--
Exercised	--	--	--	--
Outstanding at December 31, 1994	141,510	$ 6.00-11.69	823,235	$ 1.15-8.00
Granted	179,775	9.81-12.75	16,614	10.75-12.00
Canceled	(5,339)	10.50-11.69	(4,640)	1.15
Exercised	--	--	(1,500)	1.15
Outstanding at December 31, 1995	315,946	6.00-12.75	833,709	1.15-12.00
Exercisable at December 31, 1995	279,839	$ 6.00-12.75	162,187	$ 1.15-12.00
Shares available for option grants	234,054			

Pursuant to employment agreements with certain key employees, the Company may grant Company options at the prevailing market price when certain performance goals are attained. These options are not

NOTE 8--STOCK OPTIONS AND STOCK WARRANTS: (CONTINUED)
considered granted as of December 31, 1995 as neither the option price nor the number of shares subject to option are determinable.

STOCK WARRANTS

In connection with the Company's June 1993 initial public offering, the Company issued to the underwriters warrants to purchase 204,757 shares of Class A Common Stock at $9.67 per share through June 9, 1998, as adjusted for anti-dilution provisions in the warrant agreements. The Company issued to third parties warrants to purchase 60,000 shares of Class A Common Stock at $10.25 per share as a financial advisory fee in connection with the private placement on December 29, 1995. These warrants expire on December 28, 2000.

NOTE 9--LICENSES:

AUDIO NAVIGATION SYSTEM. The Company has licensed several technologies and map data sources in connection with its Audio Navigation System and is subject to royalty payments under each license agreement. In 1993, the Company entered into a worldwide license to manufacture and sell certain voice activated navigation systems and software to automotive OEMs and automotive aftermarket companies. The Company must pay royalties on net commercial sales of the patented hardware. The terms of the license also include a royalty on sales of non-patented hardware and a royalty on sales of software. The Company would receive back from the licensor a royalty on sales by the licensor of software to the consumer electronics markets. The total minimum royalty due under the license agreement is $750,000, payable in installments through June 30, 2002. A minimum royalty of $50,000 was paid and expensed as Research and Development in each of the years ending June 30, 1995 and 1994. The minimum royalty applicable to the year ending June 30, 1996, is also $50,000. Failure to pay the minimum royalty results in the loss of the license.

The Company also licenses the right to use certain voice recognition technology under which a royalty is due based on the cumulative sales of hardware units. In addition, the Company uses certain geographic data bases for which it pays a fee based on each map area sold. There are no minimum royalties under these two agreements.

CLIMATE CONTROLLED SEAT SYSTEM. In 1992, the Company obtained the worldwide license to manufacture and sell technology for a climate control seat system to individual automotive OEMs. Under the terms of the license agreement, royalties are payable based on cumulative net sales. The Company has paid minimum royalties of $11,500 and $20,800 in 1994 and 1995, respectively.

ULTRA-WIDEBAND RADAR. In January 1994, the Company entered into a license agreement for exclusive rights in certain automotive applications to certain radar technology. A licensing fee of $100,000 was paid in January 1994. Royalties are required to be paid based on cumulative net sales and are subject to minimum annual royalties beginning in 1995. The minimum royalty payment for 1995 was $50,000 and was expensed as Research and Development.

NOTE 10--MAJOR CONTRACTS

On December 8, 1994, the Company announced that it had entered into contracts with two Asian manufacturing companies to produce approximately 50 aluminum chassis passenger electric vehicle

NOTE 10--MAJOR CONTRACTS (CONTINUED)
systems. These contracts, together with 1995 additions, are valued at approximately $9,600,000, of which the Company received $1,650,000 during 1994 and $2,230,000 during 1995. The contracts are scheduled to be completed in 1996. For the years ended December 31, 1994 and 1995, the Company recognized $48,000 and $4,040,000 in revenue, respectively, from these contracts. At December 31, 1995, $209,000 is included in Unbilled Revenue representing amounts recognized as revenue for which billings had not been presented to customers.

In 1995, the Company completed development contracts related to specific engineering and tooling of the Company's audio navigation system.

NOTE 11--GRANTS

Grant funding received by the Company are essentially cost sharing arrangements whereby the Company obtains reimbursement from the funding source for a portion of direct costs and reimbursable administrative expenses incurred in managing specific programs related to the technologies utilized in the Company's products. The Company is obligated to provide specified services and to undertake specified activities under its arrangement with the funding sources for these programs.

In 1992, CALSTART, Inc. ("CALSTART"), a not-for-profit consortium of public and private entities (Note 13), was organized to support programs designed to promote the development of advanced transportation including the advancement of electric vehicles. CALSTART's support is primarily through the direct or indirect arrangement of grant funding for such programs. Since 1993, the Company has been selected by CALSTART to manage or co-manage several such programs. The Company has also received grants from the California Energy Commission, the Federal Transit Administration and from the Southern California Air Quality Management District related to work on its electric vehicle and its climate control seat technology.

As of December 31, 1995, the Company has recorded $1,260,000 relating to reimbursable costs incurred for which billings had not yet been presented to the funding agencies. The Company is entitled to obtain future reimbursement from its funding sources for up to $1,330,000 of direct costs and reimbursable administrative costs incurred in managing grant programs now in process, most of which are expected to be completed during 1996.

NOTE 12--COMMITMENTS:

As of December 31, 1995, the Company had in effect compensation agreements with certain key employees, including each of the officers, which provide for annual compensation amounts, semi-annual increases in salary based upon the Consumer Price Index and annual increases based on merit. Several of these agreements also provide for bonuses based upon performance, and several include a guaranteed minimum bonus provision. These compensation agreements do not include an obligation of continued employment; however, bonuses based upon individual performance objectives achieved prior to termination would be payable to terminated employees.

In February 1994, the Company executed a sublease on a facility in Monrovia, California and, in December 1994, the Company executed an amendment to the sublease adding additional space. As of December 31, 1995, the monthly rent was $24,000. The lease expires in August 1996, but contains options to renew to July 31, 1997. In December 1995, the Company executed a sublease to December 31, 1996, on

NOTE 12--COMMITMENTS: (CONTINUED)
a facility in Alameda, California, from CALSTART (Note 13) for a monthly rental amount of $14,000 and an advance payment of $450,000 which the Company is amortizing to expense over the term of the lease.

In December 1994, the Company entered into a 60-month capital lease contract for an IBM computer system with an implicit interest rate of 11.8% and, in July 1995, entered into a 36 month capital lease contract with an implicit interest rate of 19.7% for additional computer equipment.

The future minimum annual commitments under capital leases as of December 31, 1995 are as follows:

YEAR	MINIMUM ANNUAL CAPITAL LEASE AMOUNT	OPERATING LEASE AMOUNT
1996	$ 28,000	$ 336,000
1997	28,000	--
1998	27,000	--
1999	22,000	--
Total Lease Commitments	105,000	$ 336,000
Less amount representing interest	(20,000)	
	$ 85,000	

The liability for this capitalized amount is classified in the Balance Sheet as follows:

Current Portion	$ 17,000
Long-term Portion	68,000
Total	$ 85,000

Rent expense for the years ended December 31, 1993, 1994 and 1995 were none, $193,000 and $291,000, respectively.

NOTE 13--RELATED PARTY TRANSACTIONS:

Dr. Bell, the President and principal shareholder of the Company, co-founded CALSTART (Notes 11 and 12) in 1992, served as its interim President, and for the last three years has served on CALSTART's Board of Directors and is a member of its Executive Committee.

The Company leased space from CALSTART from June 1992 until April 1994 at no charge, at which time the Company moved to its current facility. In December 1995, the Company signed a 13 month lease with CALSTART for a 24,000 square foot manufacturing and office facility located in Alameda, California for an advance payment of $450,000 and $14,000 per month (Note 12).

As of December 31, 1995, the Company owes $150,000 to CALSTART related to the lease, and CALSTART owes to the Company $135,000 relating to amounts withheld from payments made by CALSTART under several grant programs which will be paid to the Company upon completion of the respective grant programs.

NOTE 14--SUBSEQUENT EVENTS:

BRIDGE FINANCING

In October 1996, the Company completed a private placement (the "Bridge Financing") of 60 bridge units (each a "Bridge Unit"), each consisting of one $47,500 10% unsecured promissory note made by the Company (each a "Bridge Note") and one $2,500 10% convertible subordinated debenture (each a "Bridge Debenture"). The Bridge Debentures are due October 31, 1997 and will, upon successful completion of a public offering involving warrants to purchase Class A Common Stock, automatically convert into 27,000 warrants to purchase Class A Common Stock per Bridge Debenture at approximately 135% of the proposed public offering price for the Class A Common Stock. The holders of such warrants will not be able to exercise the warrants until one year after the effective date of the proposed public offering. The Bridge Notes are due at the earlier of the completion of the public offering or one year from the date of issuance. The net proceeds to the Company from the Bridge Financing were approximately $2,500,000, net of issuance costs of $500,000.

BANK LINE OF CREDIT

During the third quarter of 1996, the Company's line of credit with a bank (Note 6) was extended to October 31, 1996. It has since been extended to December 31, 1996. At September 30, 1996, the Company was in violation of certain financial and other covenants contained in the loan agreement. However, the bank has agreed to waive certain of these violations and to forbear until December 31, 1996 from exercising its rights and remedies with respect to all others.

INDISPENSIBLE FINANCING

During 1996, the Company has incurred significant losses on its major electric vehicle development contract, is in default of its bank line of credit agreement, and has entered into a Bridge Financing agreement whereby the borrowings under the agreement are due in October 1997. The Company will need to obtain additional financing to repay its debt and fund continued operations. The Company is presently attempting to complete a public offering of its common stock. The outcome of such efforts cannot be assured.

NOTE 15--SUBSEQUENT EVENT (UNAUDITED):

During the nine months ended September 30, 1996, the Company experienced significant cost overruns on the major electric vehicle development contract (Note 10) resulting from unanticipated design and development difficulties and delays in the completion of the contract. Accordingly, the Company recorded a charge to operations of approximately $1,625,000 during the nine months ended September 30, 1996 for the ultimate estimated loss at completion of the contract.

NO DEALER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

TABLE OF CONTENTS

AMERIGON
INCORPORATED

15,000 UNITS

EACH CONSISTING OF A MINIMUM OF 175
AND A MAXIMUM OF 240 SHARES OF
CLASS A COMMON STOCK AND AN
EQUAL NUMBER OF CLASS A WARRANTS

PROSPECTUS

D.H. BLAIR INVESTMENT
BANKING CORP.

, 1996

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The expenses in connection with the Offering, other than underwriting commissions and discounts, are as follows:

SEC registration fee	$13,488.64
NASD filing fee	4,951.25
NASDAQ fee	8,500.00
*Printing and engraving expenses	*
*Accounting fees and expenses	*
*Legal fees and expenses	*
*Blue Sky filing fees and expenses	*
*Transfer Agent's fees and expenses	*
*Underwriter's nonaccountable expense allowance	450,000.00
*Miscellaneous expenses	*
*Total	$ *

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* To be supplied by Amendment.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Articles of Incorporation and Bylaws of the Company require the Company to indemnify its officers and directors to the fullest extent permitted by Section 317 of the California General Corporation Law and applicable law. Section 317 of the California General Corporation Law makes provision for the indemnification of officers, directors and other corporate agents in terms sufficiently broad to indemnify such persons, under certain circumstances, for liabilities (including reimbursement of expenses incurred) arising under the Securities Act of 1933, as amended (the "Act"). Reference is also made to those provisions of the Underwriting Agreement filed herewith as Exhibit 1.1 and to the form of indemnity agreement filed herewith as Exhibit 10.8 indemnifying officers and directors of the Company against certain liabilities.

ITEM 16. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
1.1	Form of Underwriting Agreement
3.1.1	Amended and Restated Articles of Incorporation (the "Articles") of the Company(1)
3.1.2	Certificate of Amendment of Articles filed with the California Secretary of State on December 5, 1996.
3.2	Bylaws of the Company as amended to date(1)
4.1	Form of Warrant Agreement to be entered into among the Company, the Underwriter and U.S. Stock Transfer Corporation as Warrant Agent
4.2	Form of Warrant Certificate for Class A Warrant
4.3	Form of Specimen Certificate of Company's Class A Common Stock(1)
4.4	Escrow Agreement among the Company, U.S. Stock Transfer Corporation and the shareholders named therein(1)
5.1	Opinion of O'Melveny & Myers LLP regarding legality of securities being registered.*

EXHIBIT NUMBER	DESCRIPTION
10.1	1993 Stock Option Plan, together with Form of Incentive Stock Option Agreement and Nonqualified Stock Option Agreement.(1)
10.2	Promissory Note Payable from the Company to Lon E. Bell dated September 9, 1996.
10.3	Form of Underwriter's Unit Purchase Option
10.4	Stock Option Agreement, effective March 31, 1993, between Lon E. Bell and Joshua Newman.(1)
10.5	Stock Option Agreement, effective August 9, 1995, between Lon E. Bell and R. John Hamman, Jr.
10.6.1	Stock Option Agreement ("Bell Stock Option Agreement"), effective May 13, 1993, between Lon E. Bell and Roy A. Anderson.
10.6.2	List of omitted Bell Stock Option Agreements with Company directors.
10.7.1	Standard Sublease (the "Monrovia Lease"), dated February 14, 1994, between the Company and Environmental Systems Group of Joy Technologies, Inc. ("Joy") (formerly Joy Manufacturing Company) for facilities located in Monrovia, California.(2)
10.7.2	Letter dated February 7, 1996 from the Company to Joy extending the term of the Monrovia Lease to February 14, 1997.
10.7.3	Letter dated December 3, 1996 from the Company to McDermott, Inc., successor to Joy, extending the term of the Monrovia Lease to July 31, 1997.
10.8	Form of Indemnity Agreement between the Company and each of its officers and directors.(1)
10.9	Product Adaptation and Supply Contract, dated as of November 25, 1994, by and between the Company and a party the identity of which is the subject of a request by the Company for confidential treatment.**
10.10	Settlement and License Agreement, dated as of May 10, 1996, by and between the Company, Audio Navigation Systems, LLC, Alcom Engineering Corporation and Audio Navigation Systems, Inc., together with Addendum thereto dated June 12, 1996.
10.11	License Agreement, dated as of January 20, 1994, by and between the Company and the Regents of the University of California, together with a letter from the Regents to the Company dated September 19, 1996 relating thereto.**
10.12	Option and License Agreement dated as of November 2, 1992 between the Company and Feher Design, Inc.(1)
10.13	License Agreement, dated as of October 19, 1993, by and between the Company and Lernout & Hauspie Speech Products, N.V., as amended.
10.14	License Agreement, dated as of March 15, 1995, by and between the Company and Navigation Technologies Corporation.
10.15	Shareholders Agreement, dated May 13, 1993, by and among the Company and the shareholders named therein.(1)
10.16	Running Chassis Program Management Agreement between the Company and CALSTART dated September 8, 1993.(2)
10.17	Thermoelectric Air Conditioning System Program Contract between the Company and the South Coast Air Quality Management District dated May 4, 1995.(3)
10.18	Thermoelectric Heating and Cooling for Electric Vehicles Program Contract between the Company and the State of California (Energy Resources and Development Commission) dated May 12, 1994.(3)
10.19	Agreement for the Multi-Year Electric Vehicle Running Chassis Program between the Company and CALSTART dated May 31, 1994.(3)
10.20	Modification No. 001 of Participation Agreement between the Company and CALSTART, dated October 9, 1995.(4)

EXHIBIT NUMBER	DESCRIPTION
10.21	Agreement for the Development of an Agile Assembly Line For the Production of Electric Vehicles and Components between the Company and CALSTART, Inc., dated November 9, 1995.(4)
10.22.1	Security and Loan Agreement, dated November 20, 1995, between the Company and Imperial Bank (the "Imperial Bank Agreement").(5)
10.22.2	Credit Terms and Conditions, dated November 20, 1995, relating to the Imperial Bank Agreement.(5)
10.22.3	Modification to Security and Loan Agreement, effective as of June 26, 1996, entered into between the Company and Imperial Bank.
10.22.4	Letter from Imperial Bank to the Company dated December 4, 1996 extending the term of the Company's credit line under the Imperial Bank Agreement until December 31, 1996.
10.24	Stock Purchase Agreement and Registration Rights Agreement between the Company and Fidelity Copernicus Fund, L.P. and Fidelity Galileo Fund, L.P., dated December 29, 1995.(6)
10.25	Stock Purchase Agreement and Registration Rights Agreement between the Company and HBI Financial Inc., dated December 29, 1995.(6)
10.26	Amerigon Client Contract, dated April 1, 1996, between the Company and Technology Strategies & Alliances.
10.27	Agreement, dated as of June 1, 1996, by and between the Company and the International Association of Machinists and Aerospace Workers, District Lodge 725.
21.1	List of Subsidiaries
23.1	Consent of Price Waterhouse LLP
23.2	Consent of O'Melveny & Myers LLP (contained in Exhibit 5.1)*
24.1	Power of Attorney (see first signature page of this Registration Statement on Form S-2)

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* To be filed by amendment.

** Confidential treatment has been requested for a portion of this Exhibit.

(1) Previously filed as an exhibit to the Company's Registration Statement on Form SB-2, File No. 33-61702-LA, and incorporated by reference.

(2) Previously filed as an exhibit to the Company's Annual Report on Form 10-KSB for the fiscal year ending December 31, 1993 and incorporated by reference.

(3) Previously filed as an exhibit to the Company's Annual Report on Form 10-KSB for the fiscal year ending December 31, 1994 and incorporated by reference.

(4) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 1995 and incorporated by reference.

(5) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed December 21, 1995 and incorporated by reference.

(6) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed January 5, 1996 and incorporated by reference.

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to its Articles of Incorporation or Bylaws and the California General Corporations Law, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against

such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial BONA FIDE offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-2 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Monrovia, State of California, on December 5, 1996.

AMERIGON INCORPORATED

By: /s/ LON E. BELL
Lon E. Bell, Ph.D.
PRESIDENT, CHIEF EXECUTIVE OFFICER
AND CHAIRMAN OF THE BOARD

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lon E. Bell and R. John Hamman, Jr., his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or either of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	CAPACITY	DATE
/s/ LON E. BELL Lon E. Bell	President, Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	December 5, 1996
/s/ JOSHUA M. NEWMAN Joshua M. Newman	Vice President of Corporate Development and Planning, Secretary and Director	December 5, 1996
/s/ R. JOHN HAMMAN, JR. R. John Hamman, Jr.	Vice President of Finance and Chief Financial Officer (Principal Financial and Accounting Officer)	December 5, 1996

SIGNATURE	CAPACITY	DATE
/s/ ROY A. ANDERSON Roy A. Anderson	Director	December 5, 1996
/s/ ROGER E. BATZEL Roger E. Batzel	Director	December 5, 1996
/s/ JOHN W. CLARK John W. Clark	Director	December 5, 1996
/s/ A. STEPHENS HUTCHCRAFT, JR. A. Stephens Hutchcraft, Jr.	Director	December 5, 1996
/s/ MICHAEL R. PEEVEY Michael R. Peevey	Director	December 5, 1996
/s/ NORMAN R. PROUTY, JR. Norman R. Prouty, Jr.	Director	December 5, 1996

15,000 Units

(each Unit consisting of (i) __ shares of Class A Class A Common Stock, no par value, and (ii) _____ redeemable Class A Warrants to purchase one share of Class A Common Stock at an exercise price of $___ from the date of issuance through _____, 2001.)

AMERIGON INCORPORATED

UNDERWRITING AGREEMENT

_____, 1996

D.H. Blair Investment Banking Corp.
44 Wall Street
New York, New York 10005

AMERIGON INCORPORATED, a California corporation (the "Company"), proposes to issue and sell to D.H. Blair Investment Banking Corp. ("you" or the "Underwriter") pursuant to this Underwriting Agreement (the "Agreement") an aggregate of 15,000 Units, each unit being hereinafter referred to as a "Unit" and consisting of (i) _____ shares of Class A Common Stock, no par value per share ("Shares"), and (ii) _____ redeemable Class A Warrants ("Class A Warrants"). Each Class A Warrant is exercisable from the date of issuance through _____, 2001, at an exercise price of $_____ to purchase one share of Class A Common Stock. The Class A Warrants may be referred to herein as the "Warrants." The Warrants are subject to redemption in certain instances commencing one year from the date of this Agreement. In addition, the Company proposes to grant to the Underwriter the option referred to in Section 2(b) to purchase all or any part of an aggregate of 2,250 additional Units. Unless the context otherwise indicates, the term "Units" shall include the 2,250 additional Units referred to above.

The aggregate of 15,000 Units to be sold by the Company, together with all or any part of the 2,250 Units which the Underwriter has the option to purchase, and the Shares and the Warrants comprising such Units, are herein called the "Units." The Class A Common Stock of the Company to be outstanding after giving effect to the sale of the Shares is herein called the "Class A Common Stock." The Shares and Warrants included in the Units (including the Units which the Underwriter has the option to purchase as described in Section 11 hereof) are herein collectively called the "Securities."

You have advised the Company that you desire to purchase the Units. The Company confirms the agreement made by it with respect to the purchase of the Units by you, as follows:

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to, and agrees with, the Underwriter that:

(a) A registration statement (File No. 333-____) on Form S-2 relating to the public offering of the Units, including a form of prospectus subject to completion, copies of which have heretofore been delivered to you, has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), and the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") thereunder, and has been filed with the Commission under the Act, and one or more amendments to such registration statement may have been so filed. After the execution of this Agreement, the Company will file with the Commission either (i) if such registration statement, as it may have been amended, has been declared by the Commission to be effective under the Act, either (A) if the Company relies on Rule 434 under the Act, a Term Sheet (as hereinafter defined) relating to the Units that shall identify the Preliminary Prospectus (as hereinafter defined) that it supplements containing such information as is required or permitted by Rules 434, 430A and 424(b) under the Act or (B) if the Company does not rely on Rule 434 under the Act, a prospectus in the form most recently included in an amendment to such registration statement (or, if no such amendment shall have been filed, in such registration statement), with such changes or insertions as are required by Rule 430A under the Act or permitted by Rule 424(b) under the Act, and in the case of either clause (i)(A) or (i)(B) of this sentence, as have been provided to and approved by you prior to the execution of this Agreement, or (ii) if such registration statement, as it may have been amended, has not been declared by the Commission to be effective under the Act, an amendment to such registration statement, including a form of prospectus, a copy of which amendment has been furnished to and approved by you prior to the execution of this Agreement.

As used in this Agreement, the term "Registration Statement" means such registration statement, as amended at the time when it was or is declared effective, including all exhibits thereto and including any information omitted therefrom pursuant to Rule 430A under the Act and included in the Prospectus (as hereinafter defined); the term "Preliminary Prospectus" means each prospectus subject to completion filed with such registration statement or any amendment thereto (including the prospectus subject to completion, if any, included in the Registration Statement or any amendment thereto at the time it was or is declared effective); the term "Prospectus" means (A) if the Company relies on Rule 434 under the Act, the Term Sheet relating to the Units that is first filed pursuant to Rule 424(b)(7) under the Act, together with the Preliminary Prospectus identified therein that such Term Sheet supplements, (B) if the Company does not rely on Rule 434 under the Act, the prospectus first filed with the Commission pursuant to Rule 424(b) under the Act or (C) if the Company does not rely on Rule 434 under the Act and if no prospectus is required to be filed pursuant to said Rule 424(b), such term means the prospectus included in the Registration Statement; except that if such registration statement or prospectus is amended or such prospectus is supplemented, after the effective date of such registration statement and prior to the Option Closing Date (as hereinafter defined), the terms "Registration Statement" and "Prospectus" shall include such registration statement and prospectus as so amended, and the term "Prospectus" shall include the prospectus as so

supplemented, or both, as the case may be; and the term "Term Sheet" means any term sheet that satisfies the requirements of Rule 434 under the Act. Any reference to the "date" of a Prospectus that includes a Term Sheet shall mean the date of such Term Sheet.

(b) The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus. At the time the Registration Statement becomes effective and at all times subsequent thereto up to and on the Closing Date (as hereinafter defined) or the Option Closing Date, as the case may be, (i) the Registration Statement and Prospectus will in all material respects conform to the requirements of the Act and the Rules and Regulations; and (ii) neither the Registration Statement nor the Prospectus will include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make statements therein not misleading; provided, however, that the Company makes no representations, warranties or agreements as to information contained in or omitted from the Registration Statement or Prospectus in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of the Underwriter specifically for use therein or in the preparation thereof. It is understood that the statements set forth in the Prospectus on page 2 with respect to stabilization, under the heading "Underwriting," under the heading "Risk Factors -- Possible Adverse Effect on Liquidity of the Company's Securities Due to the Investigation of D.H. Blair Investment Banking Corp. and D.H. Blair & Co., Inc. by the Securities and Exchange Commission," the first sentence under the heading "Risk Factors -- Adverse Effect on Liquidity Associated with Possible Restrictions on Market-Making Activities in the Company's Securities" and the identity of counsel to the Underwriter under the heading "Legal Matters" constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Registration Statement and Prospectus, as the case may be.

(c) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, with full power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus and is duly qualified to do business as a foreign corporation and is in good standing in all other jurisdictions in which the nature of its business or the character or location of its properties requires such qualification, except where failure to be so qualified will not materially adversely affect the Company's business, properties or financial condition, taken as a whole.

(d) The authorized, issued and outstanding capital stock of the Company as of September 30, 1996 is as set forth in the Prospectus under "Capitalization;" the shares of issued and outstanding capital stock of the Company set forth thereunder have been duly authorized, validly issued and are fully paid and non-assessable; except as set forth in the Prospectus, no options, warrants, or other rights to purchase, agreements or other obligations to issue, or agreements or other rights to convert any obligation into, any shares of capital stock of the Company have been granted or entered into by the Company; and the capital stock conforms to all statements relating thereto contained in the Registration Statement and Prospectus.

(e) The Units and the Shares are duly authorized, and when issued and delivered against payment therefor pursuant to this Agreement, will be duly authorized, validly

issued, fully paid and nonassessable and free of preemptive rights of any security holder of the Company. Neither the filing of the Registration Statement nor the offering or sale of the Units as contemplated in this Agreement gives rise to any rights, other than those which have been waived or satisfied, for or relating to the registration of any shares of Class A Common Stock, except as described in the Registration Statement.

The Warrants have been duly authorized and, when issued and delivered against payment therefor pursuant to this Agreement, will have been duly executed, issued and delivered and will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, moratorium or similar laws relating to or affecting creditors' rights generally and by general principles of equity, and entitled to the benefits provided by the warrant agreement pursuant to which such Warrants are to be issued (the "Warrant Agreement"), which will be substantially in the form filed as an exhibit to the Registration Statement. The shares of Class A Common Stock issuable upon exercise of the Warrants have been reserved for issuance upon the exercise of the Warrants and when issued in accordance with the terms of the Warrants and the Warrant Agreement upon payment of the exercise price therefor, will be duly and validly authorized, validly issued, fully paid and non-assessable and free of preemptive rights and no personal liability will attach to the ownership thereof. The Warrant Agreement has been duly authorized and, when executed and delivered by the Company pursuant to this Agreement, will have been duly executed and delivered by the Company and will constitute the valid and legally binding obligation of the Company enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium or similar laws relating to or affecting creditors' rights generally and by general principles of equity. The Warrants and the Warrant Agreement conform to the respective descriptions thereof in the Registration Statement and Prospectus.

The Shares and the Warrants contained in the Units subject to the Unit Purchase Option have been duly authorized and, when duly issued and delivered upon payment of the exercise price therefor, such Warrants will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, moratorium or similar laws relating to or affecting creditors' rights generally and by general principles of equity, and entitled to the benefits provided by the Warrant Agreement. The Shares included in the Unit Purchase Option (and the shares of Class A Common Stock issuable upon exercise of such Warrants) when issued and sold in accordance with the terms of the Unit Purchase Option or the Warrants, as the case may be, will be duly authorized, validly issued, fully paid and non-assessable and free of preemptive rights and no personal liability will attach to the ownership thereof.

(f) This Agreement, the Unit Purchase Option and the agreement with you regarding mergers, acquisitions, joint ventures and certain other forms of transactions, in the form previously delivered to the Company by you (the "M/A Agreement") have been duly and validly authorized, executed and delivered by the Company. The Company has corporate power and authority to authorize, issue and sell the Units to be sold by it hereunder on the terms and conditions set forth herein, and no consent, approval, authorization or other order of any governmental authority is required in connection with such authorization, execution and

delivery or with the authorization, issue and sale of the Units or the Unit Purchase Option, except such as may be required under the Act or state securities laws.

(g) Except as described in the Prospectus, the Company is not in violation, breach or default of or under, and consummation of the transactions herein contemplated and the fulfillment of the terms of this Agreement will not conflict with, or result in a material breach or violation of, any of the terms or provisions of, or constitute a material default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Company pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Company is a party or by which the Company may be bound or to which any of the property or assets of the Company is subject, nor will such action result in any violation of the provisions of the articles of incorporation or the by-laws of the Company, as amended, or any material violation of any statute or any order, rule or regulation applicable to the Company of any court or of any regulatory authority or other governmental body having jurisdiction over the Company.

(h) Except as described in the Prospectus, the Company has good and marketable title to all properties and assets described in the Prospectus as owned by it, free and clear of all liens, charges, encumbrances or restrictions, except such as are not materially significant or important in relation to its business, all of the material leases and subleases under which the Company is the lessor or sublessor of properties or assets or under which the Company holds properties or assets as lessee or sublessee as described in the Prospectus are in full force and effect, and, except as described in the Prospectus, the Company is not in default in any material respect with respect to any of the terms or provisions of any of such leases or subleases, and no claim has been asserted by anyone adverse to rights of the Company as lessor, sublessor, lessee or sublessee under any of the leases or subleases mentioned above, or affecting or questioning the right of the Company to continued possession of the leased or subleased premises or assets under any such lease or sublease except as described or referred to in the Prospectus; and the Company owns or leases all such properties described in the Prospectus as are necessary to its operations as now conducted and, except as otherwise stated in the Prospectus, as proposed to be conducted as set forth in the Prospectus.

(i) Price Waterhouse LLP, who have given their reports on certain financial statements filed and to be filed with the Commission as a part of the Registration Statement, which are incorporated in the Prospectus, are with respect to the Company, independent public accountants as required by the Act and the Rules and Regulations.

(j) The financial statements, together with related notes, set forth in the Prospectus (or if the Prospectus is not in existence, the most recent Preliminary Prospectus) present fairly in all material respects the financial position and results of operations and changes in cash flow of the Company on the basis stated in the Registration Statement, at the respective dates and for the respective periods to which they apply. Said statements and related notes have been prepared in accordance with generally accepted accounting principles applied on a basis which is consistent during the periods involved, except for the absence of year-end adjustments

to interim statements. The information set forth under the captions "Dilution," "Capitalization," and "Selected Financial Data" in the Prospectus fairly present, on the basis stated in the Prospectus, in all material respects the information included therein.

(k) Subsequent to the respective dates as of which information is given in the Registration Statement and Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), except as contemplated thereby or in connection with the transactions contemplated by this Agreement, the Company has not incurred any liability or obligation, direct or contingent, not in the ordinary course of business, or entered into any transaction not in the ordinary course of business, which is material to the business of the Company, and there has not been any change in the capital stock of, or any incurrence of short-term or long-term debt by, the Company or any issuance of options, warrants or other rights to purchase the capital stock of the Company or any adverse change or any development involving, so far as the Company can now reasonably foresee a prospective adverse change in the condition (financial or other), net worth, results of operations, business, key personnel or properties of it which would be materially adverse to the business or financial condition of the Company, taken as a whole, and the Company has not become a party to, and neither the business nor the property of the Company has become the subject of, any material litigation whether or not in the ordinary course of business.

(l) Except as set forth in the Prospectus, there is not now pending or, to the knowledge of the Company, threatened, any action, suit or proceeding to which the Company is a party before or by any court or governmental agency or body, which might result in any material adverse change in the condition (financial or other), business prospects, net worth, or properties of the Company, taken as a whole, nor are there any such actions, suits or proceedings related to environmental matters or related to discrimination on the basis of age, sex, religion or race, and no labor disputes involving the employees of the Company exist or, to the knowledge of the Company, are threatened which might be expected to materially adversely affect the conduct of the business, property or operations or the financial condition or results of operations of the Company.

(m) Except as disclosed in the Prospectus, the Company has filed all necessary federal, state and foreign income and franchise tax returns and has paid or is contesting in good faith all taxes shown as due thereon; and there is no tax deficiency which has been or to the knowledge of the Company is reasonably likely to be asserted against the Company.

(n) Except as described in the Prospectus, the Company has sufficient licenses, permits and other governmental authorizations currently required for the conduct of its business or the ownership of its properties as described in the Prospectus and is in all material respects complying therewith and owns or possesses adequate rights to use all material patents, patent applications, trademarks, service marks, trade-names, trademark registrations, service mark registrations, copyrights and licenses necessary for the conduct of such business and has not received any notice of conflict with the asserted rights of others in respect thereof. To the

knowledge of the Company, none of the activities or business of the Company are in violation of, or cause the Company to violate, any law, rule, regulation or order of the United States, any state, county or locality, or of any agency or body of the United States or of any state, county or locality, the violation of which would have a material adverse impact upon the condition (financial or otherwise), business, property, prospective results of operations, or net worth of the Company, taken as a whole.

(o) The Company has not, directly or indirectly, at any time (i) made any contributions to any candidate for political office, or failed to disclose fully any such contribution in violation of law or (ii) made any payment to any state, federal or foreign governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments or contributions required or allowed by applicable law. The Company's internal accounting controls and procedures are sufficient to cause the Company to comply in all material respects with the Foreign Corrupt Practices Act of 1977, as amended.

(p) On the Closing Dates (hereinafter defined) all transfer or other taxes (including franchise, capital stock or other tax, other than income taxes, imposed by any jurisdiction), if any, which are required to be paid in connection with the sale and transfer of the Units to the Underwriter hereunder will have been fully paid or provided for by the Company and all laws imposing such taxes will have been fully complied with.

(q) All contracts and other documents of the Company which are, under the Rules and Regulations, required to be filed as exhibits to the Registration Statement have been so filed.

(r) The Company has not taken and will not take, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of the shares of Class A Common Stock to facilitate the sale or resale of the Units hereby.

(s) Except as set forth in Schedule 1(s) hereto, the Company has no subsidiaries and except as described or referenced in the Prospectus, the Company does not own, directly or indirectly, any capital stock or other equity ownership or proprietary interests in any other corporation, association, trust, partnership, joint venture or other entity. Schedule 1(s) sets forth the jurisdiction of incorporation of each subsidiary (the "Subsidiaries") of the Company and the amount and percentage of capital stock of such subsidiary owned by the Company, which capital stock is owned by the Company, except as described in the Prospectus, free and clear of all liens, security interests and encumbrances.

(t) The Company has not entered into any agreement pursuant to which any person is entitled either directly or indirectly to compensation from the Company for services as a finder in connection with the proposed public offering.

(u) Except as previously disclosed in writing by the Company to the Underwriter, to the Company's knowledge after due inquiry, no officer, director, 5% shareholder or 1% shareholder of the Company has any affiliation or association with any member of the National Association of Securities Dealers Inc. ("NASD").

(v) The Company is not, and upon receipt of the proceeds from the sale of the Units will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

(w) The Company has not distributed and will not distribute prior to the First Closing Date any offering material in connection with the offering and sale of the Units other than the Preliminary Prospectus, Prospectus, the Registration Statement or the other materials permitted by the Act, if any.

(x) The conditions for use of Form S-2, as set forth in the General Instructions thereto, have been satisfied.

(y) There are no business relationships or related-party transactions of the nature described in Item 404 of Regulation S-K involving the Company, the Subsidiaries and any person described in such Item that are required to be disclosed in the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) and that have not been so disclosed.

[(z) The Company has complied with all provisions of Section 517.075 Florida Statutes relating to doing business with the government of Cuba or with any person or affiliate located in Cuba.]

2. PURCHASE, DELIVERY AND SALE OF THE UNITS.

(a) Subject to the terms and conditions of this Agreement, and upon the basis of the representations, warranties, and agreements herein contained, the Company agrees to issue and sell to the Underwriter, and the Underwriter agrees to buy from the Company at $_____ per Unit, at the place and time hereinafter specified, 15,000 Units (the "First Units").

Delivery of the First Units against payment therefor shall take place at the offices of D.H. Blair Investment Banking Corp., 44 Wall Street, New York, N.Y. (or at such other place as may be designated by agreement between you and the Company) at 10:00 a.m., New York time, on _____, 1996 or at such later time and date as you and the Company may agree, such time and date of payment and delivery for the First Units being herein called the "First Closing Date."

(b) In addition, subject to the terms and conditions of this Agreement, and upon the basis of the representations, warranties and agreements herein contained, the Company hereby grants an option to the Underwriter to purchase all or any part of an aggregate

of an additional 2,250 Units at the same price per Unit as the Underwriter shall pay for the First Units being sold pursuant to the provisions of subsection (a) of this Section 2 (such additional Units being referred to herein as the "Option Units"). This option may be exercised within 45 days after the effective date of the Registration Statement upon notice by the Underwriter to the Company advising as to the amount of Option Units as to which the option is being exercised, the names and denominations in which the certificates for such Option Units are to be registered and the time and date when such certificates are to be delivered. Such time and date shall be designated by the Underwriter but shall not be earlier than four nor later than ten full business days after the exercise of said option, nor in any event prior to the First Closing Date, and such time and date is referred to herein as the "Option Closing Date." Delivery of the Option Units against payment therefor shall take place at the offices of D.H. Blair Investment Banking Corp., 44 Wall Street, New York, N.Y. The Option granted hereunder may be exercised only to cover overallotments in the sale by the Underwriter of First Units referred to in subsection (a) above. In the event the Company declares or pays a dividend or distribution on its Class A Common Stock, whether in the form of cash, shares of Class A Common Stock or any other consideration, prior to the Option Closing Date, such dividend or distribution shall also be paid on the Option Units on the Option Closing Date.

(c) The Company will make the certificates for the securities comprising the Units to be purchased by the Underwriter hereunder available to you for checking one full business day prior to the First Closing Date or the Option Closing Date (which are collectively referred to herein as the "Closing Dates"). The certificates shall be in such names and denominations as you may request, at least two full business days prior to the Closing Dates. Time shall be of the essence and delivery at the time and place specified in this Agreement is a further condition to the obligations of the Underwriter.

Definitive certificates in negotiable form for the Securities comprising the Units to be purchased by the Underwriter hereunder will be delivered by the Company to you against payment of the purchase price, by certified or bank cashier's checks in New York Clearing House funds, payable to the order of the Company.

In addition, in the event the Underwriter exercises the option to purchase from the Company all or any portion of the Option Units pursuant to the provisions of subsection (b) above, payment for such Units shall be made to or upon the order of the Company by certified or bank cashier's checks payable in New York Clearing House funds at the offices of D.H. Blair Investment Banking Corp., at the time and date of delivery of such Units as required by the provisions of subsection (b) above, against receipt of the certificates for the Securities comprising the Option Units by the Underwriter registered in such names and in such denominations as the Underwriter may request.

It is understood that you propose to offer the Units to be purchased hereunder to the public upon the terms and conditions set forth in the Registration Statement, after the Registration Statement becomes effective.

3. COVENANTS OF THE COMPANY. The Company covenants and agrees with the Underwriter that:

(a) The Company will use its best efforts to cause the Registration Statement to become effective as promptly as possible. If required, the Company will file the Prospectus or any Term Sheet that constitutes a part thereof and any amendment or supplement thereto with the Commission in the manner and within the time period required by Rules 434 and 424(b) under the Act. Upon notification from the Commission that the Registration Statement has become effective, the Company will so advise you and will not at any time, whether before or after the effective date, file the Prospectus, Term Sheet or any amendment to the Registration Statement or supplement to the Prospectus of which you shall not previously have been advised and furnished with a copy or to which you or your counsel shall have objected in writing or which is not in compliance with the Act and the Rules and Regulations. At any time prior to the later of (A) the completion by the Underwriter of the distribution of the Units contemplated hereby (but in no event more than nine months after the date on which the Registration Statement shall have become or been declared effective) and (B) 25 days after the date on which the Registration Statement shall have become or been declared effective, the Company will prepare and file with the Commission, promptly upon your request, any amendments or supplements to the Registration Statement or Prospectus which, in your reasonable opinion, may be necessary or advisable in connection with the distribution of the Units.

As soon as the Company is advised thereof, the Company will advise you, and confirm the advice in writing, of the receipt of any comments of the Commission, of the effectiveness of any post-effective amendment to the Registration Statement, of the filing of any supplement to the Prospectus or any amended Prospectus, of any request made by the Commission for amendment of the Registration Statement or for supplementing of the Prospectus or for additional information with respect thereto, of the issuance by the Commission or any state or regulatory body of any stop order or other order or threat thereof suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Units for offering in any jurisdiction, or of the institution of any proceedings for any of such purposes, and will use its best efforts to prevent the issuance of any such order, and, if issued, to obtain as soon as possible the lifting thereof.

The Company has caused to be delivered to you copies of each Preliminary Prospectus, and the Company has consented and hereby consents to the use of such copies for the purposes permitted by the Act. The Company authorizes the Underwriter and dealers to use the Prospectus in connection with the sale of the Units for such period as in the opinion of counsel to the Underwriter the use thereof is required to comply with the applicable provisions of the Act and the Rules and Regulations. In case of the happening at any time within such period as a Prospectus is required under the Act to be delivered in connection with sales by an underwriter or dealer of any event of which the Company has knowledge and which materially affects the Company or the securities of the Company, or which in the opinion of counsel for the Company or counsel for the Underwriter should be set forth in an amendment to

the Registration Statement or a supplement to the Prospectus in order to make the statements therein not then misleading in light of the circumstances existing at the time the Prospectus is required to be delivered to a purchaser of the Units, or in case it shall be necessary to amend or supplement the Prospectus to comply with law or with the Rules and Regulations, the Company will notify you promptly and forthwith prepare and furnish to you copies of such amended Prospectus or of such supplement to be attached to the Prospectus, in such quantities as you may reasonably request, in order that the Prospectus, as so amended or supplemented, will not contain any untrue statement of a material fact or omit to state any material facts necessary in order to make the statements in the Prospectus, in the light of the circumstances under which they are made, not misleading. The preparation and furnishing of any such amendment or supplement to the Registration Statement or amended Prospectus or supplement to be attached to the Prospectus shall be without expense to the Underwriter, except that in case the Underwriter is required, in connection with the sale of the Units to deliver a Prospectus nine months or more after the effective date of the Registration Statement, the Company will upon request of and at the expense of the Underwriter, amend or supplement the Registration Statement and Prospectus and furnish the Underwriter with reasonable quantities of prospectuses complying with Section 10(a)(3) of the Act.

The Company will comply with the Act, the Rules and Regulations and the Securities Exchange Act of 1934 and the rules and regulations thereunder in connection with the offering and issuance of the Units.

(b) The Company will use its best efforts to qualify to register the Units for sale under the securities or "blue sky" laws of such jurisdictions as the Underwriter may designate and will make such applications and furnish such information as may be required for that purpose and to comply with such laws, provided the Company shall not be required to qualify as a foreign corporation or a dealer in securities or to execute a general consent of service of process in any jurisdiction in any action other than one arising out of the offering or sale of the Units. The Company will, from time to time, prepare and file such statements and reports as are or may be required to continue such qualification in effect for so long a period as the Underwriter may reasonably request.

(c) If the sale of the Units provided for herein is not consummated for any reason caused by the Company, the Company shall pay all costs and expenses incident to the performance of the Company's obligations hereunder, as set forth in Section 8.

(d) The Company will use its best efforts, if requested by the Underwriter, to obtain and keep current a listing in the Standard & Poors or Moody's Industrial OTC Manual.

(e) For so long as the Company is a reporting company under either Section 12(g) or 15(d) of the Securities Exchange Act of 1934, the Company, at its expense, will furnish to its shareholders an annual report (including financial statements audited by independent public accountants), in reasonable detail and at its expense, will furnish to you

during the period ending five (5) years from the date hereof, (i) as soon as practicable after the end of each fiscal year, a balance sheet of the Company and any of its subsidiaries as at the end of such fiscal year, together with statements of income, surplus and cash flow of the Company and any subsidiaries for such fiscal year, all in reasonable detail and accompanied by a copy of the certificate or report thereon of independent accountants; (ii) as soon as practicable after the end of each of the first three fiscal quarters of each fiscal year, consolidated summary financial information of the Company for such quarter in reasonable detail; (iii) as soon as they are available, a copy of all reports (financial or other) mailed to security holders; (iv) as soon as they are available, a copy of all non-confidential reports and financial statements furnished to or filed with the Commission or any securities exchange or automated quotation system on which any class of securities of the Company is listed; and (v) such other information as you may from time to time reasonably request.

(f) In the event the Company has an active subsidiary or subsidiaries, such financial statements referred to in subsection (e) above will be on a consolidated basis to the extent the accounts of the Company and its subsidiary or subsidiaries are consolidated in reports furnished to its shareholders generally.

(g) The Company will deliver to you at or before the First Closing Date at least one signed copy of the Registration Statement including all financial statements and exhibits filed therewith, and of all amendments thereto, and will deliver to you such number of conformed copies of the Registration Statement, including such financial statements but without exhibits, and of all amendments thereto, as the Underwriter may reasonably request. The Company will deliver to or upon the order of the Underwriter, from time to time until the effective date of the Registration Statement, as many copies of any Preliminary Prospectus filed with the Commission prior to the effective date of the Registration Statement as the Underwriter may reasonably request. The Company will deliver to the Underwriter on the effective date of the Registration Statement and thereafter for so long as a Prospectus is required to be delivered under the Act, from time to time, as many copies of the Prospectus, in final form, or as thereafter amended or supplemented, as the Underwriter may from time to time reasonably request. The Company, not later than (i) 5:00 p.m., New York City time, on the date of determination of the public offering price, if such determination occurred at or prior to 12:00 noon, New York City time, on such date or (ii) 6:00 p.m., New York City time, on the business day following the date of determination of the public offering price, if such determination occurred after 12:00 noon, New York City time, on such date, will deliver to the Underwriter, without charge, as many copies of the Prospectus and any amendment or supplement thereto as the Underwriter may reasonably request for purposes of confirming orders that are expected to settle on the First Closing Date.

(h) The Company will make generally available to its security holders and to the registered holders of its Warrants and deliver to you as soon as it is practicable to do so but in no event later than 90 days after the end of twelve months after its current fiscal quarter, an earnings statement (which need not be audited) covering a period of at least 12

consecutive months beginning after the effective date of the Registration Statement, which shall satisfy the requirements of Section 11(a) of the Act.

(i) The Company will apply the net proceeds from the sale of the Units for the purposes set forth under "Use of Proceeds" in the Prospectus. The Company shall not use any of the proceeds from the Offering to repay any indebtedness of the Company, including but not limited to indebtedness to any current executive officers, directors or principal shareholders of the Company; provided, that a portion of the proceeds will be used to repay the Bridge Notes, a portion of the proceeds may be used to repay bank debt and trade payables and, upon the repayment in full and termination of the Company's Imperial Bank loan, a portion of the proceeds may be used to repay loans from Lon E. Bell Ph.D. (not to exceed $500,000) and to pay deferred wages to executive officers and founders of the Company (up to a maximum of $75,000).

(j) The Company will, promptly upon your request, prepare and file with the Commission any amendments or supplements to the Registration Statement, Preliminary Prospectus or Prospectus and take any other action, which in the reasonable opinion of Bachner, Tally, Polevoy & Misher LLP, counsel to the Underwriter, may be reasonably necessary or advisable in connection with the distribution of the Units, and will use its best efforts to cause the same to become effective as promptly as possible.

(k) The Company will, prior to the Effective Date of the Registration Statement, and at all times thereafter, have authorized and reserved sufficient shares of Class A Common Stock issuable upon exercise of the Warrants included in the Units, upon exercise of the Unit Purchase Option to be issued to the Underwriter (including the Warrants included therein) and upon exercise of the Warrants included in the Underwriter's Option Units.

(l) The Underwriter shall receive agreements from each officer and director of the Company, each stockholder holding in excess of 5% of the outstanding Common Stock (except for HBI Financial, The Copernicus Fund, L.P. and The Galileo Fund, L.P.) and each other stockholder known by the Company to hold in excess of 1% of the outstanding Common Stock to the effect that (i) such stockholder shall not publicly sell, assign or transfer any of their securities of the Company for a period of 13 months from the First Closing Date (other than (A) bona fide gifts and transfers to trusts for estate planning purposes where the transferee agrees to be bound by this provision and (B) the sale of shares owned by Lon E. Bell, Ph.D. pursuant to the exercise, by the holders thereof, of options on such shares previously granted by Dr. Bell); (ii) such stockholder shall not exercise any preemptive rights which it might hold with respect to the Offering; and (iii) such stockholder waives any registration rights it may have with respect to the Offering and for a period of 13 months thereafter. In order to enforce this covenant, the Company shall impose stop-transfer instructions with respect to the shares owned by such shareholders until the end of such period.

(m) Prior to completion of this offering, the Company will make all filings required to obtain the listing of the Warrants on the Nasdaq SmallCap Market or a listing

on such other market or exchange as the Underwriter consents to, and will effect and use its best efforts to maintain such listing for at least five years from the date of this Agreement.

(n) The Company and Lon E. Bell, Ph.D. represent that it or he has not taken and agree that it or he will not take, directly or indirectly, any action designed to or which has constituted or which might reasonably be expected to cause or result in the stabilization or manipulation of the price of the Units, Shares or the Warrants or to facilitate the sale or resale of the Securities.

(o) On the Closing Date and simultaneously with the delivery of the Units, the Company shall execute and deliver to you the Unit Purchase Option. The Unit Purchase Option will be substantially in the form of the Underwriter's Unit Purchase Option filed as an Exhibit to the Registration Statement.

(p) During the 18 month period commencing on the date of this Agreement, the Company will not, without the prior written consent of the Underwriter, grant any options to employees to purchase shares of Class A Common Stock at an exercise price less than the fair market value of the Class A Common Stock on the date of grant. During the three year period from the First Closing Date, the Company will not, without the prior written consent of the Underwriter, offer or sell any of its securities pursuant to Regulation S under the Act.

(q) Lon E. Bell, Ph.D. shall be the Chief Executive Officer, President and Chairman of the Board and Joshua M. Newman shall be the Vice President - Corporate Development and Planning of the Company on the Closing Dates. Prior to completion of this offering, the Company will have obtained key person life insurance on the lives of each of Dr. Bell and Mr. Newman in an amount of not less than $2 million and will use its best efforts to maintain such insurance for a minimum period of either three years from the Effective Date of the Registration Statement or the respective terms of the employment agreements between the Company and such officers, whichever period is longer. For a period of thirteen months from the First Closing Date, the cash compensation of the executive officers of the Company shall not be increased from the cash compensation levels disclosed in the Prospectus.

(r) On the Closing Date, and simultaneously with the delivery of the Units, the Company shall execute and deliver to you the M/A Agreement.

(s) So long as any Warrants are outstanding, the Company shall use its best efforts to cause post-effective amendments to the Registration Statement to become effective in compliance with the Act and without any lapse of time between the effectiveness of any such post-effective amendments and cause a copy of each Prospectus, as then amended, to be delivered to each holder of record of a Warrant and to furnish to you and each dealer as many copies of each such Prospectus as you or such dealer may reasonably request. The Company shall not call for redemption any of the Warrants unless a registration statement covering the

securities underlying the Warrants has been declared effective by the Commission and remains current at least until the date fixed for redemption. In addition, for so long as any Warrant is outstanding, the Company will promptly notify the Underwriter of any material change in the business, financial condition or prospects of the Company; provided, that the Company shall not be required to disclose confidential information regarding any contemplated transactions.

(t) Upon the exercise of any Warrant or Warrants (except for Warrants included in the Unit Purchase Option) after _____, 199_, the Company will pay D.H. Blair Investment Banking Corp. a fee of 5% of the aggregate exercise price of the Warrants, of which a portion may be reallowed to the dealer who solicited the exercise (which may also be D.H. Blair Investment Banking Corp.) if (i) the market price of the Company's Common Stock is greater than the exercise price of the Warrants on the date of exercise; (ii) the exercise of the Warrant was solicited by a member of the National Association of Securities Dealers, Inc., (iii) the Warrant is not held in a discretionary account; (iv) the disclosure of compensation arrangements has been made in documents provided to customers, both as part of the original offering and at the time of exercise, and (v) the solicitation of the Warrant was not in violation of Rule 10b-6 promulgated under the Securities Exchange Act of 1934, as amended. The Company agrees not to solicit the exercise of any Warrants other than through D.H. Blair Investment Banking Corp. and will not authorize any other dealer to engage in such solicitation without the prior written consent of D.H. Blair Investment Banking Corp.

(u) For a period of five (5) years from the Effective Date of the Registration Statement, the Company (i) at its expense, shall cause its regularly engaged independent certified public accountants to review (but not audit) the Company's financial statements for each of the first three (3) fiscal quarters prior to the announcement of quarterly financial information, the filing of the Company's 10-Q quarterly report and the mailing of quarterly financial information to shareholders and (ii) shall not change its accounting firm to other than a "Big Six" firm without the prior written consent of the Chairman or the President of the Underwriter, which consent shall not be unreasonably withheld or delayed.

(v) As promptly as practicable after the Closing Date, the Company will prepare, at its own expense, hard cover "bound volumes" relating to the offering, and will distribute at least four of such volumes to the individuals designated by the Underwriter or counsel to the Underwriter.

(w) Prior to the First Closing Date, (i) the Company will have at least two (2) non-affiliated members on its Board of Directors; and (ii) the Company shall engage a public relations firm reasonably acceptable to the Underwriter.

(x) For a period of five years from the First Closing Date, D.H. Blair Investment Banking Corp. shall have the right, but not the obligation, to designate one director of the Board of Directors of the Company.

(y) The Company shall, for a period of six years after date of this Agreement, submit such reports to the Secretary of the Treasury and to shareholders as such Secretary may require pursuant to Section 1202 of the Internal Revenue Code, as amended, or

regulations promulgated thereunder, in order for the Company to qualify as a "small business" so that shareholders may realize special tax treatment with respect to their investment in the Company.

(z) Within five (5) business days after the Effective Date, the Company will file with the Commission, and use its best efforts to cause to become effective, a registration statement on Form S-3 relating to the Selling Securityholder Securities (as defined in the Prospectus).

4. CONDITIONS TO UNDERWRITER'S OBLIGATIONS. The obligations of the Underwriter to purchase and pay for the Units which it has agreed to purchase hereunder, are subject to the accuracy (as of the date hereof, and as of the Closing Dates) of and compliance with the representations and warranties of the Company herein and to the performance by the Company of its obligations hereunder, and to the following conditions:

(a) The Registration Statement shall have become effective and you shall have received notice thereof not later than 10:00 A.M., New York time, on the date on which the amendment to the registration statement originally filed with respect to the Units or to the Registration Statement, as the case may be, containing information regarding the public offering price of the Units has been filed with the Commission, or such later time and date as shall have been agreed to by you; if required, the Prospectus or any Term Sheet that constitutes a part thereof and any amendment or supplement thereto shall have been filed with the Commission in the manner and within the time period required by Rule 434 and 424(b) under the Act; on or prior to the Closing Dates no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that or a similar purpose shall have been instituted or shall be pending or, to your knowledge or to the knowledge of the Company, shall be contemplated by the Commission; any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of Bachner, Tally, Polevoy & Misher LLP, counsel to the Underwriter;

(b) At the First Closing Date, you shall have received the opinion, dated as of the First Closing Date, of O'Melveny & Myers LLP, counsel for the Company, in form and substance satisfactory to counsel for the Underwriter.

In rendering such opinion, such counsel may rely upon the Company's representations and warranties in this Agreement and upon certificates of any officer of the Company or public officials as to matters of fact; and may rely as to all matters of law other than the law of the United States or of the State of California upon opinions of counsel satisfactory to you, in which case the opinion shall state that they have no reason to believe that you and they are not entitled to so rely.

(c) At the First Closing Date, you shall have received the opinion, dated as of the First Closing Date, of Parker, Christie & Hale LLP, patent counsel for the Company, in form and substance satisfactory to counsel for the Underwriter.

(d) All corporate proceedings and other legal matters relating to this Agreement, the Registration Statement, the Prospectus and other related matters shall be reasonably satisfactory to or reasonably approved by Bachner, Tally, Polevoy & Misher LLP, counsel to the Underwriter, and you shall have received from such counsel a signed opinion, dated as of the First Closing Date, with respect to the validity of the issuance of the Units, the form of the Registration Statement and Prospectus (other than the financial statements and other financial data contained therein), the execution of this Agreement and other related matters as you may reasonably require. The Company shall have furnished to counsel for the Underwriter

such documents as they may reasonably request for the purpose of enabling them to render such opinion.

(e) You shall have received a letter prior to the effective date of the Registration Statement and again on and as of the First Closing Date from Price Waterhouse LLP, independent public accountants for the Company, substantially in the form approved by you, and including estimates of the Company's revenues and results of operations for the period ending at the end of the month immediately preceding the effective date and results of the comparable period during the prior fiscal year.

(f) At the Closing Dates, (i) the representations and warranties of the Company contained in this Agreement shall be true and correct with the same effect as if made on and as of the Closing Dates and the Company shall have performed all of its obligations hereunder and satisfied all the conditions on its part to be satisfied at or prior to such Closing Date; (ii) the Registration Statement and the Prospectus and any amendments or supplements thereto shall contain all statements which are required to be stated therein in accordance with the Act and the Rules and Regulations, and shall in all material respects conform to the requirements thereof, and neither the Registration Statement nor the Prospectus nor any amendment or supplement thereto shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; (iii) there shall have been, since the respective dates as of which information is given, no material adverse change, or any development involving a prospective material adverse change, in the business, properties, condition (financial or otherwise), results of operations, capital stock, long-term or short-term debt or general affairs of the Company from that set forth in the Registration Statement and the Prospectus, except changes which the Registration Statement and Prospectus indicate might occur after the effective date of the Registration Statement, and the Company shall not have incurred any material liabilities or entered into any material agreement not in the ordinary course of business other than as referred to in the Registration Statement and Prospectus; and (iv) except as set forth in the Prospectus, no action, suit or proceeding at law or in equity shall be pending or, to the knowledge of the Company, threatened against the Company which would be required to be set forth in the Registration Statement, and no proceedings shall be pending or threatened against the Company before or by any commission, board or administrative agency in the United States or elsewhere, wherein an unfavorable decision, ruling or finding would materially and adversely affect the business, property, condition (financial or otherwise), results of operations or general affairs of the Company, and (v) you shall have received, at the First Closing Date, a certificate signed by each of the Chairman of the Board or the President and the principal financial or accounting officer of the Company, dated as of the First Closing Date, evidencing compliance with the provisions of this subsection (f).

(g) Upon exercise of the option provided for in Section 2(b) hereof, the obligations of the Underwriter to purchase and pay for the Option Units referred to therein will be subject (as of the date hereof and as of the Option Closing Date) to the following additional conditions:

(i) The Registration Statement shall remain effective at the Option Closing Date, and no stop order suspending the effectiveness thereof shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending, or, to your knowledge or the knowledge of the Company, shall be contemplated by the Commission, and any reasonable request on the part of the Commission for additional information shall have been complied with to the satisfaction of Bachner, Tally, Polevoy & Misher LLP, counsel to the Underwriter.

(ii) At the Option Closing Date there shall have been delivered to you the signed opinions of O'Melveny & Myers LLP, counsel for the Company, and Christie, Parker & Hale, patent counsel for the Company, each dated as of the Option Closing Date, in form and substance satisfactory to Bachner, Tally, Polevoy & Misher LLP, counsel to the Underwriter, which opinions shall be substantially the same in scope and substance as the opinion furnished to you at the First Closing Date pursuant to Sections 4(b) and 4(c) hereof, except that such opinions, where appropriate, shall cover the Option Units.

(iii) At the Option Closing Date there shall have been delivered to you a certificate of the Chairman of the Board or the President and the principal financial or accounting officer of the Company, dated the Option Closing Date, substantially the same in scope and substance as the certificate furnished to you at the First Closing Date pursuant to Section 4(f) hereof.

(iv) At the Option Closing Date there shall have been delivered to you a letter in form and substance satisfactory to you from Price Waterhouse LLP, dated the Option Closing Date and addressed to the Underwriter confirming the information in their letter referred to in Section 4(e) hereof and stating that nothing has come to their attention during the period from the ending date of their review referred to in said letter to a date not more than five business days prior to the Option Closing Date which would require any change in said letter if it were required to be dated the Option Closing Date.

(v) All proceedings taken at or prior to the Option Closing Date in connection with the sale and issuance of the Option Units shall be reasonably satisfactory in form and substance to you, and you and Bachner, Tally, Polevoy & Misher LLP, counsel to the Underwriter, shall have been furnished with all such documents, certificates, and opinions as you may reasonably request in connection with this transaction in order to evidence the accuracy and completeness of any of the representations, warranties or statements of the Company or its compliance with any of the covenants or conditions contained herein.

(h) No action shall have been taken by the Commission or the NASD the effect of which would make it improper, at any time prior to the Closing Date, for members of the NASD to execute transactions (as principal or agent) in the Units, Class A Common Stock or the Warrants and no proceedings for the taking of such action shall have been instituted or shall be pending, or, to the knowledge of the Underwriter or the Company, shall be contemplated by the Commission or the NASD. The Company represents that at the date hereof it has no knowledge that any such action is in fact contemplated by the Commission or the NASD. The Company shall have advised the Underwriter of any NASD affiliation of any of its officers, directors, shareholders or their affiliates.

(i) If any of the conditions herein provided for in this Section shall not have been fulfilled as of the date indicated, this Agreement and all obligations of the Underwriter under this Agreement may be cancelled at, or at any time prior to, each Closing Date by you. Any such cancellation shall be without liability of the Underwriter to the Company.

5. CONDITION TO THE OBLIGATIONS OF THE COMPANY. The obligations of the Company to sell and deliver the Units is subject to the condition that at the Closing Dates, no stop orders suspending the effectiveness of the Registration Statement shall have been issued under the Act or any proceedings therefor initiated or threatened by the Commission.

If the condition to the obligations of the Company provided for in this Section has been fulfilled on the First Closing Date but is not fulfilled after the First Closing Date and prior to the Option Closing Date, then only the obligation of the Company to sell and deliver the Units on exercise of the option provided for in Section 2(b) hereof shall be affected.

6. INDEMNIFICATION.

(a) The Company agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter within the meaning of the Act against any losses, claims, damages or liabilities, joint or several (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees), to which the Underwriter or such controlling person may become subject, under the Act or otherwise, and will reimburse, as incurred, the Underwriter and such controlling persons for any reasonable legal or other expenses reasonably incurred in connection with investigating, defending against or appearing as a third party witness in connection with any losses, claims, damages or liabilities, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in (A) the Registration Statement, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto, (B) any blue sky application or other document executed by the Company specifically for that purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Units under the securities laws thereof (any such application, document or information being hereinafter called a "Blue Sky Application"), or arise out of or are based upon the omission or alleged omission to state in the Registration Statement,

any Preliminary Prospectus, Prospectus, or any amendment or supplement thereto, or in any Blue Sky Application, a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the Company will not be liable in any such case to the extent, but only to the extent, that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Underwriter specifically for use in the preparation of the Registration Statement or any such amendment or supplement thereof or any such Blue Sky Application or any such Preliminary Prospectus or the Prospectus or any such amendment or supplement thereto; and provided, further, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability is asserted by any person if such person did not receive a copy of the Prospectus (or the Prospectus as amended or supplemented) at or prior to the confirmation of the sale of such shares to such person in any case where such delivery is required by the Act and the untrue statement or omission of a material fact contained in the Preliminary Prospectus (or the Prospectus) was corrected in the Prospectus (or the Prospectus as amended or supplemented). This indemnity will be in addition to any liability which the Company may otherwise have.

(b) The Underwriter will indemnify and hold harmless the Company, each of its directors, each nominee (if any) for director named in the Prospectus, each of its officers who have signed the Registration Statement, and each person, if any, who controls the Company within the meaning of the Act, against any losses, claims, damages or liabilities (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees) to which the Company or any such director, nominee, officer or controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by the Underwriter specifically for use therein or in the preparation thereof. This indemnity agreement will be in addition to any liability which the Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section, notify in writing the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, subject to the provisions herein stated, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the

indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. The indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party if the indemnifying party has assumed the defense of the action with counsel reasonably satisfactory to the indemnified party; provided that if the indemnified party is the Underwriter or a person who controls the Underwriter within the meaning of the Act, the fees and expenses of such counsel shall be at the expense of the indemnifying party if (i) the employment of such counsel has been specifically authorized in writing by the indemnifying party or (ii) the named parties to any such action (including any impleaded parties) include both the indemnified party and the indemnifying party and in the reasonable judgment of the indemnified party, it is advisable for the indemnified party to be represented by separate counsel (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of the indemnified party, it being understood, however, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the indemnified party). No settlement of any action against an indemnified party shall be made without the consent of the indemnifying party, which shall not be unreasonably withheld in light of all factors of importance to such indemnifying party.

7. CONTRIBUTION.

In order to provide for just and equitable contribution under the Act in any case in which (i) the Underwriter makes claim for indemnification pursuant to Section 6 hereof but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that the express provisions of Section 6 provide for indemnification in such case, or (ii) contribution under the Act may be required on the part of the Underwriter, then the Company and the Underwriter shall contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees) in either such case (after contribution from others) in such proportions that the Underwriter is responsible in the aggregate for that portion of such losses, claims, damages or liabilities represented by the percentage that the underwriting discount per Unit appearing on the cover page of the Prospectus bears to the public offering price appearing thereon, and the Company shall be responsible for the remaining portion, provided, however, that if such allocation is not permitted by applicable law then the relative fault of the Company and the Underwriter in connection with the statements or omissions which resulted in such damages and other relevant equitable considerations shall also be considered. The relative fault shall be determined by reference to, among other things, whether in the case of an untrue statement of a material fact or the omission

to state a material fact, such statement or omission relates to information supplied by the Company or the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriter agree that it would not be just and equitable if the respective obligations of the Company and the Underwriter to contribute pursuant to this Section 7 were to be determined by pro rata or per capita allocation of the aggregate damages or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this Section 7. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. If the full amount of the contribution specified in this paragraph is not permitted by law, then the Underwriter and each person who controls the Underwriter shall be entitled to contribution from the Company to the full extent permitted by law. The foregoing contribution agreement shall in no way affect the contribution liabilities of any persons having liability under Section 11 of the Act other than the Company and the Underwriter. No contribution shall be requested with regard to the settlement of any matter from any party who did not consent to the settlement; provided, however, that such consent shall not be unreasonably withheld in light of all factors of importance to such party.

8. COSTS AND EXPENSES.

(a) Whether or not this Agreement becomes effective or the sale of the Units to the Underwriter is consummated, the Company will pay all costs and expenses incident to the performance of this Agreement by the Company including, but not limited to, the fees and expenses of counsel to the Company and of the Company's accountants; the costs and expenses incident to the preparation, printing, filing and distribution under the Act of the Registration Statement (including the financial statements therein and all amendments and exhibits thereto), Preliminary Prospectus and the Prospectus, as amended or supplemented, or the Term Sheet, the fee of the NASD in connection with the filing required by the NASD relating to the offering of the Units contemplated hereby; all expenses, including reasonable fees and disbursements of counsel to the Underwriter, in connection with the qualification of the Units under the state securities or blue sky laws which the Underwriter shall designate; the cost of printing and furnishing to the Underwriter copies of the Registration Statement, each Preliminary Prospectus, the Prospectus, this Agreement, the Selling Agreement and the Blue Sky Memorandum, any fees relating to the listing of the Units, Class A Common Stock and Warrants on the Nasdaq SmallCap Market or any other securities exchange, the cost of printing the certificates representing the securities comprising the Units, the fees of the transfer agent and warrant agent and the cost of publication of at least two "tombstones" of the offering (at least one of which shall be in national business newspaper and one of which shall be in a major New York newspaper) and the cost of preparing at least four hard cover "bound volumes" relating to the offering, in accordance with the Underwriter's request. The Company shall pay any and all taxes (including any transfer, franchise, capital stock or other tax imposed by any jurisdiction) on sales to the Underwriter hereunder. The Company will also pay all costs and expenses incident to the

furnishing of any amended Prospectus or of any supplement to be attached to the Prospectus as called for in Section 3(a) of this Agreement except as otherwise set forth in said Section.

(b) In addition to the foregoing expenses the Company shall at the First Closing Date pay to D.H. Blair Investment Banking Corp. in its individual rather than representative capacity, a non-accountable expense allowance of $_____ of which $40,000 has been paid. In the event the overallotment option is exercised, the Company shall pay to D.H. Blair Investment Banking Corp. at the Option Closing Date an additional amount equal to 3% of the gross proceeds received upon exercise of the overallotment option. In the event the transactions contemplated hereby are not consummated by reason of any action by the Underwriter (except if such prevention is based upon a breach by the Company of any covenant, representation or warranty contained herein or because any other condition to the Underwriter's obligations hereunder required to be fulfilled by the Company is not fulfilled) the Company shall not be liable for such non-accountable expense, except that you may retain the $40,000 paid to you. In the event the transactions contemplated hereby are not consummated by reason of any action of the Company or because of a breach by the Company of any covenant, representation or warranty herein, the Company shall be liable for the accountable expenses of the Underwriter, including legal fees, up to a maximum of $450,000 (in addition to the Company Expenses for which the Company shall in all events remain liable), provided, however, that if the proposed financing is not completed because the Company prevents it based solely on reasons relating to pricing, the Company's liability for such expense allowance (excluding the Company's expenses) shall be limited to (i) $300,000 if the number of shares included in each Unit is more than 250, (ii) $225,000 if the number of shares included in each Unit is more than 275 and (iii) $150,000 if the number of shares included in each Unit is more than 310.

(c) No person is entitled either directly or indirectly to compensation from the Company, from the Underwriter or from any other person for services as a finder in connection with the proposed offering, and the Company agrees to indemnify and hold harmless the Underwriter against any losses, claims, damages or liabilities, joint or several (which shall include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees), to which the Underwriter may become subject insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon the claim of any person (other than an employee of the party claiming indemnity) or entity that he or it is entitled to a finder's fee in connection with the proposed offering by reason of such person's or entity's influence or prior contact with the indemnifying party.

9. EFFECTIVE DATE.

The Agreement shall become effective upon its execution except that you may, at your option, delay its effectiveness until 11:00 A.M., New York time on the first full business day following the effective date of the Registration Statement, or at such earlier time after the effective date of the Registration Statement as you in your discretion shall first commence the public offering by the Underwriter of any of the Units. The time of the public offering shall mean the time of release by you of the first newspaper advertisement with respect to the Units, or

the time when the Units are first generally offered by you to dealers by letter or telegram, whichever shall first occur. This Agreement may be terminated by you at any time before it becomes effective as provided above, except that Sections 3(c), 6, 7, 8, 13, 14 and 15 shall remain in effect notwithstanding such termination.

10. TERMINATION.

(a) This Agreement, except for Sections 3(c), 6, 7, 8, 13, 14 and 15 hereof, may be terminated at any time prior to the First Closing Date, and the option referred to in Section 2(b) hereof, if exercised, may be cancelled at any time prior to the Option Closing Date, by you if in your judgment it is impracticable to offer for sale or to enforce contracts made by the Underwriter for the resale of the Units agreed to be purchased hereunder by reason of (i) the Company having sustained a material loss, whether or not insured, by reason of fire, earthquake, flood, accident or other calamity, or from any labor dispute or court or government action, order or decree; (ii) trading in securities on the New York Stock Exchange, the American Stock Exchange, the Nasdaq SmallCap Market or the Nasdaq National Market having been suspended or limited; (iii) material governmental restrictions having been imposed on trading in securities generally (not in force and effect on the date hereof); (iv) a banking moratorium having been declared by federal or New York state authorities; (v) an outbreak of international hostilities or other national or international calamity or crisis or change in economic or political conditions having occurred; (vi) a pending or threatened legal or governmental proceeding or action relating generally to the Company's business, or a notification having been received by the Company of the threat of any such proceeding or action, which could materially adversely affect the Company; (vii) except as contemplated by the Prospectus, the Company is merged or consolidated into or acquired by another company or group or there exists a binding legal commitment for the foregoing or any other material change of ownership or control occurs; (viii) the passage by the Congress of the United States or by any state legislative body or federal or state agency or other authority of any act, rule or regulation, measure, or the adoption of any orders, rules or regulations by any governmental body or any authoritative accounting institute or board, or any governmental executive, which is reasonably believed likely by the Underwriter to have a material impact on the business, financial condition or financial statements of the Company or the market for the securities offered pursuant to the Prospectus; (ix) any adverse change in the financial or securities markets beyond normal market fluctuations having occurred since the date of this Agreement, or (x) any material adverse change having occurred, since the respective dates of which information is given in the Registration Statement and Prospectus, in the earnings, business prospects or general condition of the Company, financial or otherwise, taken as a whole whether or not arising in the ordinary course of business.

(b) If you elect to prevent this Agreement from becoming effective or to terminate this Agreement as provided in this Section 10 or in Section 9, the Company shall be promptly notified by you, by telephone or telegram, confirmed by letter.

11. UNIT PURCHASE OPTION.

At or before the First Closing Date, the Company will sell to D.H. Blair Investment Banking Corp. or its designees for a consideration of $____, and upon the terms and conditions set forth in the form of Unit Purchase Option annexed as an exhibit to the Registration Statement, a Unit Purchase Option to purchase an aggregate of 1,500 Units. In the event of conflict in the terms of this Agreement and the Unit Purchase Option, the language of the Unit Purchase Option shall control.

12. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY.

The respective indemnities, agreements, representations, warranties and other statements of the Company or Dr. Bell, where appropriate, and the undertakings set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, the Company or any of its officers or directors or any controlling person and will survive delivery of and payment of the Units and the termination of this Agreement.

13. NOTICE.

Any communications specifically required hereunder to be in writing, if sent to the Underwriter, will be mailed, delivered and confirmed to them at D.H. Blair Investment Banking Corp., 44 Wall Street, New York, New York 10005, with a copy sent to Bachner, Tally, Polevoy & Misher LLP, Attention: Sheldon E. Misher, Esq., 380 Madison Avenue, New York, New York 10017, or if sent to the Company, will be mailed, delivered and confirmed to it at Amerigon Incorporated, 404 East Huntington Drive, Monrovia, CA 91016, Attention: Lon E. Bell, Ph.D., with a copy sent to O'Melveny & Myers LLP, 400 South Hope Street, Los Angeles, CA 90071, Attention: D. Stephen Antion, Esq.

14. PARTIES IN INTEREST.

The Agreement herein set forth is made solely for the benefit of the Underwriter, the Company and, to the extent expressed, any person controlling the Company or the Underwriter, and directors of the Company, nominees for directors (if any) named in the Prospectus, its officers who have signed the Registration Statement, and their respective executors, administrators, successors, assigns and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include any purchaser, as such purchaser, from any Underwriter of the Units.

15. APPLICABLE LAW.

This Agreement will be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be entirely performed within New York.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return this agreement, whereupon it will become a binding agreement between the Company and the Underwriter in accordance with its terms.

Very truly yours,

AMERIGON INCORPORATED

By:

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

D.H. BLAIR INVESTMENT BANKING CORP.

By:

Authorized Officer

I hereby agree to be bound by the provisions of Sections 3(n) and 12 hereof.

- ---
Lon E. Bell, Ph.D.

EXHIBIT 3-1.2

CERTIFICATE OF AMENDMENT

OF

AMENDED AND RESTATED
ARTICLES OF INCORPORATION

OF

AMERIGON INCORPORATED

Lon E. Bell and Joshua M. Newman certify that:

1. They are the duly elected and acting Chairman of the Board and Secretary, respectively, of Amerigon Incorporated, a California corporation (the "Corporation").

2. Article III, paragraph (1) of the Corporation's Amended and Restated Articles of Incorporation are amended to read as follows:

"(1) The total number of shares which the corporation is authorized to issue is 48,000,000, of which 40,000,000 shall be Class A Common Stock, without par value, 3,000,000 shall be Class B Common Stock, without par value, and 5,000,000 shall be Preferred Stock, without par value."

3. The foregoing amendment of the Amended and Restated Articles of Incorporation has been duly approved by the Board of Directors of the Corporation.

4. The foregoing amendment has been duly approved by the required vote of shareholders in accordance with Section 902 of the California General Corporation Law; the total number of outstanding shares of the Corporation is 7,068,500; the number of shares voting in favor of the amendment equaled or exceeded the vote required; and the percentage vote required was more than 50% of the outstanding shares.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Executed at Monrovia, California, on November 27, 1996.

/s/ Lon E. Bell

Lon E. Bell

/s/ Joshua Newman

Joshua M. Newman

WARRANT AGREEMENT

AGREEMENT, dated as of this ____th day of _____, 199_, by and among AMERIGON INCORPORATED, a California corporation ("Company"), U.S. STOCK TRANSFER CORPORATION, as Warrant Agent (the "Warrant Agent"), and D.H. BLAIR INVESTMENT BANKING CORP., a New York corporation (the "Underwriter").

W I T N E S S E T H

WHEREAS, in connection with (i) a public offering of up to 17,250 units ("Units"), each unit consisting of _____ shares of Class A Common Stock, no par value per share, of the Company ("Shares" or "Class A Common Stock") and _____ redeemable Class A Warrants pursuant to an underwriting agreement (the "Underwriting Agreement") dated _____, 199_ between the Company and Blair, (ii) the issuance to the Underwriter or its designees of Unit Purchase Options to purchase an aggregate of 1,500 additional Units, to be dated as of _____, 199_ (the "Unit Purchase Options"), and (iii) the conversion of certain convertible subordinated debentures issued in a private placement by the Company in October 1996 into 1,620,000 Class A Warrants, the Company may issue up to _____ Class A Warrants (the Class A Warrants may be referred to as "Warrants"); and

WHEREAS, each Class A Warrant initially entitles the Registered Holder thereof to purchase one (1) share of Class A Common Stock; and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in connection with the issuance, registration, transfer exchange and redemption of the Warrants, the issuance of certificates representing the Warrants, the exercise of the Warrants, and the rights of the Registered Holders thereof;

NOW THEREFORE, in consideration of the premises and the mutual agreements hereinafter set forth and for the purpose of defining the terms and provisions of the Warrants and the certificates representing the Warrants and the respective rights and obligations thereunder of the Company, the holders of certificates representing the Warrants and the Warrant Agent, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used herein, the following terms shall have the following meanings, unless the context shall otherwise require:

(a) "Aggregate Per Share Price" shall mean the Purchase Price per share multiplied by the number of shares of Class A Common Stock purchasable upon the exercise of a Warrant.

(b) "Calculation Date" shall have the meaning set forth in Section 8 hereof.

(c) "Class A Aggregate Per Share Price" shall mean $_____ [Class A Warrant Exercise Price].

(d) "Class A Warrants" shall mean the warrants to purchase shares of Class A Common Stock of the Company issued pursuant to this Agreement.

(e) "Common Stock" shall mean stock of the Company of any class, whether now or hereafter authorized, which has the right to participate in the distribution of earnings and assets of the Company without limit as to amount or percentage, which at the date hereof consists of 40,000,000 shares of Class A Common Stock, no par value, and 3,000,000 shares of Class B Common Stock, no par value.

(f) "Corporate Office" shall mean the office of the Warrant Agent (or its successor) at which at any particular time its principal business shall be administered, which office is located at the date hereof at 1745 Gardena Avenue, Glendale, California 91204.

(g) "Exercise Date" shall mean, as to any Warrant, the date on which the Warrant Agent shall have received both (a) the Warrant Certificate representing such Warrant, with the exercise form thereon duly executed by the Registered Holder thereof or his attorney duly authorized in writing, and (b) payment in cash, or by official bank or certified check made payable to the Company, or otherwise as provided in Section 4(b), of an amount in lawful money of the United States of America equal to the applicable Purchase Price.

(h) "Market Price" shall mean shall mean (i) the average closing bid price of the Class A Common Stock, for thirty (30) consecutive business days ending on the Calculation Date, as reported by Nasdaq, if the Class A Common Stock is traded on the Nasdaq SmallCap Market, or (ii) the average last reported sale price of the Class A Common Stock, for thirty (30) consecutive business days ending on the Calculation Date, as reported by the primary exchange on which the Class A Common Stock is traded, if the Class A Common Stock is traded on a national securities exchange, or by Nasdaq, if the Class A Common Stock is traded on the Nasdaq National Market.

(i) "Purchase Price" shall mean the purchase price to be paid upon exercise of each Class A Warrant in accordance with the terms hereof, which price shall be $_____, subject to adjustment from time to time pursuant to the provisions of Section 9 hereof, and subject to the Company's right to reduce the Purchase Price upon notice to all Registered Holders of Warrants.

(j) "Redemption Date" shall have the meaning set forth in Section 8 hereof.

(k) "Redemption Price" shall mean the price at which the Company may, at its option in accordance with the terms hereof, redeem the Class A Warrants, which price shall be $0.05 per Warrant.

(l) "Registered Holder" shall mean as to any Warrant and as of any particular date, the person in whose name the certificate representing the Warrant shall be registered on that date on the books maintained by the Warrant Agent pursuant to Section 6.

(m) "Transfer Agent" shall mean U.S. Stock Transfer Corporation, as the Company's transfer agent, or its authorized successor, as such.

(n) "Warrant Expiration Date" shall mean 5:00 P.M. (New York time) on _____, 200_ or, with respect to Warrants which are outstanding as of the applicable Redemption Date (as defined in Section 8) and specifically excluding Warrants issuable upon exercise of Unit Purchase Options if the Unit Purchase Options have not been exercised, the Redemption Date, whichever is earlier; provided that if such date shall in the State of New York be a holiday or a day on which banks are authorized or required to close, then 5:00 P.M. (New York time) on the next following day which in the State of New York is not a holiday or a day on which banks are authorized or required to close. Upon notice to all Registered Holders, the Company shall have the right to extend the Warrant Expiration Date.

SECTION 2. WARRANTS AND ISSUANCE OF WARRANT CERTIFICATES.

(a) A Class A Warrant initially shall entitle the Registered Holder of the certificate representing such Warrant (the "Warrant Certificate") to purchase one share of Class A Common Stock upon the exercise thereof, in accordance with the terms hereof, subject to modification and adjustment as provided in Section 9.

(b) The Class A Warrants included in the offering of Units will be detachable and separately transferable immediately from the shares of Class A Common Stock constituting part of such Units.

(c) Upon execution of this Agreement, Warrant Certificates representing the number of Class A Warrants sold pursuant to the Underwriting Agreement shall be executed by the Company and delivered to the Warrant Agent. Upon written order of the Company signed by its President or Chairman or a Vice President and by its Secretary or an Assistant Secretary, the Warrant Certificates shall be countersigned, issued and delivered by the Warrant Agent as part of the Units.

(d) From time to time, up to the Warrant Expiration Date, the Transfer Agent shall countersign and deliver stock certificates in required whole number denominations representing up to an aggregate of _____ shares of Class A Common Stock, subject to adjustment as described herein, upon the exercise of Warrants in accordance with this Agreement.

(e) From time to time, up to the Warrant Expiration Date, the Warrant Agent shall countersign and deliver Warrant Certificates in required whole number denominations to the persons entitled thereto in connection with any transfer or exchange permitted under this

Agreement; provided that no Warrant Certificates shall be issued except (i) those initially issued hereunder, (ii) those issued on or after the date hereof, upon the exercise of fewer than all Warrants represented by any Warrant Certificate, to evidence any unexercised Warrants held by the exercising Registered Holder, (iii) those issued upon any transfer or exchange pursuant to Section 6; (iv) those issued in replacement of lost, stolen, destroyed or mutilated Warrant Certificates pursuant to Section 7; (v) those issued pursuant to the Unit Purchase Options; and (vi) at the option of the Company, in such form as may be approved by the its Board of Directors, to reflect any adjustment or change in the Purchase Price, the number of shares of Class A Common Stock purchasable upon exercise of the Warrants or the Target Price therefor made pursuant to Section 8 hereof.

(f) Pursuant to the terms of the Unit Purchase Options, the Underwriter may purchase up to 1,500 Units, which include up to _____ Class A Warrants. Notwithstanding anything to the contrary contained herein, the Warrants underlying the Unit Purchase Options shall not be subject to redemption by the Company except under the terms and conditions set forth in the Unit Purchase Options.

SECTION 3. FORM AND EXECUTION OF WARRANT CERTIFICATES.

(a) The Warrant Certificates shall be substantially in the form annexed hereto as Exhibit A (the provisions of which are hereby incorporated herein) and may have such letters, numbers or other marks of identification or designation and such legends, summaries or endorsements printed, lithographed or engraved thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Class A Warrants may be listed, or to conform to usage or to the requirements of Section 2(d). The Warrant Certificates shall be dated the date of issuance thereof (whether upon initial issuance, transfer, exchange or in lieu of mutilated, lost, stolen, or destroyed Warrant Certificates) and issued in registered form. Warrant Certificates shall be numbered serially with the letters AW on Class A Warrants of all denominations.

(b) Warrant Certificates shall be executed on behalf of the Company by its Chairman of the Board, President or any Vice President and by its Secretary or an Assistant Secretary, by manual signatures or by facsimile signatures printed thereon, and shall have imprinted thereon a facsimile of the Company's seal. Warrant Certificates shall be manually countersigned by the Warrant Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Warrant Certificates shall cease to be an officer of the Company or to hold the particular office referenced in the Warrant Certificate before the date of issuance of the Warrant Certificates or before countersignature by the Warrant Agent and issue and delivery thereof, such Warrant Certificates may nevertheless be countersigned by the Warrant Agent, issued and delivered with the same force and effect as though the person who signed such Warrant Certificates had not ceased to be an officer of the Company or to hold such office. After countersignature by the Warrant Agent,

Warrant Certificates shall be delivered by the Warrant Agent to the Registered Holder without further action by the Company, except as otherwise provided by Section 4(a) hereof.

SECTION 4. EXERCISE.

(a) Each Warrant may be exercised by the Registered Holder thereof at any time on or after the date hereof, but not after the Warrant Expiration Date, upon the terms and subject to the conditions set forth herein and in the applicable Warrant Certificate. A Warrant shall be deemed to have been exercised immediately prior to the close of business on the Exercise Date and the person entitled to receive the securities deliverable upon such exercise shall be treated for all purposes as the holder of those securities upon the exercise of the Warrant as of the close of business on the Exercise Date. As soon as practicable on or after the Exercise Date, the Warrant Agent shall deposit the proceeds received from the exercise of a Warrant and shall notify the Company in writing of the exercise of the Warrants. Promptly following, and in any event within five business days after the date of such notice from the Warrant Agent, the Warrant Agent, on behalf of the Company, shall cause to be issued and delivered by the Transfer Agent, to the person or persons entitled to receive the same, a certificate or certificates for the securities deliverable upon such exercise (plus a Warrant Certificate for any remaining unexercised Warrants of the Registered Holder), unless prior to the date of issuance of such certificates the Company shall instruct the Warrant Agent to refrain from causing such issuance of certificates pending clearance of checks received in payment of the Purchase Price pursuant to such Warrants. Notwithstanding the foregoing, in the case of payment made in the form of a check drawn on an account of the Underwriter or such other investment banks and brokerage houses as the Company shall approve in writing to the Warrant Agent, certificates shall immediately be issued without prior notice to the Company or any delay. Upon the exercise of any Warrant and clearance of the funds received, the Warrant Agent shall promptly remit the payment received for the Warrant (the "Warrant Proceeds") to the Company or as the Company may direct in writing, subject to the provisions of Sections 4(b) and 4(c) hereof.

(b) If, at the Exercise Date in respect of the exercise of any Warrant after _____ _____, 199_, (i) the market price of the Company's Class A Common Stock is greater than the then Purchase Price of the Warrant, (ii) the exercise of the Warrant was solicited by a member of the National Association of Securities Dealers, Inc. ("NASD") as designated in writing on the Warrant Certificate Subscription Form, (iii) the Warrant was not held in a discretionary account, (iv) disclosure of compensation arrangements was made both at the time of the original offering and at the time of exercise; and (v) the solicitation of the exercise of the Warrant was not in violation of Rule 10b-6 (as such rule or any successor rule may be in effect as of such time of exercise) promulgated under the Securities Exchange Act of 1934, then the Warrant Agent, simultaneously with the distribution of the Warrant Proceeds to the Company shall, on behalf of the Company, pay from the Warrant Proceeds, a fee of 5% (the "Exercise Fee") of the Purchase Price to the Underwriter (of which a portion may be reallowed by the Underwriter to the dealer who solicited the exercise, which may also be the Underwriter or D.H. Blair & Co., Inc.). In the event the Exercise Fee is not received within five days of the date on which the Company receives Warrant Proceeds, then the Exercise Fee shall begin accruing

interest at an annual rate of prime plus four percent (4%), payable by the Company to the Underwriter at the time the Underwriter receives the Exercise Fee. Within five days after exercise the Warrant Agent shall send to the Underwriter a copy of the reverse side of each Warrant exercised. The Underwriter shall reimburse the Warrant Agent, upon request, for its reasonable expenses relating to compliance with this section 4(b). The Company shall pay all fees and expenses including all blue sky fees and expenses and all out-of-pocket expenses of the Underwriter, including legal fees, in connection with the solicitation, redemption or exchange of the Warrants. In addition, the Underwriter and the Company may at any time during business hours, examine the records of the Warrant Agent, including its ledger of original Warrant Certificates returned to the Warrant Agent upon exercise of Warrants. The provisions of this paragraph may not be modified, amended or deleted without the prior written consent of the Underwriter.

(c) In order to enforce the provisions of Section 4(b) above, in the event there is any dispute or question as to the amount or payment of the Exercise Fee, the Warrant Agent is hereby expressly authorized to withhold payment to the Company of the Warrant Proceeds unless and until the Company establishes an escrow account for the purpose of depositing the entire amount of the Exercise Fee, which amount will be deducted from the net Warrant Proceeds to be paid to the Company. The funds placed in the escrow account may not be released to the Company without a written agreement from the Underwriter that the required Exercise Fee has been received by the Underwriter or a final, non-appealable determination by a court of competent jurisdiction that the Underwriter is not entitled to such funds.

SECTION 5. RESERVATION OF SHARES; LISTING; PAYMENT OF TAXES; ETC.

(a) The Company covenants that it will at all times reserve and keep available out of its authorized Class A Common Stock, solely for the purpose of issue upon exercise of Warrants, such number of shares of Class A Common Stock as shall then be issuable upon the exercise of all outstanding Warrants. The Company covenants that all shares of Class A Common Stock which shall be issuable upon exercise of the Warrants shall, at the time of delivery, be duly and validly issued, fully paid, nonassessable and free from all taxes, liens and charges with respect to the issue thereof, (other than those which the Company shall promptly pay or discharge or liens imposed solely as a result of actions or agreements of the warrantholder) and that upon issuance such shares shall be listed on each national securities exchange on which the other shares of outstanding Class A Common Stock of the Company are then listed or shall be eligible for inclusion in the Nasdaq National Market or the Nasdaq SmallCap Market if the other shares of outstanding Class A Common Stock of the Company are so included.

(b) The Company covenants that if any securities to be reserved for the purpose of exercise of Warrants hereunder require registration with, or approval of, any governmental authority under any federal securities law before such securities may be validly issued or delivered upon such exercise, then the Company will in good faith and as expeditiously as reasonably possible, endeavor to secure such registration or approval. The Company will use

reasonable efforts to obtain appropriate approvals or registrations under state "blue sky" securities laws, provided the Company shall not be required to qualify as a foreign corporation or a dealer in securities or to execute a general consent of service of process in any jurisdiction. With respect to any such securities, however, Warrants may not be exercised by, or shares of Class A Common Stock issued to, any Registered Holder in any state in which such exercise would be unlawful.

(c) The Company shall pay all documentary, stamp or similar taxes and other governmental charges that may be imposed with respect to the issuance of Warrants, or the issuance or delivery of any shares upon exercise of the Warrants; provided, however, that if the shares of Class A Common Stock, as the case may be, are to be delivered in a name other than the name of the Registered Holder of the Warrant Certificate representing any Warrant being exercised, then no such delivery shall be made unless the person requesting the same has paid to the Warrant Agent the amount of transfer taxes or charges incident thereto, if any.

(d) The Warrant Agent is hereby irrevocably authorized to requisition the Company's Transfer Agent from time to time for certificates representing shares of Class A Common Stock issuable upon exercise of the Warrants, and the Company will authorize the Transfer Agent to comply with all such proper requisitions. The Company will file with the Warrant Agent a statement setting forth the name and address of the Transfer Agent of the Company for shares of Class A Common Stock issuable upon exercise of the Warrants.

SECTION 6. EXCHANGE AND REGISTRATION OF TRANSFER.

(a) Warrant Certificates may be exchanged for other Warrant Certificates representing an equal aggregate number of Warrants of the same class or may be transferred in whole or in part. Warrant Certificates to be exchanged shall be surrendered to the Warrant Agent at its Corporate Office, and upon satisfaction of the terms and provisions hereof, the Company shall execute and the Warrant Agent shall countersign, issue and deliver in exchange therefor the Warrant Certificate(s) which the Registered Holder making the exchange shall be entitled to receive.

(b) The Warrant Agent shall keep at its office books in which, subject to such reasonable regulations as it may prescribe, it shall register Warrant Certificates and the transfer thereof in accordance with its regular practice. Upon due presentment for registration of transfer of any Warrant Certificate at such office, the Company shall execute and the Warrant Agent shall issue and deliver to the transferee or transferees a new Warrant Certificate or Certificates representing an equal aggregate number of Warrants.

(c) With respect to all Warrant Certificates presented for registration or transfer, or for exchange or exercise, the subscription form on the reverse thereof shall be duly endorsed, or be accompanied by a written instrument or instruments of transfer and subscription, in form satisfactory to the Company and the Warrant Agent, duly executed by the Registered Holder or his attorney-in-fact duly authorized in writing.

(d) A service charge may be imposed by the Warrant Agent for any exchange or registration of transfer of Warrant Certificates. In addition, the Company may require payment by such holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

(e) All Warrant Certificates surrendered for exercise or for exchange in case of mutilated Warrant Certificates shall be promptly cancelled by the Warrant Agent and thereafter retained by the Warrant Agent until termination of this Agreement or resignation as Warrant Agent, or, with the prior written consent of the Underwriter (not to be unreasonably withheld), disposed of or destroyed, at the direction of the Company.

(f) Prior to due presentment for registration of transfer thereof, the Company and the Warrant Agent may deem and treat the Registered Holder of any Warrant Certificate as the absolute owner thereof and of each Warrant represented thereby (notwithstanding any notations of ownership or writing thereon made by anyone other than a duly authorized officer of the Company or the Warrant Agent) for all purposes and shall not be affected by any notice to the contrary.

SECTION 7. LOSS OR MUTILATION. Upon receipt by the Company and the Warrant Agent of evidence satisfactory to them of the ownership of and loss, theft, destruction or mutilation of any Warrant Certificate and (in case of loss, theft or destruction) of indemnity satisfactory to them, and (in the case of mutilation) upon surrender and cancellation thereof, the Company shall execute and the Warrant Agent shall (in the absence of notice to the Company and/or Warrant Agent that the Warrant Certificate has been acquired by a bona fide purchaser) countersign and deliver to the Registered Holder in lieu thereof a new Warrant Certificate of like tenor representing an equal aggregate number of Class A Warrants. Applicants for a substitute Warrant Certificate shall comply with such other reasonable regulations and pay such other reasonable charges as the Warrant Agent may prescribe.

SECTION 8. REDEMPTION.

(a) Subject to the provisions of paragraph 2(f) hereof, on not less than thirty (30) days notice (in the form provided in subsection 8(c) below) given at any time after _____, 199_ (the "Redemption Notice"), to Registered Holders of the Warrants being redeemed at any time after _____, the Warrants may be redeemed, at the option of the Company, at a redemption price of $0.05 per Warrant, provided the Market Price shall exceed $_____ (the "Target Price"), subject to adjustment as set forth in Section 8(f), below. All Warrants of a class must be redeemed if any of that class are redeemed, provided that the Warrants underlying the Unit Purchase Option may only be redeemed in compliance with and subject to the terms and conditions of the Unit Purchase Option. For purposes of this Section 8, the Calculation Date shall mean a date within 15 days of the mailing of the Redemption Notice. The date fixed for redemption of the Warrants is referred to herein as the "Redemption Date".

(b) If the conditions set forth in Section 8(a) are met, and the Company desires to exercise its right to redeem the Warrants, it shall request the Underwriter to mail a Redemption Notice to each of the Registered Holders of the Warrants to be redeemed, first class, postage prepaid, not later than the thirtieth day before the date fixed for redemption, at their last address as shall appear on the records maintained pursuant to Section 6(b). Any notice mailed in the manner provided herein shall be conclusively presumed to have been duly given whether or not the Registered Holder receives such notice.

(c) The Redemption Notice shall specify (i) the redemption price, (ii) the Redemption Date, (iii) the place where the Warrant Certificates shall be delivered and the redemption price paid, (iv) that the Underwriter will assist each Registered Holder of a Warrant in connection with the exercise thereof and (v) that the right to exercise the Warrant shall terminate at 5:00 P.M. (New York time) on the business day immediately preceding the Redemption Date. No failure to mail such notice nor any defect therein or in the mailing thereof shall affect the validity of the proceedings for such redemption except as to a Registered Holder (a) to whom notice was not mailed or (b) whose notice was defective. An affidavit of the Warrant Agent or of the Secretary or an Assistant Secretary of the Underwriter or the Company that notice of redemption has been mailed shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(d) Any right to exercise a Warrant shall terminate at 5:00 P.M. (New York time) on the business day immediately preceding the Redemption Date. On and after the Redemption Date, Registered Holders of the Warrants shall have no further rights except to receive, upon surrender of the Warrant, the Redemption Price.

(e) From and after the Redemption Date, the Company shall, at the place specified in the Redemption Notice, upon presentation and surrender to the Company by or on behalf of the Registered Holder thereof of one or more Warrant Certificates evidencing Warrants to be redeemed, deliver or cause to be delivered to or upon the written order of such Registered Holder a sum equal to the Redemption Price of each such Warrant, payable in cash or certified or bank check. From and after the Redemption Date and upon the deposit or setting aside by the Company of a sum sufficient to redeem all the Warrants called for redemption, such Warrants shall expire and become void and all rights hereunder and under the Warrant Certificates, except the right to receive payment of the Redemption Price, shall cease.

(f) If the shares of the Company's Class A Common Stock are subdivided or combined into a greater or smaller number of shares of Class A Common Stock, the Target Price shall be proportionally adjusted by the ratio which the total number of shares of Class A Common Stock outstanding immediately prior to such event bears to the total number of shares of Class A Common Stock to be outstanding immediately after such event.

SECTION 9. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES OF COMMON STOCK OR WARRANTS.

(a) Subject to the exceptions referred to in Section 9(g) below, in the event the Company shall, at any time or from time to time after the date hereof, sell any shares of Common Stock for a consideration per share less than the Market Price (as defined in Section 1, except that for all purposes of this Section 9, the time periods set forth in Section 1(g)(i) and (ii) shall be ten (10) consecutive business days) on the date of the sale or issue any shares of Common Stock as a stock dividend to the holders of Common Stock, or subdivide or combine the outstanding shares of Common Stock into a greater or lesser number of shares (any such sale, issuance, subdivision or combination being herein called a "Change of Shares"), then, and thereafter upon each further Change of Shares, the Purchase Price in effect immediately prior to such Change of Shares shall be changed to a price (including any applicable fraction of a cent) determined by multiplying the Purchase Price in effect immediately prior thereto by a fraction, the numerator of which shall be the sum of (i) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares and (ii) the number of shares of Common Stock which the aggregate consideration received (determined as provided in subsection 9(f)(F) below) for the issuance of such additional shares would purchase at the Market Price and the denominator of which shall be the sum of the number of shares of Common Stock outstanding immediately after the issuance of such additional shares. Such adjustment shall be made successively whenever such an issuance is made. For purposes of this Section 9, the Transaction Date shall mean the date of the sale, issuance, modification or other transaction referred to in this Section 9.

Upon each adjustment of the Purchase Price pursuant to this Section 9, the total number of shares of Class A Common Stock purchasable upon the exercise of each Class A Warrant shall (subject to the provisions contained in Section 9(b) hereof) be such number of shares (calculated to the nearest one-hundredth; PROVIDED, HOWEVER, that in no event shall the Class A Aggregate Per Share Price increase as a result of such rounding calculation) purchasable at the Purchase Price in effect immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Purchase Price in effect immediately prior to such adjustment and the denominator of which shall be the Purchase Price in effect immediately after such adjustment.

(b) The Company may elect, upon any adjustment of the Purchase Price hereunder, to adjust the number of Class A Warrants outstanding, in lieu of the adjustment in the number of shares of Class A Common Stock purchasable upon the exercise of each Warrant as hereinabove provided, so that each Class A Warrant outstanding after such adjustment shall represent the right to purchase one share of Class A Common Stock. Each Warrant held of record prior to such adjustment of the number of Warrants shall become that number of Warrants (calculated to the nearest tenth) determined by multiplying the number one by a fraction, the numerator of which shall be the Purchase Price in effect immediately prior to such adjustment and the denominator of which shall be the Purchase Price in effect immediately after such adjustment. Upon each adjustment of the number of Warrants pursuant to this Section 9, the

Company shall, as promptly as practicable, cause to be distributed to each Registered Holder of Warrant Certificates on the date of such adjustment Warrant Certificates evidencing, subject to Section 10 hereof, the number of additional Warrants to which such Holder shall be entitled as a result of such adjustment or, at the option of the Company, cause to be distributed to such Holder in substitution and replacement for the Warrant Certificates held by him prior to the date of adjustment (and upon surrender thereof, if required by the Company) new Warrant Certificates evidencing the number of Warrants to which such Holder shall be entitled after such adjustment.

(c) In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock, or in case of any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock), or in case of any sale or conveyance to another corporation of the property of the Company as, or substantially as, an entirety (other than a sale/leaseback, mortgage or other financing transaction), the Company shall cause effective provision to be made so that each holder of a Warrant then outstanding shall have the right thereafter, by exercising such Warrant, to purchase the kind and number of shares of stock or other securities or property (including cash) receivable upon such reclassification, capital reorganization or other change, consolidation, merger, sale or conveyance by a holder of the number of shares of Class A Common Stock that might have been purchased upon exercise of such Warrant immediately prior to such reclassification, capital reorganization or other change, consolidation, merger, sale or conveyance. Any such provision shall include provision for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 9. The Company shall not effect any such consolidation, merger or sale of all or substantially all of the assets or stock of the Company unless prior to or simultaneously with the consummation thereof the successor (if other than the Company) resulting from such consolidation or merger or the corporation purchasing all or substantially of the assets or stock or other appropriate corporation or entity shall assume, by written instrument executed and delivered to the Warrant Agent, the obligation to deliver to the holder of each Warrant such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holders may be entitled to purchase and the other obligations of the Company under this Agreement. The foregoing provisions shall similarly apply to successive reclassifications, capital reorganizations and other changes of outstanding shares of Common Stock and to successive consolidations, mergers, sales or conveyances.

(d) Irrespective of any adjustments or changes in the Purchase Price or the number of shares of Class A Common Stock purchasable upon exercise of the Warrants, the Warrant Certificates theretofore and thereafter issued shall, unless the Company shall exercise its option to issue new Warrant Certificates pursuant to Section 2(e) hereof, continue to express the Purchase Price per share, the number of shares purchasable thereunder and the Redemption Price therefor as the Purchase Price per share, and the number of shares purchasable and the Redemption Price therefor were expressed in the Warrant Certificates when the same were originally issued.

(e) After each adjustment of the Purchase Price pursuant to this Section 9, the Company will promptly prepare a certificate signed by the Chairman or President, and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, of the Company setting forth: (i) the Purchase Price as so adjusted, (ii) the number of shares of Class A Common Stock purchasable upon exercise of each Warrant after such adjustment and, if the Company shall have elected to adjust the number of Warrants, the number of Warrants to which the Registered Holder of each Warrant shall then be entitled, and the adjustment in Redemption Price resulting therefrom, and (iii) a statement showing in detail the method of calculation and the facts upon which such adjustment or readjustment is based, including a statement of (a) the consideration received or to be received by the Company for any securities issued or sold or deemed to have been issued, (b) the number of shares of Common Stock outstanding or deemed to be outstanding, and (c) the Purchase Price in effect immediately prior to such issue or sale and as adjusted and readjusted (if required by Section 9) on account thereof. The Company will promptly file such certificate with the Warrant Agent and furnish a copy thereof to be sent by ordinary first class mail to the Underwriter and to each Registered Holder of Warrants at his last address as it shall appear on the registry books of the Warrant Agent. No failure to mail such notice nor any defect therein or in the mailing thereof shall affect the validity thereof except as to the holder to whom the Company failed to mail such notice, or except as to the holder whose notice was defective. The affidavit of an officer of the Warrant Agent or the Secretary of the Company that such notice has been mailed shall, in the absence of fraud or negligence, be prima facie evidence of the facts stated therein. The Company will, upon the written request at any time of the Underwriter, furnish to the Underwriter a report by Price Waterhouse L.L.P., or other independent public accountants of recognized national standing (which may be the regular auditors of the Company) selected by the Company to verify such computation and setting forth such adjustment or readjustment and showing in detail the method of calculation and the facts upon which such adjustment or readjustment is based. The Company will also keep copies of all such certificates and reports at its principal office.

(f) For purposes of Section 9(a) and 9(b) hereof, the following provisions (A) to (G) shall also be applicable:

(A) The number of shares of Common Stock outstanding at any given time shall include shares of Common Stock owned or held by or for the account of the Company and the sale or issuance of such treasury shares or the distribution of any such treasury shares shall not be considered a Change of Shares for purposes of said sections.

(B) No adjustment of the Purchase Price shall be made unless such adjustment would require an increase or decrease of at least $.10 in the Purchase Price; provided that any adjustments which by reason of this clause (B) are not required to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment(s) so carried forward, shall require an increase or decrease of at least $.10 in the Purchase Price then in effect hereunder.

(C) In case of (1) the sale by the Company for cash (or as a component of a unit being sold for cash) of any rights or warrants to subscribe for or purchase, or any options for the purchase of, Common Stock or any securities convertible into or exchangeable for Common Stock without the payment of any further consideration other than cash, if any (such securities convertible, exercisable or exchangeable into Common Stock being herein called "Convertible Securities"), or (2) the issuance by the Company, without the receipt by the Company of any consideration therefor, of any rights or warrants to subscribe for or purchase, or any options for the purchase of, Common Stock or Convertible Securities, in each case, if (and only if) the consideration payable to the Company upon the exercise of such rights, warrants or options shall consist of cash, whether or not such rights, warrants or options, or the right to convert or exchange such Convertible Securities, are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such rights, warrants or options or upon the conversion or exchange of such Convertible Securities (determined by dividing (x) the minimum aggregate consideration payable to the Company upon the exercise of such rights, warrants or options, plus the consideration, if any, received by the Company for the issuance or sale of such rights, warrants or options, plus, in the case of such Convertible Securities, the minimum aggregate amount of additional consideration, other than such Convertible Securities, payable upon the conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the exercise of such rights, warrants or options or upon the conversion or exchange of such Convertible Securities issuable upon the exercise of such rights, warrants or options) is less than the Market Price on the Transaction Date, then the total maximum number of shares of Common Stock issuable upon the exercise of such rights, warrants or options or upon the conversion or exchange of such Convertible Securities (as of the date of the issuance or sale of such rights, warrants or options) shall be deemed to be outstanding shares of Common Stock for purposes of Sections 9(a) and 9(b) hereof and shall be deemed to have been sold for cash in an amount equal to such price per share.

(D) In case of the sale by the Company for cash of any Convertible Securities, whether or not the right of conversion or exchange thereunder is immediately exercisable, and the price per share for which Common Stock is issuable upon the conversion or exchange of such Convertible Securities (determined by dividing (x) the total amount of consideration received by the Company for the sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, other than such Convertible Securities, payable upon the conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of such Convertible Securities) is less than the Market Price on the Transaction Date, then the total maximum number of shares of Common Stock issuable upon the conversion or exchange of such Convertible Securities (as of the date of the

sale of such Convertible Securities) shall be deemed to be outstanding shares of Common Stock for purposes of Sections 9(a) and 9(b) hereof and shall be deemed to have been sold for cash in an amount equal to such price per share.

(E) In case the Company shall modify the rights of conversion, exchange or exercise of any of the securities referred to in (C) or (D) above or any other securities of the Company convertible, exchangeable or exercisable for shares of Common Stock, for any reason other than an event that would require adjustment to prevent dilution, so that the consideration per share received by the Company after such modification is less than the Market Price on the Transaction Date, the Purchase Price to be in effect after such modification shall be determined by multiplying the Purchase Price in effect immediately prior to such event by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on the date prior to the modification plus the number of shares of Common Stock which the aggregate consideration receivable by the Company for the securities affected by the modification would purchase at the Market Price and of which the denominator shall be the number of shares of Common Stock outstanding on such date plus the number of shares of Common Stock to be issued upon conversion, exchange or exercise of the modified securities at the modified rate. Such adjustment shall become effective as of the date upon which such modification shall take effect. On the expiration of any such right, warrant or option or the termination of any such right to convert or exchange any such Convertible Securities referred to in Paragraph (C) or (D) above, the Purchase Price then in effect hereunder shall forthwith be readjusted to such Purchase Price as would have obtained (a) had the adjustments made upon the issuance or sale of such rights, warrants, options or Convertible Securities been made upon the basis of the issuance of only the number of shares of Common Stock theretofore actually delivered (and the total consideration received therefor) upon the exercise of such rights, warrants or options or upon the conversion or exchange of such Convertible Securities and (b) had adjustments been made on the basis of the Purchase Price as adjusted under clause (a) for all transactions (which would have affected such adjusted Purchase Price) made after the issuance or sale of such rights, warrants, options or Convertible Securities.

(F) In case of the sale for cash of any shares of Common Stock, any Convertible Securities, any rights or warrants to subscribe for or purchase, or any options for the purchase of, Common Stock or Convertible Securities, the consideration received by the Company therefore shall be deemed to be the gross sales price therefor without deducting therefrom any expense paid or incurred by the Company or any underwriting discounts or commissions or concessions paid or allowed by the Company in connection therewith.

(G) In case any event shall occur as to which the provisions of Section 9 are not strictly applicable but the failure to make any adjustment would not fairly protect the purchase rights represented by the Warrants in accordance with the essential intent and principles of Section 9, then, in each such case, the Board of Directors of the Company shall in good faith by resolution provide for the adjustment, if any, on a basis consistent with the essential intent and principles established in Section 9, necessary to preserve, without dilution, the purchase rights represented by the Warrants. The Company will promptly make the adjustments described therein.

(g) No adjustment to the Purchase Price of the Warrants or to the number of shares of Class A Common Stock purchasable upon the exercise of each Warrant will be made, however,

(i) upon the exercise of any of the options presently outstanding under the Company's 1993 Stock Option Plan (the "Plan") for officers, directors and certain other key personnel of the Company; or

(ii) upon the issuance or exercise of any securities which may hereafter be granted or exercised under the Plan or under any other employee benefit plan of the Company approved by the Company's stockholders; or

(iii) upon the sale or exercise of the Warrants, including without limitation the sale or exercise of any of the Warrants comprising the Unit Purchase Options or upon the sale or exercise of the Unit Purchase Options; or

(iv) upon the sale of any shares of Common Stock and/or Convertible Securities in a firm commitment underwritten public offering, including, without limitation, shares sold upon the exercise of any overallotment option granted to the underwriters in connection with such offering; or

(v) upon the sale by the Company of any shares of Common Stock and/or Convertible Securities in a private placement for which the Underwriter is the Placement Agent; or

(vi) upon the issuance or sale of Common Stock or Convertible Securities upon the exercise of any rights or warrants to subscribe for or purchase, or any options for the purchase of, Common Stock or Convertible Securities, whether or not such rights, warrants or options were outstanding on the date of the original sale of the Warrants or were thereafter issued or sold;

(vii) upon the issuance or sale of Common Stock upon conversion or exchange of any Convertible Securities, whether or not any adjustment in the Purchase Price was made or required to be made upon the issuance or sale of such

Convertible Securities and whether or not such Convertible Securities were outstanding on the date of the original sale of the Warrants or were thereafter issued or sold; or

(viii) upon the issuance of shares of Class B Common Stock of the Company pursuant to the terms of the Escrow Agreement, [dated June 10, 1993], between the Company and _____.

(h) As used in this Section 9, the term "Common Stock" shall mean and include the Company's Common Stock authorized on the date of the original issue of the Units and shall also include any capital stock of any class of the Company thereafter authorized which shall not be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary liquidation, dissolution or winding up of the Company. The shares issuable upon exercise of the Warrants shall include only shares of such class designated in the Company's Articles of Incorporation as Class A Common Stock on the date of the original issue of the Units or (i) in the case of any reclassification, change, consolidation, merger, sale or conveyance of the character referred to in Section 9(c) hereof, the stock, securities or property provided for in such section, or (ii) in the case of any reclassification or change in the outstanding shares of Class A Common Stock issuable upon exercise of the Warrants as a result of a subdivision or combination or consisting of a change in par value, or from par value to no par value, or from no par value to par value, such shares of Common Stock as so reclassified or changed.

(i) Any determination as to whether an adjustment in the Purchase Price in effect hereunder is required pursuant to Section 9, or as to the amount of any such adjustment, if required, shall be binding upon the holders of the Warrants and the Company if made in good faith by the Board of Directors of the Company.

(j) If and whenever the Company shall grant to the holders of Class A Common Stock, as such, rights or warrants to subscribe for or to purchase, or any options for the purchase of, Common Stock or securities convertible into or exchangeable for or carrying a right, warrant or option to purchase Common Stock, the Company shall concurrently therewith grant to each Registered Holder as of the record date for such transaction of the Warrants then outstanding, the rights, warrants or options to which each Registered Holder would have been entitled if, on the record date used to determine the stockholders entitled to the rights, warrants or options being granted by the Company, the Registered Holder were the holder of record of the number of whole shares of Class A Common Stock then issuable upon exercise of his Warrants. Such grant by the Company to the holders of the Warrants shall be in lieu of any adjustment which otherwise might be called for pursuant to this Section 9.

SECTION 10. FRACTIONAL WARRANTS AND FRACTIONAL SHARES.

(a) If the number of shares of Class A Common Stock purchasable upon the exercise of each Warrant is adjusted pursuant to Section 9 hereof, the Company nevertheless shall not be required to issue fractions of shares, upon exercise of the Warrants or otherwise, or to distribute certificates that evidence fractional shares. With respect to any fraction of a share called for upon the exercise of any Warrant, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the current market value of such fractional share, determined as follows:

(1) If the Class A Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or is traded on the Nasdaq National Market, the current market value shall be the last reported sale price of the Class A Common Stock on such exchange or market on the last business day prior to the date of exercise of this Warrant or, if no such sale is made on such day or no closing sale price is quoted, the average of the closing bid and asked prices for such day on such exchange or market; or

(2) If the Class A Common Stock is not listed or admitted to unlisted trading privileges on a national securities exchange or is not traded on the Nasdaq National Market, the current market value shall be the mean of the last reported bid and asked prices reported by the Nasdaq SmallCap Market or, if not traded thereon, by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(3) If the Class A Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current market value shall be an amount determined in such reasonable manner as may be prescribed by the Board of Directors of the Company.

SECTION 11. WARRANT HOLDERS NOT DEEMED STOCKHOLDERS. No holder of Warrants shall, as such, be entitled to vote or to receive dividends or be deemed the holder of Class A Common Stock that may at any time be issuable upon exercise of such Warrants for any purpose whatsoever, nor shall anything contained herein be construed to confer upon the holder of Warrants, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issue or reclassification of stock, change of par value or change of stock to no par value, consolidation, merger or conveyance or otherwise), or to receive notice of meetings, or to receive dividends or subscription rights, until such holder shall have exercised such Warrants and been issued shares of Class A Common Stock in accordance with the provisions hereof.

SECTION 12. RIGHTS OF ACTION. All rights of action with respect to this Agreement are vested in the respective Registered Holders of the Warrants, and any Registered

Holder of a Warrant, without consent of the Warrant Agent or of the holder of any other Warrant, may, in his own behalf and for his own benefit, enforce against the Company his right to exercise his Warrants for the purchase of shares of Class A Common Stock in the manner provided in the Warrant Certificate and this Agreement.

SECTION 13. AGREEMENT OF WARRANT HOLDERS. Every holder of a Warrant, by his acceptance thereof, consents and agrees with the Company, the Warrant Agent and every other holder of a Warrant that:

(a) The Warrants are transferable only on the registry books of the Warrant Agent by the Registered Holder thereof in person or by his attorney duly authorized in writing and only if the Warrant Certificates representing such Warrants are surrendered at the office of the Warrant Agent, duly endorsed or accompanied by a proper instrument of transfer satisfactory to the Warrant Agent and the Company in their sole discretion, together with payment of any applicable transfer taxes; and

(b) The Company and the Warrant Agent may deem and treat the person in whose name the Warrant Certificate is registered as the holder and as the absolute, true and lawful owner of the Warrants represented thereby for all purposes, and neither the Company nor the Warrant Agent shall be affected by any notice or knowledge to the contrary, except as otherwise expressly provided in Section 7 hereof.

SECTION 14. CANCELLATION OF WARRANT CERTIFICATES. If the Company shall purchase or acquire any Warrant or Warrants, the Warrant Certificate or Warrant Certificates evidencing the same shall thereupon be delivered to the Warrant Agent and cancelled by it and retired. The Warrant Agent shall also cancel the Warrant Certificate or Warrant Certificates following exercise of any or all of the Warrants represented thereby or delivered to it for transfer or exchange.

SECTION 15. CONCERNING THE WARRANT AGENT. The Warrant Agent acts hereunder as agent and in a ministerial capacity for the Company, and its duties shall be determined solely by the provisions hereof. The Warrant Agent shall not, by issuing and delivering Warrant Certificates or by any other act hereunder be deemed to make any representations as to the validity, value or authorization of the Warrant Certificates or the Warrants represented thereby or of any securities or other property delivered upon exercise of any Warrant or whether any stock issued upon exercise of any Warrant is fully paid and nonassessable.

The Warrant Agent shall account promptly to the Company with respect to Warrants exercised and concurrently pay the Company, as provided in Section 4, all moneys received by the Warrant Agent upon the exercise of such Warrants. The Warrant Agent shall, upon request of the Company from time to time, deliver to the Company such complete reports of registered ownership of the Warrants and such complete records of transactions with respect to the Warrants and the shares of Common Stock as the Company may request. The Warrant Agent shall also make available to the Company and the Underwriter for inspection by their

agents or employees, from time to time as either of them may request, such original books of accounts and record (including original Warrant Certificates surrendered to the Warrant Agent upon exercise of Warrants) as may be maintained by the Warrant Agent in connection with the issuance and exercise of Warrants hereunder, such inspections to occur at the Warrant Agent's Corporate Office, during normal business hours.

The Warrant Agent shall not at any time be under any duty or responsibility to any holder of Warrant Certificates to make or cause to be made any adjustment of the Purchase Price or the Redemption Price provided in this Agreement, or to determine whether any fact exists which may require any such adjustments, or with respect to the nature or extent of any such adjustment, when made, or with respect to the method employed in making the same. It shall not (i) be liable for any recital or statement of facts contained herein or for any action taken, suffered or omitted by it in reliance on any Warrant Certificate or other document or instrument believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties, (ii) be responsible for any failure on the part of the Company to comply with any of its covenants and obligations contained in this Agreement or in any Warrant Certificate, or (iii) be liable for any act or omission in connection with this Agreement except for its own negligence or wilful misconduct.

The Warrant Agent may at any time consult with counsel satisfactory to it (who may be counsel for the Company) and shall incur no liability or responsibility for any action taken, suffered or omitted by it in good faith in accordance with the opinion or advice of such counsel.

Any notice, statement, instruction, request, direction, order or demand of the Company shall be sufficiently evidenced by an instrument signed by the Chairman of the Board, President, any Vice President, its Secretary, or Assistant Secretary (unless other evidence in respect thereof is herein specifically prescribed). The Warrant Agent shall not be liable for any action taken, suffered or omitted by it in accordance with such notice, statement, instruction, request, direction, order or demand believed by it to be genuine.

The Company agrees to pay the Warrant Agent reasonable compensation for its services hereunder and to reimburse it for its reasonable expenses hereunder; it further agrees to indemnify the Warrant Agent and save it harmless against any and all losses, expenses and liabilities, including judgments, costs and reasonable counsel fees, for anything done or omitted by the Warrant Agent in the execution of its duties and powers hereunder except losses, expenses and liabilities arising as a result of the Warrant Agent's negligence or wilful misconduct.

The Warrant Agent may resign its duties and be discharged from all further duties and liabilities hereunder (except liabilities arising as a result of the Warrant Agent's own negligence or wilful misconduct), after giving 30 days' prior written notice to the Company. At least 15 days prior to the date such resignation is to become effective, the Warrant Agent shall cause a copy of such notice of resignation to be mailed to the Registered Holder of each Warrant Certificate at the Company's expense. Upon such resignation, or any inability of the Warrant

Agent to act as such hereunder, the Company shall appoint a new warrant agent in writing. If the Company shall fail to make such appointment within a period of 15 days after it has been notified in writing of such resignation by the resigning Warrant Agent, then the Registered Holder of any Warrant Certificate may apply to any court of competent jurisdiction for the appointment of a new warrant agent. Any new warrant agent, whether appointed by the Company or by such a court, shall be a bank or trust company having a capital and surplus, as shown by its last published report to its stockholders, of not less than $10,000,000 or a stock transfer company that is a registered transfer agent under the Securities Exchange Act of 1934. After acceptance in writing of such appointment by the new warrant agent is received by the Company, such new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as the Warrant Agent, without any further assurance, conveyance, act or deed; but if for any reason it shall be necessary or expedient to execute and deliver any further assurance, conveyance, act or deed, the same shall be done at the expense of the Company and shall be legally and validly executed and delivered by the resigning Warrant Agent. Not later than the effective date of any such appointment the Company shall file notice thereof with the resigning Warrant Agent and shall forthwith cause a copy of such notice to be mailed to the Registered Holder of each Warrant Certificate.

Any corporation into which the Warrant Agent or any new warrant agent may be converted or merged or any corporation resulting from any consolidation to which the Warrant Agent or any new warrant agent shall be a party or any corporation succeeding to the trust business of the Warrant Agent shall be a successor warrant agent under this Agreement without any further act, provided that such corporation is eligible for appointment as successor to the Warrant Agent under the provisions of the preceding paragraph. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed to the Company and to the Registered Holder of each Warrant Certificate.

The Warrant Agent, its subsidiaries and affiliates, and any of its or their officers or directors, may buy and hold or sell Warrants or other securities of the Company and otherwise deal with the Company in the same manner and to the same extent and with like effects as though it were not Warrant Agent. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

SECTION 16. MODIFICATION OF AGREEMENT. Subject to the provisions of Section 4(b), the parties hereto and the Company may by supplemental agreement make any changes or corrections in this Agreement (i) that they shall deem appropriate to cure any ambiguity or to correct any defective or inconsistent provision or manifest mistake or error herein contained; (ii) to reflect an increase in the number of Class A Warrants which are to be governed by this Agreement resulting from (a) a subsequent public offering of Company securities which includes Class A Warrants or (b) a subsequent private placement of Company securities which includes Class A Warrants, in either case having the same terms and conditions as the Class A Warrants originally covered by or subsequently added to this Agreement under this Section 16, PROVIDED, HOWEVER, that in the case of a private placement, the amendment to this Agreement will be effective only at such time as the resale of such Warrants, as well as the

securities underlying such Warrants is covered by an effective registration statement under the Act; or (iii) that they may deem necessary or desirable and which shall not adversely affect the interests of the holders of Warrant Certificates; PROVIDED, HOWEVER, that this Agreement shall not otherwise be modified, supplemented or altered in any respect except with the consent in writing of the Registered Holders of Warrant Certificates representing not less than 50% of the Warrants then outstanding; and PROVIDED, FURTHER, that no change in the number or nature of the securities purchasable upon the exercise of any Warrant, or the Purchase Price therefor, or the acceleration of the Warrant Expiration Date, shall be made without the consent in writing of the Registered Holder of the Warrant Certificate representing such Warrant, other than such changes as are specifically prescribed by this Agreement as originally executed or are made in compliance with applicable law.

SECTION 17. NOTICES. All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been made when delivered or mailed first class registered or certified mail, postage prepaid as follows: if to the Registered Holder of a Warrant Certificate, at the address of such holder as shown on the registry books maintained by the Warrant Agent; if to the Company, at Amerigon Incorporated, 404 East Huntington Drive, Monrovia, California 91016, attention: President, or at such other address as may have been furnished to the Warrant Agent in writing by the Company; if to the Warrant Agent, at its Corporate Office; if to the Underwriter, at D.H. Blair Investment Banking Corp., 44 Wall Street, New York, New York 10005.

SECTION 18. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to principles of conflict of laws.

SECTION 19. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the Company and, the Warrant Agent and their respective successors and assigns, and the holders from time to time of Warrant Certificates . Nothing in this Agreement is intended or shall be construed to confer upon any other person any right, remedy or claim, in equity or at law, or to impose upon any other person any duty, liability or obligation.

SECTION 20. TERMINATION. This Agreement shall terminate at the close of business on the earlier of the Warrant Expiration Date or the date upon which all Warrants (including the warrants issuable upon exercise of the Unit Purchase Options) have been exercised, except that the Warrant Agent shall account to the Company for cash held by it and the provisions of Section 15 hereof shall survive such termination.

SECTION 21. COUNTERPARTS. This Agreement may be executed in several counterparts, which taken together shall constitute a single document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

AMERIGON INCORPORATED

By:

U.S STOCK TRANSFER CORPORATION

By:

Authorized Officer

D.H. BLAIR INVESTMENT BANKING CORP.

By:

Martin A. Bell
Vice Chairman and
General Counsel

EXHIBIT A

[FORM OF FACE OF CLASS A WARRANT CERTIFICATE]

No. AW _____Class A Warrants

VOID AFTER _____

CLASS A WARRANT CERTIFICATE FOR PURCHASE
OF CLASS A COMMON STOCK

AMERIGON INCORPORATED

This certifies that FOR VALUE RECEIVED _____ or registered assigns (the "Registered Holder") is the owner of the number of Class A Warrants ("Class A Warrants") specified above. Each Class A Warrant represented hereby initially entitles the Registered Holder to purchase, subject to the terms and conditions set forth in this Warrant Certificate and the Warrant Agreement (as hereinafter defined), one fully paid and nonassessable share of Class A Common Stock, no par value ("Class A Common Stock"), of Amerigon Incorporated, a California corporation (the "Company"), at any time between _____, and the Expiration Date (as hereinafter defined), upon the presentation and surrender of this Warrant Certificate with the Subscription Form on the reverse hereof duly executed, at the corporate office of U.S. Stock Transfer Corporation as Warrant Agent, or its successor (the "Warrant Agent"), accompanied by payment of $_____ (the "Purchase Price") in lawful money of the United States of America in cash or by official bank or certified check made payable to Amerigon Incorporated.

This Warrant Certificate and each Class A Warrant represented hereby are issued pursuant to and are subject in all respects to the terms and conditions set forth in the Warrant Agreement (the "Warrant Agreement"), dated _____, by and among the Company, the Warrant Agent and D.H. Blair Investment Banking Corp.

In the event of certain contingencies provided for in the Warrant Agreement, the Purchase Price or the number of shares of Class A Common Stock subject to purchase upon the exercise of each Class A Warrant represented hereby are subject to modification or adjustment.

Each Class A Warrant represented hereby is exercisable at the option of the Registered Holder, but no fractional shares of Class A Common Stock will be issued. In the case of the exercise of less than all the Class A Warrants represented hereby, the Company shall cancel this Warrant Certificate upon the surrender hereof and shall execute and deliver a new

Warrant Certificate or Warrant Certificates of like tenor, which the Warrant Agent shall countersign, for the balance of such Class A Warrants.

The term "Expiration Date" shall mean 5:00 P.M. (New York time) on _____, or such earlier date as the Class A Warrants shall be redeemed. If such date shall in the State of New York be a holiday or a day on which banks are authorized to close, then the Expiration Date shall mean 5:00 P.M. (New York time) the next following day which in the State of New York is not a holiday or a day on which banks are authorized to close.

The Company shall not be obligated to deliver any securities pursuant to the exercise of the Class A Warrants represented hereby unless a registration statement under the Securities Act of 1933, as amended, with respect to such securities is effective. The Company has covenanted and agreed that it will file a registration statement and will use its best efforts to cause the same to become effective and to keep such registration statement current while any of the Class A Warrants are outstanding. The Class A Warrants represented hereby shall not be exercisable by a Registered Holder in any state where such exercise would be unlawful.

This Warrant Certificate is exchangeable, upon the surrender hereof by the Registered Holder at the corporate office of the Warrant Agent, for a new Warrant Certificate or Warrant Certificates of like tenor representing an equal aggregate number of Class A Warrants, each of such new Warrant Certificates to represent such number of Class A Warrants as shall be designated by such Registered Holder at the time of such surrender. Upon due presentment with any applicable transfer fee per certificate in addition to any tax or other governmental charge imposed in connection therewith, for registration of transfer of this Class A Warrant Certificate at such office, a new Warrant Certificate or Warrant Certificates representing an equal aggregate number of Class A Warrants will be issued to the transferee in exchange therefor, subject to the limitations provided in the Warrant Agreement.

Prior to the exercise of any Class A Warrant represented hereby, the Registered Holder shall not be entitled to any rights of a stockholder of the Company, including, without limitation, the right to vote or to receive dividends or other distributions, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided in the Warrant Agreement.

The Class A Warrants represented hereby may be redeemed at the option of the Company, at a redemption price of $.05 per Class A Warrant at any time after _____, provided the Market Price (as defined in the Warrant Agreement) for the Class A Common Stock shall exceed $_____ per share. Notice of redemption shall be given not later than the thirtieth day before the date fixed for redemption, all as provided in the Warrant Agreement. On and after the date fixed for redemption, the Registered Holder shall have no rights with respect to the Class A Warrants represented hereby except to receive the $.05 per Class A Warrant upon surrender of this Warrant Certificate.

Prior to due presentment for registration of transfer hereof, the Company and the Warrant Agent may deem and treat the Registered Holder as the absolute owner hereof and of each Class A Warrant represented hereby (notwithstanding any notations of ownership or writing hereon made by anyone other than a duly authorized officer of the Company or the Warrant Agent) for all purposes and shall not be affected by any notice to the contrary.

The Company has agreed to pay a fee of 5% of the Purchase Price upon certain conditions as specified in the Warrant Agreement upon the exercise of the Class A Warrants represented hereby.

This Warrant Certificate shall be governed by and construed in accordance with the laws of the State of New York.

This Warrant Certificate is not valid unless countersigned by the Warrant Agent.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed, manually or in facsimile, by two of its officers thereunto duly authorized and a facsimile of its corporate seal to be imprinted hereon.

AMERIGON INCORPORATED

Dated: ----------

By: ----------

By: ----------

[seal]

Countersigned:

U.S. STOCK TRANSFER CORPORATION

- ----------
as Warrant Agent

By: ----------
Authorized Officer

[FORM OF REVERSE OF WARRANT CERTIFICATE]

TRANSFER FEE: $_____ PER CERTIFICATE ISSUED

SUBSCRIPTION FORM

To Be Executed by the Registered Holder
in Order to Exercise Warrants

The undersigned Registered Holder hereby irrevocably elects to exercise _____ Class A Warrants represented by this Warrant Certificate, and to purchase the securities issuable upon the exercise of such Class A Warrants, and requests that certificates for such securities shall be issued in the name of

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER

[please print or type name and address]

and be delivered to

[please print or type name and address]

and if such number of Class A Warrants shall not be all the Class A Warrants evidenced by this Warrant Certificate, that a new Class A Warrant Certificate for the balance of such Class A Warrants be registered in the name of, and delivered to, the Registered Holder at the address stated below.

The undersigned represents that the exercise of the Class A Warrants evidenced hereby was solicited by a member of the National Association of Securities Dealers, Inc. If not

solicited by an NASD member, please write "unsolicited" in the space below. Unless otherwise indicated by listing the name of another NASD member firm, it will be assumed that the exercise was solicited by D.H. Blair Investment Banking Corp. or D.H. Blair & Co., Inc.

(Name of NASD Member)

Dated: ---------- X ---

Address

Taxpayer Identification Number

Signature Guaranteed

THE SIGNATURE TO THE ASSIGNMENT OR THE SUBSCRIPTION FORM MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A MEMBER OF THE MEDALLION STAMP PROGRAM.

ASSIGNMENT

To Be Executed by the Registered Holder
in Order to Assign Warrants

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER
OF TRANSFEREE

[please print or type name and address]

_____ of the Class A Warrants represented by this Warrant Certificate, and hereby irrevocably constitutes and appoints _____ Attorney to transfer this Warrant Certificate on the books of the Company, with full power of substitution in the premises.

Dated: _____ X _____
Signature Guaranteed

THE SIGNATURE TO THE ASSIGNMENT OR THE SUBSCRIPTION FORM MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A MEMBER OF THE MEDALLION STAMP PROGRAM.

EXHIBIT A

[FORM OF FACE OF CLASS A WARRANT CERTIFICATE]

No. AW _____Class A Warrants

VOID AFTER _____

CLASS A WARRANT CERTIFICATE FOR PURCHASE
OF CLASS A COMMON STOCK

AMERIGON INCORPORATED

This certifies that FOR VALUE RECEIVED _____ or registered assigns (the "Registered Holder") is the owner of the number of Class A Warrants ("Class A Warrants") specified above. Each Class A Warrant represented hereby initially entitles the Registered Holder to purchase, subject to the terms and conditions set forth in this Warrant Certificate and the Warrant Agreement (as hereinafter defined), one fully paid and nonassessable share of Class A Common Stock, no par value ("Class A Common Stock"), of Amerigon Incorporated, a California corporation (the "Company"), at any time between _____, and the Expiration Date (as hereinafter defined), upon the presentation and surrender of this Warrant Certificate with the Subscription Form on the reverse hereof duly executed, at the corporate office of U.S. Stock Transfer Corporation as Warrant Agent, or its successor (the "Warrant Agent"), accompanied by payment of $_____ (the "Purchase Price") in lawful money of the United States of America in cash or by official bank or certified check made payable to Amerigon Incorporated.

This Warrant Certificate and each Class A Warrant represented hereby are issued pursuant to and are subject in all respects to the terms and conditions set forth in the Warrant Agreement (the "Warrant Agreement"), dated _____, by and among the Company, the Warrant Agent and D.H. Blair Investment Banking Corp.

In the event of certain contingencies provided for in the Warrant Agreement, the Purchase Price or the number of shares of Class A Common Stock subject to purchase upon the exercise of each Class A Warrant represented hereby are subject to modification or adjustment.

Each Class A Warrant represented hereby is exercisable at the option of the Registered Holder, but no fractional shares of Class A Common Stock will be issued. In the case of the exercise of less than all the Class A Warrants represented hereby, the Company shall cancel this Warrant Certificate upon the surrender hereof and shall execute and deliver a new

Warrant Certificate or Warrant Certificates of like tenor, which the Warrant Agent shall countersign, for the balance of such Class A Warrants.

The term "Expiration Date" shall mean 5:00 P.M. (New York time) on _____, or such earlier date as the Class A Warrants shall be redeemed. If such date shall in the State of New York be a holiday or a day on which banks are authorized to close, then the Expiration Date shall mean 5:00 P.M. (New York time) the next following day which in the State of New York is not a holiday or a day on which banks are authorized to close.

The Company shall not be obligated to deliver any securities pursuant to the exercise of the Class A Warrants represented hereby unless a registration statement under the Securities Act of 1933, as amended, with respect to such securities is effective. The Company has covenanted and agreed that it will file a registration statement and will use its best efforts to cause the same to become effective and to keep such registration statement current while any of the Class A Warrants are outstanding. The Class A Warrants represented hereby shall not be exercisable by a Registered Holder in any state where such exercise would be unlawful.

This Warrant Certificate is exchangeable, upon the surrender hereof by the Registered Holder at the corporate office of the Warrant Agent, for a new Warrant Certificate or Warrant Certificates of like tenor representing an equal aggregate number of Class A Warrants, each of such new Warrant Certificates to represent such number of Class A Warrants as shall be designated by such Registered Holder at the time of such surrender. Upon due presentment with any applicable transfer fee per certificate in addition to any tax or other governmental charge imposed in connection therewith, for registration of transfer of this Class A Warrant Certificate at such office, a new Warrant Certificate or Warrant Certificates representing an equal aggregate number of Class A Warrants will be issued to the transferee in exchange therefor, subject to the limitations provided in the Warrant Agreement.

Prior to the exercise of any Class A Warrant represented hereby, the Registered Holder shall not be entitled to any rights of a stockholder of the Company, including, without limitation, the right to vote or to receive dividends or other distributions, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided in the Warrant Agreement.

The Class A Warrants represented hereby may be redeemed at the option of the Company, at a redemption price of $.05 per Class A Warrant at any time after _____, provided the Market Price (as defined in the Warrant Agreement) for the Class A Common Stock shall exceed $_____ per share. Notice of redemption shall be given not later than the thirtieth day before the date fixed for redemption, all as provided in the Warrant Agreement. On and after the date fixed for redemption, the Registered Holder shall have no rights with respect to the Class A Warrants represented hereby except to receive the $.05 per Class A Warrant upon surrender of this Warrant Certificate.

Prior to due presentment for registration of transfer hereof, the Company and the Warrant Agent may deem and treat the Registered Holder as the absolute owner hereof and of each Class A Warrant represented hereby (notwithstanding any notations of ownership or writing hereon made by anyone other than a duly authorized officer of the Company or the Warrant Agent) for all purposes and shall not be affected by any notice to the contrary.

The Company has agreed to pay a fee of 5% of the Purchase Price upon certain conditions as specified in the Warrant Agreement upon the exercise of the Class A Warrants represented hereby.

This Warrant Certificate shall be governed by and construed in accordance with the laws of the State of New York.

This Warrant Certificate is not valid unless countersigned by the Warrant Agent.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed, manually or in facsimile, by two of its officers thereunto duly authorized and a facsimile of its corporate seal to be imprinted hereon.

AMERIGON INCORPORATED

Dated: ----------

By: ----------

By: ----------

[seal]

Countersigned:

U.S. STOCK TRANSFER CORPORATION

- ----------
as Warrant Agent

By: ----------
Authorized Officer

[FORM OF REVERSE OF WARRANT CERTIFICATE]

TRANSFER FEE: $_____ PER CERTIFICATE ISSUED

SUBSCRIPTION FORM

To Be Executed by the Registered Holder
in Order to Exercise Warrants

The undersigned Registered Holder hereby irrevocably elects to exercise _____ Class A Warrants represented by this Warrant Certificate, and to purchase the securities issuable upon the exercise of such Class A Warrants, and requests that certificates for such securities shall be issued in the name of

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER

[please print or type name and address]

and be delivered to

[please print or type name and address]

and if such number of Class A Warrants shall not be all the Class A Warrants evidenced by this Warrant Certificate, that a new Class A Warrant Certificate for the balance of such Class A Warrants be registered in the name of, and delivered to, the Registered Holder at the address stated below.

The undersigned represents that the exercise of the Class A Warrants evidenced hereby was solicited by a member of the National Association of Securities Dealers, Inc. If not

solicited by an NASD member, please write "unsolicited" in the space below. Unless otherwise indicated by listing the name of another NASD member firm, it will be assumed that the exercise was solicited by D.H. Blair Investment Banking Corp. or D.H. Blair & Co., Inc.

(Name of NASD Member)

Dated: ---------- X ---

Address

Taxpayer Identification Number

Signature Guaranteed

THE SIGNATURE TO THE ASSIGNMENT OR THE SUBSCRIPTION FORM MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A MEMBER OF THE MEDALLION STAMP PROGRAM.

ASSIGNMENT

To Be Executed by the Registered Holder
in Order to Assign Warrants

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER
OF TRANSFEREE

[please print or type name and address]

_____ of the Class A Warrants represented by this Warrant Certificate, and hereby irrevocably constitutes and appoints _____ Attorney to transfer this Warrant Certificate on the books of the Company, with full power of substitution in the premises.

Dated: _____ X _____
Signature Guaranteed

THE SIGNATURE TO THE ASSIGNMENT OR THE SUBSCRIPTION FORM MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A MEMBER OF THE MEDALLION STAMP PROGRAM.

PROMISSORY NOTE PAYABLE

$200,000.00 September 9,1996

ON DEMAND, for value received, Amerigon Incorporated promises to pay to the order of Lon E. Bell, two hundred thousand dollars in lawful money of the United States of America, at Monrovia, California, with interest at the rate of eight percent (8%) per annum. Should suit be commenced to enforce payment of this note, Amerigon Incorporated promises to pay such additional sum as the court may adjudge reasonable as attorney's fees in said suit.

Amerigon lncorporated

/s/ R. John Hamman, Jr.
---
by R. John Hamman, Jr.
Vice President

Option to Purchase
1,500 Units

AMERIGON INCORPORATED
UNIT PURCHASE OPTION
Dated: December __, 1996

THIS CERTIFIES THAT_____ (herein sometimes called the "Holder") is entitled to purchase from Amerigon Incorporated, a California corporation (hereinafter called the "Company"), at the prices and during the periods as hereinafter specified, up to ONE THOUSAND FIVE HUNDRED (1,500) Units ("Units"), each Unit consisting of _____ shares of the Company's Class A Common Stock, no par value, as now constituted ("Class A Common Stock"), and _____ Class A warrants ("Class A Warrants"). Each Class A Warrant is exercisable to purchase one share of Class A Common Stock at an exercise price of $_____ from _____ __, 199_ to _____ , 200_. The Class A Warrants are herein referred to as the "Warrants."

The Units have been registered under a Registration Statement on Form S-2, (File No. 333-_____) declared effective by the Securities and Exchange Commission on _____ (the "Registration Statement". This Option, together with options of like tenor, constituting in the aggregate options (the "Options") to purchase 1,500 Units, subject to adjustment in accordance with Section 8 of this Option (the "Option Units"), was originally issued pursuant to an underwriting agreement between the Company and D.H. Blair Investment Banking Corp., as underwriter (the "Underwriter") in connection with a public offering (the "Offering") of 15,000 Units (the "Public Units") through the Underwriter, in consideration of $1.50 received for the Options.

Except as specifically otherwise provided herein, the Class A Common Stock and the Warrants issued pursuant to the option herein granted (the "Option") shall bear the same terms and conditions as described under the caption "Description of Securities" in the Registration Statement, and the Warrants shall be governed by the terms of the Warrant Agreement dated as of _____ __, 199_ executed in connection with such public offering (the "Warrant Agreement"), and except that (i) the holder shall have registration rights under the Securities Act of 1933, as amended (the "Act"), for the Option, the Class A Common Stock and the Warrants included in the Option Units, and the shares of Class A Common Stock underlying the Warrants, as more fully described in Section 6 of this Option and (ii) the Warrants issuable upon exercise of the Option will be subject to redemption by the Company pursuant to the Warrant Agreement at any time after the Option has been exercised and the Warrants underlying the Option Units are outstanding. Any such redemption shall be on the same terms and conditions as the Warrants included in the Public Units (the "Public Warrants"). The Company will list the Class A Common Stock underlying this Option and, at the Holder's request the

Warrants, on the Nasdaq National Market, the Nasdaq SmallCap Market or such other exchange or market as the Class A Common Stock or Public Warrants may then be listed or quoted. In the event of any extension of the expiration date or reduction of the exercise price of the Public Warrants, the same changes to the Warrants included in the Option Units shall be simultaneously effected.

1. The rights represented by this Option shall be exercised at the prices, subject to adjustment in accordance with Section 8 of this Option ("the "Exercise Price"), and during the periods as follows:

(a) During the period from _____, 199_ to _____, 199_ inclusive, the Holder shall have no right to purchase any Option Units hereunder, except that in the event of any merger, consolidation or sale of all or substantially all the capital stock or assets of the Company or in the case of any statutory exchange of securities with another corporation (including any exchange effected in connection with a merger of another corporation into the Company) subsequent to _____, 199_, the Holder shall have the right to exercise this Option and the Warrants included herein at such time and receive the kind and amount of shares of stock and other securities and property (including cash) which a holder of the number of shares of Class A Common Stock underlying this Option and the Warrants included in this Option would have owned or been entitled to receive had this Option been exercised immediately prior thereto.

(b) Between _____, and _____,200_ inclusive, the Holder shall have the option to purchase Option Units hereunder at a price of $_____ per Unit. For purposes of the adjustments under Section 8 hereof, the Per Share Exercise Price shall be deemed to be $_____, subject to further adjustment as provided in such Section 8.

(c) After _____, 200_ the Holder shall have no right to purchase any Units hereunder.

2. (a) The rights represented by this Option may be exercised at any time within the period above specified, in whole or in part, by (i) the surrender of this Option (with the purchase form at the end hereof properly executed) at the principal executive office of the Company (or such other office or agency of the Company as it may designate by notice in writing to the Holder at the address of the Holder appearing on the books of the Company); and (ii) payment to the Company of the exercise price then in effect for the number of Option Units specified in the above-mentioned purchase form together with applicable stock transfer taxes, if any. This Option shall be deemed to have been exercised, in whole or in part to the extent specified, immediately prior to the close of business on the date this Option is surrendered and payment is made in accordance with the foregoing provisions of this Section 2, and the person or persons in whose name or names the certificates for shares of Class A Common Stock and

Warrants shall be issuable upon such exercise shall become the holder or holders of record of such Class A Common Stock and Warrants at that time and date. The certificates for the Class A Common Stock and Warrants so purchased shall be delivered to the Holder as soon as practicable but not later than ten (10) days after the rights represented by this Option shall have been so exercised.

(b) At any time during the period above specified, during which this Option may be exercised, the Holder may, at its option, exchange this Option, in whole or in part (an "Option Exchange"), into the number of Option Units determined in accordance with this Section (b), by surrendering this Option at the principal office of the Company or at the office of its stock transfer agent, accompanied by a notice stating such Holder's intent to effect such exchange, the number of Option Units into which this Option is to be exchanged and the date on which the Holder requests that such Option Exchange occur (the "Notice of Exchange"). The Option Exchange shall take place on the date specified in the Notice of Exchange or, if later, the date the Notice of Exchange is received by the Company (the "Exchange Date"). Certificates for the shares of Class A Common Stock and Warrants issuable upon such Option Exchange and, if applicable, a new Option of like tenor evidencing the balance of the Option Units remaining subject to this Option, shall be issued as of the Exchange Date and delivered to the Holder within seven (7) days following the Exchange Date. In connection with any Option Exchange, this Option shall represent the right to subscribe for and acquire the number of Option Units (rounded to the next highest integer) equal to (x) the number of Option Units specified by the Holder in its Notice of Exchange up to the maximum number of Option Units subject to this option (the "Total Number") less (y) the number of Option Units equal to the quotient obtained by dividing (A) the product of the Total Number and the existing Exercise Price by (B) the Fair Market Value. "Fair Market Value" shall have the meaning indicated in Subsections (i) through (iv) below for the aggregate value of all shares of Class A Common Stock and Warrants which comprise a Unit:

(i) If the Class A Common Stock or Warrants are listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the Nasdaq National Market or the Nasdaq SmallCap Market, the Fair Market Value shall be the average of the last reported sale prices or the average of the means of the last reported bid and asked prices, respectively, of Class A Common Stock or Warrants, respectively, on such exchange or market for the twenty (20) business days ending on the last business day prior to the Exchange Date; or

(ii) If the Class A Common Stock or Warrants are not so listed or admitted to unlisted trading privileges, the Fair Market Value shall be the average of the means of the last reported bid and asked prices of the Class A Common Stock or Warrants, respectively, for the twenty (20) business days ending on the last business day prior to the Exchange Date; or

(iii) If the Class A Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Fair Market Value shall be an amount, not less than book value thereof as at the end of the most recent fiscal year of the Company ending prior to the Exchange Date, determined in such reasonable manner as may be prescribed by the Board of Directors of the Company; or

(iv) If the Warrants are not so listed or admitted to unlisted trading privileges, and bid and asked prices are not so reported for Warrants, then Fair Market Value for the Warrants shall be an amount equal to the difference between (i) the Fair Market Value of the shares of Class A Common Stock and Warrants which may be received upon the exercise of the Warrants, as determined herein, and (ii) the Warrant Exercise Price.

3. Neither this Option nor the underlying securities shall be transferred, sold, assigned, or hypothecated for a period of two years commencing _____, 199_, except that they may be transferred to successors of the Holder, and may be assigned in whole or in part to any person who is an officer of the Holder, any member participating in the selling group relating to the Offering or any officer of such selling group member. Any such assignment shall be effected by the Holder (i) executing the form of assignment at the end hereof and (ii) surrendering this Option for cancellation at the office or agency of the Company referred to in Section 2 hereof, accompanied by a certificate (signed by an officer of the Holder if the Holder is a corporation), stating that each transferee is a permitted transferee under this Section 3 hereof; whereupon the Company shall issue, in the name or names specified by the Holder (including the Holder) a new Option or Options of like tenor and representing in the aggregate rights to purchase the same number of Option Units as are purchasable hereunder.

4. The Company covenants and agrees that all shares of Class A Common Stock which may be issued as part of the Option Units purchased hereunder and the Class A Common Stock which may be issued upon exercise of the Warrants will, upon issuance, be duly and validly issued, fully paid and nonassessable and no personal liability will attach to the holder thereof. The Company further covenants and agrees that during the periods within which this Option may be exercised, the Company will at all times have authorized and reserved a sufficient number of shares of its Class A Common Stock to provide for the exercise of this Option and that it will have authorized and reserved a sufficient number of shares of Class A Common Stock for issuance upon exercise of the Warrants included in the Option Units.

5. This Option shall not entitle the Holder to any voting rights or any other rights, or subject the Holder to any liabilities, as a stockholder of the Company.

6. (a) The Company shall advise the Holder or its transferee, whether the Holder holds the Option or has exercised the Option and holds Option Units or any of the securities underlying the Option Units, by written notice at least four weeks prior to the filing of any post-effective amendment to the Registration Statement or of any new registration statement

or post-effective amendment thereto under the Act covering any securities of the Company, for its own account or for the account of others, and will for a period of seven years from the effective date of the Registration Statement, upon the request of the Holder, include in any such post-effective amendment or registration statement, such information as may be required to permit a public offering of the Option, all or any of the Option Units, the Class A Common Stock or Warrants included in the Option Units or the Class A Common Stock issuable upon the exercise of the Warrants (the "Registrable Securities").

(b) If the Underwriter, D.H. Blair & Co., Inc., J. Morton Davis or any 50% holder (as defined below) (each, a "Requesting Holder") shall give notice to the Company at any time to the effect that such holder desires to register under the Act this Option, the Option Units or any of the underlying securities contained in the Option Units under such circumstances that a public distribution (within the meaning of the Act) of any such securities will be involved then the Company will promptly, but no later than two weeks after receipt of such notice, file a post-effective amendment to the current Registration Statement or a new registration statement on Form S-1 or such other form as the holder requests pursuant to the Act, to the end that the Option, the Option Units and/or any of the securities underlying the Option Units may be publicly sold under the Act as promptly as practicable thereafter and the Company will use its best efforts to cause such registration to become and remain effective (including the taking of such steps as are necessary to obtain the removal of any stop order); provided, that such holder shall furnish the Company with appropriate information in connection therewith as the Company may reasonably request in writing. Any Requesting Holder may, at its option, request the filing of a post-effective amendment to the current Registration Statement or a new registration statement under the Act on one occasion during the four year period beginning one year from the effective date of the Registration Statement. Any Requesting Holder may, at its option request the registration of the Option and/or any of the securities underlying the Option in a registration statement made by the Company as contemplated by Section 6(a) or in connection with a request made pursuant to this Section 6(b) prior to acquisition of the Option Units issuable upon exercise of the Option and even though the Holder has not given notice of exercise of the Option. Any Requesting Holder may, at its option, request such post-effective amendment or new registration statement during the described period with respect to the Option, the Option Units as a unit, or separately as to the Class A Common Stock and/or Warrants included in the Option Units and/or the Class A Common Stock issuable upon the exercise of the Warrants, and such registration rights may be exercised by the Requesting Holder prior to or subsequent to the exercise of the Option.

Within ten days after receiving any such notice pursuant to this Section 6(b), the Company shall give notice to the other holders of the Options, advising that the Company is proceeding with such post-effective amendment or registration statement and offering to include therein the securities underlying the Options of the other holders, provided that they shall furnish the Company with such appropriate information (relating to the intentions of such holders) in connection therewith as the Company shall reasonably request in writing. In the event the registration statement is not filed within the period specified herein and in the event the registration statement is not declared effective under the Act prior to _____, 200_, then, at

the holders' request, the Company shall purchase the Options from the holder for a per option price equal to the difference between (i) the Fair Market Value of the Class A Common Stock on the date of notice multiplied by the number of shares of Class A Common Stock issuable upon exercise of the Option and the underlying Warrants and (ii) the average per share purchase price of the Option and each share of Class A Common Stock underlying the Option. All costs and expenses of the first such post-effective amendment or new registration statement under this paragraph 6(b) shall be borne by the Company, except that the holders shall bear the fees of their own counsel and any underwriting discounts or commissions applicable to any of the securities sold by them. If the Company determines to include securities to be sold by it in any registration statement originally requested pursuant to this Section 6(b), such registration shall instead be deemed to have been a registration under Section 6(a) and not under this Section 6(b).

The Company will maintain such registration statement or post-effective amendment current under the Act for a period of at least six months (and for up to an additional three months if requested by the Holder) from the effective date thereof.

(c) The term "50% holder" as used in this Section 6 shall mean the holder of at least 50% of the Class A Common Stock and the Warrants underlying the Options (considered in the aggregate) and shall include any owner or combination of owners of such securities, which ownership shall be calculated by determining the number of shares of Class A Common Stock held by such owner or owners as well as the number of shares then issuable upon exercise of the Warrants.

(d) Whenever pursuant to Section 6 a registration statement relating to any Registrable Securities is filed under the Act, amended or supplemented, the Company shall (i) supply prospectuses and such other documents as the Holder may request in order to facilitate the public sale or other disposition of the Registrable Securities, (ii) use its best efforts to register and qualify any of the Registrable Securities for sale in such states as such Holder designates, (iii) furnish indemnification in the manner provided in Section 7 hereof, (iv) notify each Holder of Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading and, at the request of any such Holder, prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state material fact required to be stated therein or necessary to make the statements therein not misleading and (v) do any and all other acts and things which may be necessary or desirable to enable such Holders to consummate the public sale or other disposition of the Registrable Securities, the Holder shall furnish appropriate information in connection therewith and indemnification as set forth in Section 7.

(e) The Company shall not permit the inclusion of any securities other than the Registrable Securities to be included in any registration statement filed pursuant to Section 6(b) hereof without the prior written consent of the Requesting Holders.

(f) The Company shall furnish to each Holder participating in the offering and to each underwriter, if any, a signed counterpart, addressed to such Holder or underwriter, of (i) an opinion of counsel to the Company, dated the effective date of such registration statement (or, if such registration includes an underwritten public offering, an opinion dated the date of the closing under the underwriting agreement), and (ii) if such registration includes an underwritten public offering, a "cold comfort" letter dated the effective date of such registration statement and dated the date of the closing under the underwriting agreement signed by the independent public accountants who have issued a report on the Company's financial statements included in such registration statement, in each case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities.

(g) The Company shall deliver promptly to each Holder participating in the offering requesting the correspondence and memoranda described below and to the managing underwriter copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the registration statement and permit each Holder and underwriter to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the registration statement as it deems reasonable necessary to comply with applicable securities laws or rules of the National Association of Securities Dealers, Inc. ("NASD"). Such investigation shall include access to non-confidential books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times as any such Holder shall reasonably request.

7. (a) Whenever pursuant to Section 6 a registration statement relating to the Registrable Securities is filed under the Act, amended or supplemented, the Company will indemnify and hold harmless each holder of the Registrable Securities covered by such registration statement, amendment or supplement (such holder being hereinafter called the "Distributing Holder"), and each person, if any, who controls (within the meaning of the Act) the Distributing Holder, and each underwriter (within the meaning of the Act) of such securities and each person, if any, who controls (within the meaning of the Act) any such underwriter, against any losses, claims, damages or liabilities, joint or several, to which the Distributing Holder, any such controlling person or any such underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any such registration statement or any preliminary prospectus or final

prospectus constituting a part thereof or any amendment or supplement thereto, or arise out of or are based upon the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; and will reimburse the Distributing Holder and each such controlling person and underwriter for any legal or other expenses reasonably incurred by the Distributing Holder or such controlling person or underwriter in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in said registration statement, said preliminary prospectus, said final prospectus or said amendment or supplement in reliance upon and in conformity with written information furnished by such Distributing Holder specifically for use in the preparation thereof.

(b) If requested by the Company prior to the filing of any registration statement covering the Registrable Securities, each Distributing Holder will agree, severally but not jointly, to indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue or alleged untrue statement of any material fact contained in said registration statement, said preliminary prospectus, said final prospectus, or said amendment or supplement, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in said registration statement, said preliminary prospectus, said final prospectus or said amendment or supplement in reliance upon and in conformity with written information furnished by such Distributing Holder specifically for use in the preparation thereof; except that the maximum amount which may be recovered from the Distributing Holder pursuant to this Section 7 or otherwise shall be limited to the amount of net proceeds received by the Distributing Holder from the sale of the Registrable Securities.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party, give the indemnifying party notice of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 7.

(d) In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses

subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation.

(8) In addition to the provisions of Section 1(a) of this Option, the Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise of the Options shall be subject to adjustment from time to time upon the happening of certain events as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on its outstanding shares of Class A Common Stock in shares of Class A Common Stock, (ii) subdivide or reclassify its outstanding shares of Class A Common Stock into a greater number of shares, or (iii) combine or reclassify its outstanding shares of Class A Common Stock into a smaller number of shares, the Exercise Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction, the denominator of which shall be the number of shares of Class A Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Class A Common Stock outstanding immediately prior to such action. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) Whenever the Exercise Price payable upon exercise of each Option is adjusted pursuant to Section (a) above, (i) the number of shares of Class A Common Stock included in an Option Unit shall simultaneously be adjusted by multiplying the number of shares of Class A Common Stock included in Option Unit immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price, as adjusted and (ii) the number of shares of Class A Common Stock or other securities issuable upon exercise of the Warrants included in the Option Units and the exercise price of such Warrants shall be adjusted in accordance with the applicable terms of the Warrant Agreement.

(c) No adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least five cents ($0.05) in such price; provided, however, that any adjustments which by reason of this Subsection (c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment required to be made hereunder. All calculations under this Section 8 shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be. Anything in this Section 8 to the contrary notwithstanding, the Company shall be entitled, but shall not be required, to make such changes in the Exercise Price, in addition to those required by this Section 8, as it shall determine, in its sole discretion, to be advisable in order that any dividend or distribution in shares of Class A Common Stock, or any

subdivision, reclassification or combination of Class A Common Stock, hereafter made by the Company shall not result in any Federal Income tax liability to the holders of Class A Common Stock or securities convertible into Class A Common Stock (including Warrants issuable upon exercise of this Option).

(d) Whenever the Exercise Price is adjusted, as herein provided, the Company shall promptly but no later than 10 days after any request for such an adjustment by the Holder, cause a notice setting forth the adjusted Exercise Price and adjusted number of Option Units issuable upon exercise of each Option and, if requested, information describing the transactions giving rise to such adjustments, to be mailed to the Holders, at the address set forth herein, and shall cause a certified copy thereof to be mailed to its transfer agent, if any. The Company may retain a firm of independent certified public accountants selected by the Board of Directors (who may be the regular accountants employed by the Company) to make any computation required by this Section 8, and a certificate signed by such firm shall be conclusive evidence of the correctness of such adjustment.

(e) In the event that at any time, as a result of an adjustment made pursuant to Subsection (a) above, the Holder of this Option thereafter shall become entitled to receive any shares of the Company, other than Class A Common Stock, thereafter the number of such other shares so receivable upon exercise of this Option shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Class A Common Stock contained in Subsections (a) to (c), inclusive above.

(f) In case any event shall occur as to which the other provisions of this Section 8 or Section 1(a) hereof are not strictly applicable but as to which the failure to make any adjustment would not fairly protect the purchase rights represented by this Option in accordance with the essential intent and principles hereof then, in each such case, the Holders of Options representing the right to purchase a majority of the Option Units may appoint a firm of independent public accountants reasonably acceptable to the Company, which shall give their opinion as to the adjustment, if any, on a basis consistent with the essential intent and principles established herein, necessary to preserve the purchase rights represented by the Options. Upon receipt of such opinion, the Company will promptly mail a copy thereof to the Holder of this Option and shall make the adjustments described therein. The fees and expenses of such independent public accountants shall be borne by the Company.

9. This Agreement shall be governed by and in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, _____ has caused this Option to be signed by its duly authorized officers under its corporate seal, and this Option to be dated _____, 199_.

AMERIGON INCORPORATED

By:

Lon E. Bell, Ph.D., President

(Corporate Seal)
Attest:

- ---

PURCHASE FORM

(To be signed only upon exercise of option)

The undersigned, the holder of the foregoing Option, hereby irrevocably elects to exercise the purchase rights represented by such Option for, and to purchase thereunder, Units of Amerigon Incorporated, each Unit consisting of _____ shares of Class A Common Stock, no par value, and _____ Class A Warrant(s) to purchase Class A Common Stock and herewith makes payment of $_____ thereof.

Dated: ----------

Instructions for Registration of Stock and Warrants

Print Name

Address

Signature

OPTION EXCHANGE

The undersigned, pursuant to the provisions of the foregoing Option, hereby elects to exchange its Option for _____ Units of Amerigon Incorporated, each Unit consisting of _____ shares of Class A Common Stock, no par value, and _____ Class A Warrant(s) to purchase Class A Common Stock, pursuant to the Option Exchange provisions of the Option.

Dated:

Print Name

Address

Signature

TRANSFER FORM

(To be signed only upon transfer of the Option)

For value received, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase Units represented by the foregoing Option to the extent of ___ Units , and appoints _____ attorney to transfer such rights on the books of Amerigon Incorporated, with full power of substitution in the premises.

Dated:

D.H. BLAIR INVESTMENT BANKING CORP.

By:

Address

In the presence of:

INCENTIVE STOCK OPTION AGREEMENT
August 9, 1995

THIS AGREEMENT is made as of August 9, 1995 by and between Dr. Lon E. Bell ("Bell") and R. John Hamman, Jr. ("Optionee").

R E C I T A L S

A. Bell is a founder and principal shareholder of Amerigon Incorporated (The "Company").

B. Optionee is an employee of the Company.

C. Bell grants to Optionee an option to acquire shares of the Company's Class A common Stock ("Common Stock") owned by Bell ("Bell Shares"), some of which shares ("Bell Escrow Shares") are held in escrow (the "Escrow") pursuant to a certain Escrow Agreement by and among Bell, D. H. Blair Investment Banking Corporation (the "Underwriter"), an escrow agent and certain other shareholders of the Company (the "Escrow Agreement").

A G R E E M E N T

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

1. Grant of Option. Bell hereby grants to Optionee, subject to the vesting schedule set forth herein, an option to acquire 10,000 Bell Shares, of which 2,500 are not held in Escrow (the "Unrestricted Shares"), and 2,500 are held in the Escrow Target 1, as described on page 42 of the Company's stock prospectus dated June 10, 1993, and 5,000 are subject to Escrow Target 2, as described in the same prospectus.

2. Option Price. Subject to the terms and conditions hereof, Optionee may purchase the Option Shares at the price of $12.00 per share.

3. Term. This Option shall expire on the day before the fifth (5th) anniversary of the Grant Date, unless such Option shall have been terminated prior to that date in accordance with the provisions of this Agreement. The terms "Parent" and "Subsidiary" herein mean a parent corporation or a subsidiary corporation, as such terms are defined in Section 424(e) and (f) of the Internal Revenue Code of 1986, as amended ("the Code").

4. Shares Subject to Exercise. This option vests 8/9/1996. The 2,500 Unrestricted shares shall be subject to exercise on and after 8/9/1996. As to the Escrow Shares, this Option vest only in the event and to the extent the financial objectives for release of Bell Escrow Shares from Escrow, as provided in the Escrow Agreement, are met and Bell Escrow Shares are released from Escrow. All such shares shall thereafter remain subject to exercise for the term specified in Paragraph 3 hereof, provided that Optionee is then and has continuously been in the employ of the Company, a Parent or a Subsidiary, subject, however, to the provisions of Paragraph 7 hereof.

5. Method and Time of Exercise. The Option may be exercised by written notice delivered to Bell stating the number of shares with respect to which the Option is being exercised, together with a check made payable to Bell in the amount of the purchase price of such shares and a check made payable to the Company in the amount of applicable federal, state, and local withholding taxes and the written statement provided for in Paragraph 13 hereof. Not less than 100 shares may be purchased at any one time unless the number purchased is the total number purchased under such Option at the time. Only whole shares may be purchased.

6. Tax Withholding. As a condition to exercise of this Option, Bell may require Optionee to pay to the Company all applicable federal, state, and local taxes which the Company is required to withhold with respect to the exercise of this Option.

7. Termination of Employment or Other Relationship. Upon termination of Optionee's employment with or upon Optionee's ceasing to perform other services for the Company, a Parent or Subsidiary, Optionee's rights to exercise this Option shall be only as follows (in no case do the time periods referred to below extend the term specified in this Option):

   a. Death or Disability. Upon the death of Optionee, this Option may be exercised (to the extent exercisable at Optionee's death), unless it otherwise expires, within three months after the date of Optionee's death by Optionee's representative or by the person entitled thereto under Optionee's will or the laws of interstate succession. Upon the disability (within the meaning of Section 22(e)(3) of the Code) of an Optionee, this Option may be exercised (to the extent exercisable as of the date of disability), unless it otherwise expires, within two years after the date of Optionee's disability.

b. Retirement. Upon the retirement (either pursuant to a Company retirement plan, if any, or pursuant to the approval of the Company), of an employee or the cessation of services provided by a former employee as a consultant or director this Option may be exercised (to the extent exercisable at the date of such termination or cessation) by Optionee within two years after the date of Optionee's retirement or cessation of services.

c. Other Termination. In the event Optionee leaves the employ of the Company or ceases to provide services to the Company for any reason other than as set forth in (a) and (b) above, this Option shall terminate at the earlier of six months after the date: (A) Optionee's employment terminates, or (B) Optionee ceases providing services to the Company. The foregoing shall not extend this Option beyond the term specified herein and this Option shall be exercisable only to the extent exercisable at the date of termination of employment or cessation of services.

8. Nontransferability. This Option may not be assigned or transferred except by will or by the laws of descent and distribution, and may be exercised only by Optionee during Optionee's lifetime and after Optionee's death, by Optionee's personal representative or by the person entitled thereto under Optionee's will or the laws of interstate succession.

9. Optionee Not a Shareholder. Optionee shall have no rights as a shareholder with respect to the Common Stock of the Company covered by the Option until the date of issuance of a stock certificate or stock certificates to Optionee upon exercise of the Option. No adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificates or certificates are issued.

10. No Right to Employment. Nothing in this Option shall confer upon the Optionee any right to continue in the employ of the Company or to continue to perform services for the Company or any Parent or Subsidiary, or shall interfere with or restrict in any way the rights of the Company to discharge or terminate any officer, director, employee, independent contractor or consultant at any time for any reason whatsoever, with or without good cause.

11. Adjustment of Shares; Termination of Options.

a. Adjustment of Shares. In the event of changes in the outstanding Common Stock by reason of stock dividends, split-ups, consolidations, recapitalizations, reorganizations or like events, an appropriate adjustment shall be made in the number of shares set forth in Paragraph 4 hereof, and in the number of shares and the option price per share specified in this Agreement with respect to any unpurchased shares. Appropriate adjustments for any options to purchase fractional shares shall also be made. However, no fractional shares shall be transferred.

b. Termination of Options on Merger, Sale of Liquidation of the Company. In the event of any merger, consolidation of other reorganization of the Company in which the Company is not the surviving or continuing corporation or in the event of the liquidation or dissolution of the Company, all options granted hereunder shall terminate on the effective date of the merger, consolidation, reorganization, liquidation or dissolution unless there is a written agreement with respect thereto between Optionee and Bell, which expressly provides otherwise.

12. Modification and Termination. The rights of Optionee are subject to modification and termination in certain events as provided in this Agreement.

13. Restrictions on Sale of Shares. Optionee represents and agrees that, upon Optionee's exercise of the Option in whole or in part, unless there is in effect at that time under the Securities Act of 1933 as amended, a registration statement relating to the shares issued to Optionee, Optionee will acquire the shares issuable upon exercise of this Option for the purpose of investment and not with a view to their resale or further distribution, and that upon each exercise thereof Optionee will furnish to Bell and the Company a written statement of such effect, satisfactory to Bell and the Company in form and substance. Optionee agrees that any certificates issued upon exercise of this Option may bear a legend indicating that their transferability is restricted in accordance with applicable state or federal securities law. Any person or persons entitled to exercise this option under the provisions of Paragraphs 7 and 8 hereof shall, upon each exercise of the option under circumstances in which Optionee would be required to furnish such a written statement, also furnish to the Bell and the Company a written statement to the same effect, satisfactory to Bell and the Company in form and substance.

14. Complete Agreement. This Agreement contains the entire agreement among the parties hereto with respect to the subjective matter hereof and supersedes all previous and contemporaneous oral and written negotiations, commitments, writings and understandings between the parties with respect to the subject matter hereof.

15. Notices. All notices to Bell shall be addressed to Bell at the principal office of the Company at the address set forth below and all notices to Optionee shall be addressed to Optionee at the address set forth below, or to such other address as either may designate to the other in writing. A notice shall be deemed to be duly given if and when deposited with the United States Postal Service, in a properly addressed sealed envelope, postage prepaid. In lieu of giving notice by mail as aforesaid, written notice under this Agreement may be given by personal delivery to Optionee or to Bell (as the case may be).

16. Sale or Other Disposition. If Optionee at any time contemplates the disposition (whether by sale, gift, exchange, or other form of transfer) of any shares, of Common Stock acquired by exercise of this Option will first notify the Company in writing of such proposed disposition and cooperate with the Company in complying with all applicable requirements of law, which, in the judgment of the Company, must be satisfied prior to such disposition.

17. Hold-Back Agreement. In accepting the grant of this Option, Optionee hereby agrees that in the event of an initial or subsequent public offering of the Company's securities pursuant to which any of the Company's securities are registered under the Securities Act, Optionee will agree to refrain from selling or transferring any of the Common Stock issued or issuable upon exercise of this Option as required by the Underwriter for a period of up to 13 months after the closing date of such offering and to sign a holdback agreement with respect thereto if requested by the Underwriter.

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

OPTIONEE

By /s/ Lon E. Bell
Dr. Lon E. Bell

/s/ R. John Hamman, Jr.
R. John Hamman, Jr.

Address: Dr. Lon E. Bell
Amerigon Incorporated
1201 E. Huntington Drive
Monrovia, CA 91016

STOCK OPTION AGREEMENT

This Agreement is made as of 13th May, 1993, by and between Dr. Lon E. Bell ("Bell") and Roy Anderson ("Optionee").

R E C I T A L S

A. Bell is a founder and principal shareholder of Amerigon Incorporated (the "Company").

B. Optionee has agreed to become a director of the Company.

C. The Company and D.H. Blair Investment Banking Corp. (the "Underwriter"), have entered into a letter of intent dated March 3, 1993 (the "LOI"), with respect to an initial public offering (the "Public Offering") of 2,000,000 shares of the Company's Class A Common Stock ("Common Stock").

D. In appreciation of Optionee's commitment to serve on the Company's Board of Directors and service to the Company as a director, Bell wants to grant Optionee an option to acquire shares of Common Stock owned by Bell (the "Bell Shares"), some of which shares ("Bell Escrow Shares") are held in escrow (the "Escrow") pursuant to a certain escrow agreement by and among Bell, Underwriter, an escrow agent and certain other shareholders of the Company (the "Escrow Agreement").

A G R E E M E N T

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

1. Grant of Option. Bell hereby grants to Optionee, effective on the effective date of the Public Offering and subject to the vesting schedule set forth herein, an option (the "Option") to acquire 10,000 Bell Shares (the "Option Shares"), of which 2,500 shares (25%) are not held in Escrow (the "Unrestricted Shares") and 7,500 shares (75%) are held in Escrow (the "Escrow Shares").

2. Option Price. Subject to the terms and conditions hereof, Optionee may purchase the Option Shares at a price equal to the Public Offering price per share.

3. Term. This Option shall expire on June 1, 1999, unless such Option shall have been terminated prior to that date in accordance with the provisions of this Agreement.

The terms "Parent" and "Subsidiary" herein mean a parent corporation or a subsidiary corporation, as such terms are defined in Sections 424(e) and (f) of the Internal Revenue Code of 1986, as amended (the "Code").

4. Shares Subject to Exercise. The vesting of options hereunder is subject to Optionee's continued service as a director of the Company to the date of vesting. Unrestricted Shares vest as to 834 Shares on and after the date Optionee becomes a director (the "Option Date"); 833 Shares on and after the first anniversary thereof; and 833 Shares on and after the second anniversary thereof. This Option vests as to 2,500 Escrow Shares on the Option Date; 2,500 Escrow Shares on the first anniversary thereof; and 2,500 Escrow Shares on the second anniversary thereof; provided, however, that Escrow Shares may be acquired only in the event and to the extent the financial objectives (the "Financial Objectives") for release of Bell Escrow Shares from Escrow, as provided in the Escrow Agreement, are met and Bell Escrow Shares are released from Escrow. All such shares shall thereafter remain subject to exercise for the term specified in Paragraph 3 hereof, subject, however, to the provisions of Paragraph 7 hereof.

5. Method and Time of Exercise. The Option may be exercised by written notice delivered to Bell stating the number of shares with respect to which the Option is being exercised, together with a check made payable to Bell in the amount of the purchase price of such shares and a check made payable to the Company in the amount of applicable federal, state and local withholding taxes and the written statement provided in Paragraph 13 hereof, if required by Paragraph 13. Not less than 100 shares may be purchased at any one time unless the number purchased is the total number purchasable under such Option at the time. Only whole shares may be purchased.

6. Tax Withholding. As a condition to exercise of this Option, Bell may require Optionee to pay to the Company all applicable federal, state and local taxes which the Company is required to withhold with respect to the exercise of this Option.

7. Termination of Employment or Other Relationship. Upon termination of Optionee's relationship with the Company, a Parent or Subsidiary, Optionee's rights to exercise this Option shall be only as follows (in no case do the time periods referred to below extend the term specified in this Option):

a. Death or Disability. Upon the death of Optionee, this Option may be exercised (to the extent exercisable at Optionee's death), unless it otherwise expires, within three months after the date of Optionee's death by Optionee's representative or by the person entitled thereto under Optionee's will or the laws of intestate succession. Upon the disability (within the meaning of Section 22(e)(3) of the Code) of an Optionee, this Option may be exercised (to the extent exercisable as of the date of disability), unless it otherwise expires, within thirty days after the date of Optionee's disability.

b. Retirement. Upon the retirement (either pursuant to a Company retirement plan, if any, or pursuant to the approval of the Company), of an employee or the cessation of services provided by a former employee as a consultant or director this Option may be exercised (to the extent exercisable at the date of such termination or cessation) by Optionee within 30 days after the date of Optionee's retirement or cessation of services.

c. Other Termination. In the event Optionee leaves the employ of the Company or ceases to provide services to the Company for any reason other than as set forth in (a) and (b), above, this Option shall terminate at the earlier of 30 days after the date: (A) Optionee's employment terminates, or (B) Optionee ceases providing services to the Company, or (C) the date Optionee receives written notice that Optionee's employment or rendering of services is or will be terminated. The foregoing shall not extend this Option beyond the term specified herein and this Option shall be exercisable only to the extent exercisable at the date of termination of employment or cessation of services.

8. Nontransferability. This Option may not be assigned or transferred except by will or by the laws of descent and distribution, and may be exercised only by Optionee during Optionee's lifetime and after Optionee's death, by Optionee's personal representative or by the person entitled thereto under Optionee's will or the laws of intestate succession.

9. Optionee Not a Shareholder. Optionee shall have no rights as a shareholder with respect to the Common Stock of the Company covered by this Option until the date of issuance of a stock certificate or stock certificates to Optionee upon exercise of this Option. No adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued.

10. No Right to Employment. Nothing in this Option shall confer upon Optionee any right to continue in the employ of the Company or to continue to perform services for the Company or any Parent or Subsidiary, or shall interfere with or restrict in any way the rights of the Company to discharge or terminate any officer, director, employee, independent contractor or consultant at any time for any reason whatsoever, with or without good cause.

11. Adjustment of Shares; Termination of Options.

a. Adjustment of Shares. In the event of changes in the outstanding Common Stock by reason of stock dividends, split-ups, consolidations, recapitalizations, reorganizations or like events, an appropriate adjustment shall be made in the number of shares set forth in Paragraph 4 hereof, and in the number of shares and the option price per share specified in this Agreement with respect to any unpurchased shares. Appropriate adjustments for any options to purchase fractional shares shall also be made. However, no fractional shares shall be transferred.

b. Termination of Options on Merger; Sale or Liquidation of the Company. In the event of any merger, consolidation or other reorganization of the Company in which the Company is not the surviving or continuing corporation or in the event of the liquidation or dissolution of the Company, all options granted hereunder shall terminate on the effective date of the merger, consolidation, reorganization, liquidation or dissolution unless there is a written agreement with respect thereto between Optionee and Bell, which expressly provides otherwise.

12. Modification and Termination. The rights of Optionee are subject to modification and termination in certain events as provided in this Agreement.

13. Restrictions on Sale of Shares. Optionee represents and agrees that upon Optionee's exercise of the Option, in whole or in part, unless there is in effect at that time under the Securities Act of 1933, as amended (the "Securities Act"), a registration statement relating to the shares issued to Optionee, Optionee will acquire the shares issuable upon exercise of this option for the purpose of investment and not with a view to their resale or further distribution, and that upon such exercise thereof Optionee will furnish to Bell and the Company a written statement to such effect, satisfactory to Bell and the Company in form and substance. Optionee agrees that any certificate issued upon exercise of this Option may bear a legend indicating that their transferability is restricted in accordance with applicable state and federal securities law. Any person or

persons entitled to exercise this Option under the provisions of Paragraphs 7 and 8 hereof shall, upon each exercise of the option under circumstances in which Optionee would be required to furnish such a written statement, also furnish to Bell and the Company a written statement to the same effect, satisfactory to Bell and the Company in form and substance.

14. Notices. All notices to Bell shall be addressed to Bell at the principal office of the Company at the address set forth below and all notices to Optionee shall be addressed to Optionee at the address of Optionee set forth below, or to such other address as either may designate to the other in writing. A notice shall be deemed to be duly given if and when deposited with the United States Postal Service, in a properly addressed sealed envelope, postage prepaid. In lieu of giving notice by mail as aforesaid, written notice under this Agreement may be given by personal delivery to Optionee or to Bell (as the case may be).

15. Sale or Other Disposition. If Optionee at any time contemplates the disposition (whether by sale, gift, exchange or other form or transfer) of any shares of Common Stock acquired by exercise of this Option, Optionee will first notify the Company in writing of such proposed disposition and cooperate with the Company in complying with all applicable requirements of law, which, in the judgment of the Company, must be satisfied prior to such disposition.

16. Hold-Back Agreement. In accepting the grant of this Option, Optionee hereby agrees that in the event of an initial or subsequent public offering of the Company's securities pursuant to which any of the Company's securities are registered under the Securities Act, the Optionee will agree to refrain from selling or transferring any of the Common Stock issued or issuable upon exercise of this Option as required by the underwriter of the offering for a period of up to 13 months after the closing date of such offering and to sign a hold-back agreement with respect thereto if requested by the underwriter of the offering.

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

BELL	OPTIONEE
/s/ Lon E. Bell	/s/ Roy Anderson
- ----------	----------
Dr. Lon E. Bell	Roy Anderson
Address:	Address:
Dr. Lon E. Bell Amerigon Incorporated 3601 Empire Avenue Burbank, California 91505	4367 Shepherds La Canada, CA 91011

LIST OF OMITTED
BELL STOCK OPTION AGREEMENTS
WITH DIRECTORS OF
AMERIGON INCORPORATED*

1. Stock Option Agreement dated May 13, 1993 by and between Dr. Lon E. Bell and Roger E. Batzel.

2. Stock Option Agreement dated May 13, 1993 by and between Dr. Lon E. Bell and A. Stephens Hutchcraft, Jr.

3. Stock Option Agreement dated May 13, 1993 by and between Dr. Lon E. Bell and Michael R. Peevey.

4. Stock Option Agreement dated May 13, 1993 by and between Dr. Lon E. Bell and Norman R. Prouty, Jr.

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* Each of the listed Bell Stock Option Agreements is substantially in the form of the Bell Stock Option Agreement attached as Exhibit 10.6.1 to this Form S-2, except with respect to the name of the Director executing such Agreement. Amerigon Incorporated agrees to furnish supplementally a copy of any of the omitted Bell Stock Option Agreements to the Commission upon request.

February 7, 1996

Mr. Edmund J. Freeman
Environmental Systems Group/Joy Manufacturing Co.
10700 North Freeway
Towerpark North
Houston, TX 77037

Dear Mr. Freeman:

Re: Standard Sublease on the property located at
404 East Huntington Drive, Monrovia, CA 91016

This is notification to you that Amerigon Incorporated hereby exercises its option to renew the lease on the property referred to above as provided in Paragraph 17 of the Addendum to the Standard Sublease agreement dated February 14, 1994. Amerigon elects at this time to renew for one six month period which would extend the lease period from August 14, 1996 to February 14, 1997.

If you have any questions, please call me at 818-932-2080.

Very truly yours,

/s/ R. JOHN HAMMAN, JR.

R. John Hamman, Jr.
Vice President Finance

[AMERIGON LETTERHEAD]

December 3, 1996

Mr. Chris Modenbach
McDermott, Inc.
1450 Poydras St.
New Orleans, LA 70112

Dear Mr. Modenbach:

RE: Sublease of the property located at 404 E. Huntington Drive,
Monrovia, CA.

Amerigon leases the property referred to above from Environmental Systems Group/Joy Manufacturing Company under a Standard Sublease agreement dated February 14, 1994 underwhich there is are options to renew the sublease in paragraph 17 of the addendum to the sublease.

Notice is hereby given of our intention to exercise the option to renew and extend the sublease for the period February 14, 1996 to July 31, 1997, the end of the term of the master lease.

If you have any questions, please call me at 818-932-2080.

Very truly yours,

/s/ R. John Hamman, Jr.

R. John Hamman, Jr.
Vice President Finance

PRODUCT ADAPTATION
AND SUPPLY CONTRACT

THIS CONTRACT is made and entered into as of the 25th day of November, 1994, by and between * (hereinafter referred to as "Buyer") and Amerigon, Inc. headquartered at 404 E. Huntington Dr., Monrovia, California 90638 (hereinafter referred to as "Seller").

WHEREAS, Buyer is interested in having Seller (i) make recommendations regarding and (ii) design, develop and manufacture Electric Vehicle (EV) components and 2 EVs for Buyer's EV project;

WHEREAS Seller is interested in performing such work and has agreed with Buyer on the * AND AMERIGON MEETING MINUTES dated from 17 October 1994 to 20 October 1994 ("Meeting Minutes") in that regard, which Meeting Minutes reflect Seller's expectation that it will sell 48 sets of EV parts and 2 EVs;

NOW, THEREFORE, in view of the foregoing premises and in consideration of the mutual covenants and promises contained in this Contract, Buyer and Seller agree as follows:

ARTICLE 1. CONTRACT SCOPE

1.1. In this Contract Buyer agrees to order the design, development and manufacture of 48 sets of EV components and 2 EVs for Buyer's EV project.

1.2. In this Contract, the Seller and the Buyer agree to the Meeting Minutes for completing this project. The Buyer has therefore decided to award the project to the Seller. Seller, therefore, in consideration of the payment to be made by the Buyer to the Seller, has agreed to enter into a Contract which will result in the development and manufacture of 50 sets of EV parts. Seller agrees to complete the design of the vehicle and manufacture and subassemble parts in the U.S. Final vehicle and frame assembly will be completed at the Seller's facility by Seller for two vehicles and for 40 vehicles at Buyer's facility by Buyer in *. Eight part sets will not be assembled and will be provided to Buyer as spare part kits. The vehicle's exterior will be the same as Buyer's prototype *EV-IV. The purposes of these vehicles are for Buyer's evaluation and normal driving on public roads in *. The specific tasks to be performed in connection with this Contract are set out and shall be limited to those set forth in Exhibit A, which is attached to and incorporated by reference in this Contract.

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* Confidential portions omitted and filed separately with the Commission.

ARTICLE 2. SELLER'S RESPONSIBILITY

2.1. The Seller will complete the design and development, tooling, prototype evaluation, design validation and manufacturing of 50 sets of EV parts, meeting overall vehicle and components specifications and program schedule set forth in Exhibit's B, C and D.

2.2. The Seller will be responsible for manufacturing and procurement of all components as set forth in Exhibit E, which outlines procurement responsibility for both Seller and the Buyer.

2.3. Two of the Fifty EV part sets will be assembled by Seller for final evaluation and will be sent to Buyer to be approved by Buyer, and forty-eight sets of the EV parts will be supplied to Buyer for final vehicle and frame assembly in *.

2.4. The Seller will assist Buyer and will provide sufficient technical support to assure successful completion of vehicle assembly in *. This includes technical support to Buyer and its supplier for final frame and vehicle assembly and body in white components manufacturing.

2.5. The Seller will prepare and deliver to the Buyer all the detail and master drawings, analysis report and testing results, process documentation and assembly procedures.

2.6. The Seller will be responsible for component packaging suitable for Sea shipment to *. (all shipments will be F.O.B. Seller's facility).

2.7. The Seller will be responsible for all deliverables as outlined in Exhibit A (Program Scope), Exhibit D (Program Schedule) and Exhibit E (Procurement Responsibility).

2.8. The Seller will provide Buyer with all the fixtures and jigs for final frame assembly in * and all the program specific component tooling after completion of the work. The fixtures and jigs for final vehicle assembly will be designed by Seller and fabricated by Buyer.

2.9. The Seller will install Climate Control Modules in the driver and passenger seats of each vehicle.

ARTICLE 3. BUYER'S RESPONSIBILITY

3.1. The Buyer shall provide Seller with a clay model, specifications, requirements and will continuously assist Seller to assure successful program completion as outlined in Exhibit D.

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* Confidential portions omitted and filed separately with the Commission.

3.2. The Buyer is responsible for shipping and obtaining all relevant documents needed for the importation of the parts and two prototype vehicles into the Buyer's county. This includes all the import fees and taxes imposed in Buyer's country.

3.3. The Buyer will be responsible for final frame and vehicle assembly in *. The fixtures and jigs for vehicle assembly will be fabricated by Buyer.

3.4. The Buyer and Seller are responsible for procurement of components according to Exhibit E.

ARTICLE 4. CONTRACT PRICE

4.1. The total contract price for completion of the work hereto is:

USD 8,252,000. (Eight Million, Two Hundred Fifty-two Thousand U.S. Dollars only).

4.2. The Contract Price includes all design & development, component tooling & prototype frame assembly fixtures, prototype build, evaluation & design validation, production of 48 vehicle part kits, completion of 2 vehicles and technical support.

4.3 The Contract Price includes all taxes, including income taxes, duties, fees, levies, customs duties and other charges of any such kind, levied in connection with this Contract or its performance imposed in the Seller's country. A condition of this provision is that all deliverables under this Contract will be shipped directly to a non-U.S. destination (i.e. *).

4.4. The Contract Price excludes incoming and/or withholding taxes as well as any duties, customs, duties, fees, levies and other charge whatsoever levied in connection with this Contract or its performance which may be payable in the Buyer's country. Any of the above mentioned taxes, duties, fees, levies, charges, and etc. shall, if they occur, be borne and paid for by the Buyer. The Buyer shall consequently indemnify and keep the Seller harmless from any of the above-mentioned taxes, duties, fees, levies, charges and etc.

4.5. If significant changes are made and agreed to by Buyer and Seller in the specifications or scope of work to be performed under this Contract which will result in increased or decreased costs incurred by Seller, Buyer and Seller will negotiate an appropriate change in the Contract Price.

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* Confidential portions omitted and filed separately with the Commission.

ARTICLE 5. TERMS OF PAYMENT

5.1. The Contract Price stated in Article 4.1, shall be paid by the Buyer (via Bank Transfer) as follows;

a) 20% of the Contract Price shall be paid as an advance payment within fourteen (14) days after execution of this Contract by Seller and Buyer.

b) 20% of the Contract Price shall be paid fourteen (14) days after completion of vehicle design and shipment of the first drawing package to Buyer.

c) 15% of the Contract Price shall be paid fourteen (14) days after shipment of two (2) prototype vehicles.

d) 35% of the Contract Price shall be paid fourteen (14) days after shipment of forty-eight (48) part kits.

e) 10% of the Contract Price shall be paid fourteen (14) days after Buyer completes the assembly of forty (40) vehicles or, in any case, within six months of shipment to Buyer of the 48 part kits in (d) above.

5.2. The Buyer shall not be responsible for any deduction or retention of payments by the Buyer to the Seller as may be imposed by law or as a result of any other circumstances beyond the Buyer's control.

ARTICLE 6. PERFORMANCE OF WORK AND REMEDIES

6.1. Performance Of Work: The Seller and Buyer will use reasonable care in performing the work which each is required to perform pursuant to Article 1 above and Exhibit A. At the completion of each phase of the Contract, Seller will deliver to Buyer the deliverables referenced in Article 2.

6.2. Remedies: If Seller fails to use reasonable care in performing any task that is included in the Contract which Seller is required to perform pursuant to Article 1 and 2 above and Exhibit A, Buyer will give notice to Seller of such failure. If Seller fails or neglects to carry out the Remedy or fails to perform any provision of this Contract, the Buyer may after forty-five (45) day's written notice to the Seller, and without prejudice to any other remedy he may have, make good such deficiencies, and the Buyer's costs thereon shall be deducted from the sums then or thereafter due to the Seller. Buyer's costs under this paragraph will be limited to reasonable market rate costs for the deficient items.

ARTICLE 7. WORK PRODUCT

7.1 All designs, drawings, specifications, technical data, plans, instruments and other work product produced by, through, or on behalf of, the Seller in the performance of this Contract shall be, at all times, the property of the Buyer, and the Buyer is vested with all rights therein.

ARTICLE 8. GUARANTEE

8.1. This guarantee is valid for a period of twelve (12) months from the date of receipt of parts by Buyer.

8.2. The Seller guarantees that the goods are new and meet the specifications set forth in Exhibits B, C and D, but only to the extent that Seller has procurement responsibility for related components per Exhibit E.

8.3. Should the goods or any parts thereof be repaired, replaced or altered at Seller's expense to fulfill the guarantee, the Seller shall provide a new guarantee of the same conditions for such materials being required, replaced or altered for a period of twelve (12) months from the date of completion of such remedial work.

8.4. The Buyer shall notify the Seller in writing without delay, and no later than 20 days after the date on which the defect appeared, of any defect that has appeared and shall give the Seller every opportunity to inspect and remedy them.

8.5. Should the Seller fail to take such remedial action within 30 days, the Buyer may, at its option, take remedial action at the Seller's expense or select to accept the goods not meeting the specifications herein with adjustment in the purchase price. Any expenses charged to Seller by Buyer under this provision will not exceed reasonable market prices for the items involved.

ARTICLE 9. LIABILITY

9.1. The Seller will not knowingly incorporate in any drawing or other document furnished to Buyer under this Contract any copyrighted material or patented concept of a third party without first notifying the Buyer.

9.2. Recognizing that final vehicle assembly is the responsibility of the Buyer and control over the use of the vehicles resides with Buyer, Buyer indemnities and holds harmless Seller against any claims for loss or injury, involving components, assemblies, or vehicles designed or delivered under this Contract, made against Seller by Buyer's employees or agents or by third parties.

9.3. In no event the Buyer or Seller shall be liable for indirect or consequential damages.

ARTICLE 10. FORCE MAJEURE

10.1. In this Contract, the event of Force Majeure shall mean

a) flood, storms and other natural disasters, war, civil commotion, hostilities, rebellion, insurrection, strikes, freight embargo, acts of ordinances of governmental or state authorities of both countries.

b) any other circumstances like or unlike foregoing, which are beyond the reasonable control of the party affected.

10.2. Upon learning of an event of Force Majeure which threatens its performance hereunder, a party shall give the written notice thereof immediately to the other parties hereto. Upon request of the other parties, such a party shall provide further information concerning such an event.

10.3. In case of Force Majeure continues for more than 180 days, the Buyer shall, without prejudicing the other rights under this Contract, have the right to terminate this Contract.

ARTICLE 11. TERM AND TERMINATION

11.1. This Contract shall be effective as of the date written in the first paragraph (unnumbered) of this Contract and expire upon the delivery of all deliverables and completion of payments under the contract, unless earlier terminated as provided in Section 11.2 below.

11.2. Either party may terminate this Contract immediately upon written notice to the other party if the other party breaches any material obligation under this Contract and fails to cure such breach within sixty (60) days after being given written notice of such breach.

11.3. Either party may terminate this Contract immediately upon written notice to the other party if one of the parties goes into liquidation, bankruptcy proceedings are initiated against it, a receiver of its assets is appointed, a general assignment for the benefit of its creditors is made or if substantial change in the legal status, ownership or management takes place. The same shall apply if force majeure for a period of more than 180 days.

11.4 The rights and obligations of the parties under Sections 8, 9, and 13 above shall survive termination or expiration of the Contract.

ARTICLE 12. MISCELLANEOUS

12.1. Any modifications or amendments to this Contract are only valid if made in writing to this Contract and if duly signed by the parties.

12.2. The language to be applied during the performance of the Contract is English. All documents or correspondences shall be in English.

12.3. Should one or more stipulations of this Contract be held to be invalid, unenforceable or illegal for any reason, the other stipulations of this Contract shall nevertheless remain effective. In such case the hiatus in the Contract shall be filled by valid provision coming as close as possible to what the parties had intended if they had known the invalidity of the respective stipulations.

12.4. Each party shall not assign the Contract or any part thereof, without the written consent of the other party.

ARTICLE 13. ARBITRATION

13.1. The Buyer and Seller shall use their best efforts to settle any claimed breach, dispute or controversies of this Contract, making a good-faith effort to reach a just and equitable settlement satisfactory to both parties. If the claim is not settled by the senior executives of the parties at that meeting, then, unless the parties otherwise agree in writing, it shall be finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Contract. Such arbitration shall be the sole and exclusive remedy between the parties with respect to such claim. Such arbitration shall be held in Los Angeles, California, U.S.A.

13.2. The dispute referred to arbitration is not a reason to stop the fulfillment of the other contractual obligation by the parties.

ARTICLE 14. PATENTS

14.1. The Seller shall be responsible for any infringement with regard to patent, utility model, trade-mark or design in the EV project whether in the Buyer's country or any other country or place. In the event that any dispute relating to such right or rights might arise, Buyer Shall be entitled to cancel this Contract at his own accord and shall remain immune from any liability and responsibility for whatever arises from such dispute.

14.2. The Seller shall be solely responsible therefore and shall defend, reimburse, indemnify and keep the Buyer innocent thereof at the Seller's risk and expense.

ARTICLE 15. OBSERVANCE OF SECRECY

15.1 During the term of this Contract, the Seller shall hold confidential and will note disclose in any manner to any third party or parties any information concerning all information furnished by the Buyer under this Contract.

ARTICLE 16. SIGNATURE

IN WITNESS WHEREOF, this Contract to be executed by their duly authorized representatives on the day and year first above written.

AMERIGON, INC.	*
By: /s/ Zaya S. Younan	By: /s/ *
Zaya S. Younan	*
Title: Vice President	Title: Vice President
Date: November 25, 1994	Date: November 25, 1994

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* Confidential portions omitted and filed separately with the Commission.

EXHIBIT A

Work Scope & Program Cost Breakdown

EXHIBIT A
WORK SCOPE

ITEM	AMERIGON	*	REMARK
1 STYLING & SKIN (POINT & CARVE)		O	* WILL PROVIDE SKIN DATA (COMPUTER DATA & DRAWING)
2 SKIN FAIRING; CURVE DATA - SURFACE DATA	O		MAKING SMOOTH SURFACE USING CAD SYSTEM
3 ENGINEERING			
- - PACKAGE LAYOUT	0	0	- * WILL PROVIDE BASIC LAYOUT DRAWING
- - MASTER DRAWING	0		- AMERIGON MUST MEASURE ACCURATE CHASSIS MOUNTING POINT (SENTRA 93,94 MY)
- - DETAIL DRAWING	0		
- - ASSY DRAWING	0		- * WILL PROVIDE COLOR COMBINATION CHART
- - INSTAL DRAWING	0		
4 PROTOTYPE VEHICLE (2)	O		INCLUDE ALL PARTS
5 TOOLS & FIXTURE	O		ALL COMPONENTS AND FRAME ASSEMBLY FIXTURES
6 PARTS (48)	O	O	SEE PROCUREMENTS RESPONSIBILITY (EXHIBIT E)

- - Amerigon must control all the sub-companies which provide components to Amerigon for this EV project, in order to well correspond between * and sub-companies under Amerigon's control.

- - Amerigon must design new *EV IV and all engineering drawings, however, maintaining *EV III styling (exterior & interior) only.

- - * can not provide parts drawing because there is no drawing about *EV III (That is hand made product).

- - * use CATIA computer system, so Amerigon must provide above mentioned drawing by CATIA data and/or paper drawing. (Preliminary Release; APR. 30, 1995, Final Release: OCT. 30, 1995).

- - Amerigon must make new EPL (Engineering parts List) Reference to the Attachment Detail Parts List (15 pages).

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* Confidential portions omitted and filed separately with the Commission.

DEVELOPING FLOW

[Development Flowchart]

ACTIVITIES
DEFINITION

- - DESIGN AND DEVELOPMENT

Amerigon will perform the necessary design and analyses required to verify the existing * body and frame design for their *EV. This includes completing the body design (interior and exterior) with all the electrical and component system integration. Amerigon will be responsible for developing all the master and detailed drawings and tooling for limited volume manufacturing purposes. This includes all the fit and function trials on prototype components. During this period * will have engineering staff available at Amerigon for training and program coordination with *. In addition, we will hold meetings as required in * and the U.S. to discuss the program status. Amerigon to supply the drawings necessary to fabricate the parts that Amerigon has designed. For the skin-related interior and exterior body and trim pieces and complicated cast pieces, Amerigon will supply section and part drawings. Amerigon will not supply detailed drawings for carry-over parts but will provide the outline package.

- - COMPONENT TOOLING & PROTOTYPE ASSEMBLY FIXTURES

Amerigon (including our suppliers) will design and assemble the component tooling suitable to manufacture 50 sets of electric vehicle parts. All the tooling with the exception of carryover parts will be manufactured by Amerigon. Tooling will include simple assembly fixtures for completion of the two vehicles and fixtures for final frame assembly in *. The deliverables for this activity to Buyer are all the engineering drawings and reports

- - PROTOTYPE BUILD, EVALUATION & DESIGN VALIDATION

Amerigon will build two complete vehicles for basic performance, stability and limited durability testing. These two completed vehicles will be shipped to * for their final approval. Amerigon will purchase all the necessary components to complete these two vehicles including the carryover parts. Amerigon will also provide * with all the needed information including company names, addresses, and product description, etc., for carry-over parts. The deliverables for this activity to Buyer are two (2) completed Evs.

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* Confidential portions omitted and filed separately with the Commission.

ACTIVITIES
DEFINITION

- - PRODUCTION OF PARTS

Amerigon will manufacture two completed vehicles and 40 sets of parts as assembly kits that will include sub-assembled components as outlined in Procurement Responsibility. We will also manufacture 8 complete sets of parts for use as spares. Amerigon will also provide an experienced engineer on-site to assist * with final vehicle assembly limited to the time period shown in the program schedule. The deliverable for this activity to Buyer are 48 sets of part kits.

- - TECHNICAL SUPPORT

Amerigon will do technical support for body in white component assembly in * with his expense including freight, meal, accommodation charge irrespective of the period.

- - Technical Support

- Request information for * Homolgation

- Owner's Manual

- Service Manual

- Assembly Manual

- Engineering Part List

- Tool and Jigs List

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* Confidential portions omitted and filed separately with the Commission.

AMERIGON

SUMMARY OF PROPOSAL COSTS

PROGRAM ACTIVITY	AMERIGON'S FINAL PROPOSAL QUOTATION SUBMITTED 9-29-94
Design & Development	$1,750,000
*Component Tooling & Prototype Assembly and Fixtures (Includes RTM Tooling)	$2,827,500
Prototype Build, Evaluation & Design Validation	$1,105,200
*Production of 48 Vehicle Part Kits	$2,230,750
Installation of Climate Control System in the seats	$90,000
Tooling Cost for Final Frame Assembly (Jigs & Assembly Fixtures)	$92,850
Technical Support for Body in White Component Assembly in *	$72,000
Packaging Cost	$83,700
TOTAL	$8,252,000

*Note: The tooling cost includes RTM for body components. The cost for production of 48 vehicles includes new responsibility for additional parts. See attached revised procurement responsibility.

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EXHIBIT B

Preliminary Overall Vehicle
Specification

EXHIBIT B
Preliminary Overall Vehicle Specification
for * *EV-IV

1.0 VEHICLE TYPE

Passenger:	4
Type:	2 Door Hatch Back
Drive:	Front Wheel (Motor Direct Drive)

2.0 PHYSICAL DIMENSIONS

Overall Length:	4,055 mm
Width:	1,675 mm
Height:	1,490 mm
Wheelbase:	2,485 mm
Track Front:	1,440 mm
Rear:	1,425 mm
Curb Weight:	1,400 kg (target)
Weight Distribution:	50/50 With One Occupant

3.0 CLEARANCES

Nominal Ground Clearance:	165mm
Depth of pothole that can be cleared:	N.A.
Angle of ramp that can be cleared:	15 DEG. (Min.)
Approach Angle:	17 DEG. (Min.)
Departure Angle:	17 DEG. (Min.)
Height of curb that can be cleared:	N.A.
Front wheel to fender.	Amerigon recommends 30-40 mm (* to verify)
Rear wheel to fender:	Amerigon recommends 30-40 mm (* to verify)

4.0 ACCELERATION AND POWER

Acceleration:	0 to 400 m: 21.0 sec. 0 to 100 kph: 16 sec.
Max. Speed:	More than 120 km/h
Hill Climbing Ability:	20% Min. at 15 kph for up to 5 Min.

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* Confidential portions omitted and filed separately with the Commission.

VEHICLE SPECIFICATION CONT.

5.0 RANGE (MAINTENANCE FREE LEAD ACID BATTERY)

Constant Speed 40 kph): More than 150 km
City Drive (*): More than 60 km

6.0 BRAKE
Performance

60 to 0 kph:	43 m (max.)
30 to 0 kph:	18 m (max.)
Max. Speed to 0 kph:	75 m
Max. deceleration by brakes:	1g (max.)
Wet Pavement 60 to 0 kph:	52 m (max.)

Uniformity of braking deceleration
Spec to be developed by *
Regeneration before brake application
Up to 0.3 g (Adjustable by controller) when acceleration pedal is fully lifted. Maximum regen must be adjustable by *
Regenerative during brake application
Up to 0.6 g (Adjustable by controller) when accelerator is fully lifted. Maximum regen must be adjustable by *
Response Time
Response Time from pedal application: 100 msec (max.)
Response Time from pedal release: 100 msec (max.)
Vehicle stability during braking
Must be able to maintain control under heavy braking.
Maximum 0.25 degree yaw.
Brake noise: Less than 50 db
Parking Brake: Meets FMVSS standards

7.0 SUSPENSION
According to Basic Vehicle (Carry Over)

8.0 TIRE AND WHEEL

Tire Size:	175/70/R13 - use Goodyear Invicta GLR
Temp.:	T105/70/D14
Wheel Size:	5.5 J x 13

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* Confidential portions omitted and filed separately with the Commission.

9.0 HANDLING

Lateral Acceleration:	0.75 g (min.)
Degree of body roll:	3.5 degree max. at 0.5 g
	5.0 degree max. at max. accel.

10.0 DRIVE TRAIN

Motor & Controller Type:	AC Induction
Power:	Satisfy Vehicle Performance
Energy Used:	Satisfy Driving Range
Transmission Type:	Single Speed
Final Drive:	Differential

11.0 OCCUPANT INTERACTION

Display Supported:
Speedometer, Odometer, Turn Signal, Drive Engaged, Battery Level, Motor Temp., Lights for Brake, High Beam Low Energy Remaining, Seat Belt, Door Opening, Hood Opening, Refer to Ordering Spec.

12.0 OCCUPANT PROTECTION AND SAFETY

Crash Worthiness:	Per Amerigon's Specification (Do not do vehicle tests, Simulation only)
Seat Belts:	Frame will be hard points for 3 points belts
High Voltage Isolation	Incorporated in controller

High Voltage Crash Disconnect
Battery Containment Requirements
Fail-safe models for loss of power brakes and steering revert to manual

Field of Vision:	According to * *EV - III
Do not start*:	At Charging
	To prevent quick start, driver has to foot brake pedal when start

13.0 DURABILITY

Warranty: 1 year 24,000 km (min.)
Target Life

Batteries:	1,000 Recharge cycle
Brakes:	120,000 km
Shock Absorbers:	150,000 km
Tire:	50,000 km

Battery pack replacement in field service possible

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* Confidential portions omitted and filed separately with the Commission.

14.0 MAINTENANCE

Periodic maintenance:	Check transmission oil Check coolant

15.0 ENVIRONMENT

Temp. Range:	-20 DEG. C to 40 DEG. C Operating -40 DEG. C to 85 DEG. C Storage
Humidity Range:	0 to 100% Non-condensing
Rain on Chassis:	Must not damage or impair function Must not allow any current leakage from/into electrical system

16.0 INTERFACES

Electrical Supply to Charger:	220 V 15 Amps. 60 Cycles
Test Equipment Interface:	RS 232 C
Tow hooks and towing provisions	2 in front, 1 in rear
Vehicle ID Number:	Assigned by *
Require warning level:	SAE standard on high voltage systems

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* Confidential portions omitted and filed separately with the Commission.

EXHIBIT C

Component Specification

EXHIBIT C
* *EV - IV COMPONENT SPECIFICATION

	ITEMS	REMARKS
transmission	single speed	same
brakes	carry over vacuum assist	same
suspension	carry over	same
tires	175/70 R 13 T105/70 D 14	Amerigon recommends using Goodyear Invicta GLR model for low rolling resistance
wheels	5.5 J x 13 wheel covers	same
instruments	digital clock gauges: speedometer trip odometer motor temp current meter battery level meter warning lights turn signals brake/parking brake EV failure door ajar low battery high beam fog lamp seat belt rear glass heating	same Amerigon will also include the Energy Management System -display screen control panel
glass	windscreen: laminated door: tempered back: tempered with heater (on timer)	same
seats	front: bucket type level to slide level to recline head rest: up/down rear: fixed bench head rests cloth covering	same

* Confidential portions omitted and filed separately with the Commission.

COMPONENT SPECIFICATION CONT.

	ITEMS	REMARKS
interior	console: with storage box power window switch ash tray: in dash rear mirror: day/night dual cloth visors formed cloth headliner door trim: cloth in center door speakers trunk trim: fiberboard pillar trim: carpet assist grip: passenger coat hanger: rear seat glove box: w/o lock	same
exterior	bumper: 2.5 mph body color door handle and trim standard color mirrors: manual remote body color glass seal: black PVC wheelwell liners tow hooks: front and rear badges: film type	same
Audio	ETR + cassette antenna: induction type on glass speaker: in front doors 5" or larger	same, with the exception of external antenna

COMPONENT SPECIFICATION CONT.

	ITEMS	REMARKS
Electrical	exterior lamp head lamp with turn signal (semi-sealed halogen type) front fog lamp rear combo lamp license plate lamp interior lamp single horn power windows 12V 60 AH aux btty switches and controls: fog lamp hazards power windows door lock emergency direction (fwd, n, rev) brake lights horn window heater washer and wiper variable intermittent low and high settings	same
Heating	four speed fan rotary temp switch	same
Climate Controlled Seat (option)	CCS module in seat control switch on console	Amerigon recommends using optional unit

EXHIBIT D

Summary of Program Schedule

AMERIGON

* *EV - IV PRELIMINARY PROGRAM SCHEDULE

	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Amerigon to provide original proposal		+														
Draft and finalize agreement for * approval			---													
Technical discussion in *		XX														
- *EV III review		--														
- digitized *EV-IV data		+														
- define contact names		+														
- define COP, materials, and processes from detailed parts list		+														
Packaging																
Preliminary skin fairing, component selection, layout			----													
Frame Engineering				XXXXXXXXXXXXXXXXXXXXXX												
- Design				--------------												
- Tooling							----------									
- Manufacture parts								-----								
Body Engineering				XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX												
- Design: Check surfaces, rebating, styling, exterior parts				----------			----------									
- Tooling																
- Manufacture parts									----------							

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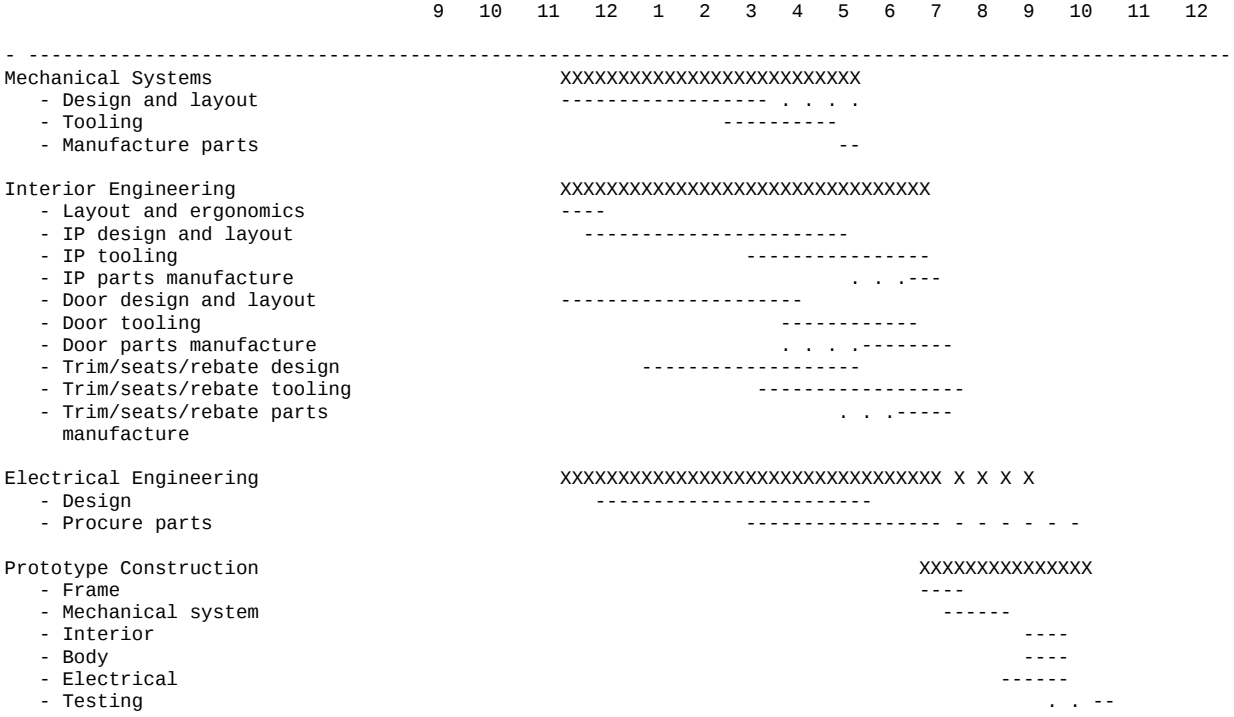
* Confidential portions omitted and filed separately with the Commission.

AMERIGON

*EV - IV PRELIMINARY PROGRAM SCHEDULE (CONT.)



AMERIGON

*EV - IV PRELIMINARY PROGRAM SCHEDULE (CONT.)

	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Ship 2 units to *													+			
* review 2 prototypes during testing at Amerigon													--			
* agrees to release of parts														+		
* agrees to release of tools														+		
													XXXXXXXXXXXXXXXXX			
Amerigon builds 48 kits													----	-----		
- Frame parts build														------		
- Frame sub-assemblies														------		
- COP procurement														------		
- Kit assembly														XXXX		
- Ship kits to *														--		
Ship tools to *														--		
- Packing																
- Ship																

* Confidential portions omitted and filed separately with the Commission.

AMERIGON

*EV - IV PRELIMINARY PROGRAM SCHEDULE (CONT.)

	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Amerigon prepares drawings							----------						. . .			
Amerigon prepares operator manual													----------			
Amerigon prepares service manual													----------			
Amerigon provides technical advice on kit assembly														----------		
Amerigon provides preliminary layout				+												
Amerigon provides final layout								+								
Amerigon provides homologation documents												+				
Amerigon provides preliminary engineering parts list				+												
Amerigon provides 2 revisions of final engineering parts list									+				+			
Amerigon provides preliminary assembly tooling list				+												
Amerigon provides final assembly tooling list									+							

EXHIBIT E

Procurement Responsibility

DETAIL PARTS BODY
&
PROCUREMENT RESPONSIBILITY

1000	BODY	QTY	COP/NEW	MATERIAL	PROCESS	LIMITED PRODUCT ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
1100	SPACE FRAME & PANEL									ASSY IN *
1101	UNDERBODY FRAME	*	NEW	AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1102	UNDERBODY PANEL	*	NEW	PLASTIC		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1103	FRONTEND FRAME	*	NEW	AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	I/FR BPP FRAME
1104	SIDE FRAME	*	NEW	AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1105	ROOF STRUCTURE FRAME	*	NEW	AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1106	FRONT FRAME	*	NEW	AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1107	REAR FRAME	*	NEW	AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	I/FR BPR RAIL
1108	WHEELHOUSE FRONT PANEL	1	NEW	PLASTIC		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1109	WHEELHOUSE REAR PANEL	1	NEW	PLASTIC		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1200	COVER PLATE									RTM NOTE:
1201	SIDE PANEL	1/1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	AMERIGON TO
1202	FRONT FENDER, LH/RH	1/1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	INVESTIGATE TOOL
1203	ROOF	1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	COST AND TIMING OF
1204	FRONTEND PANEL (COWL)	*	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	THE RTM PARTS.
1205	REAREND PANEL	*	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	
1300	HOOD									
1301	PNL-HOOD OUTER	1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	SEE RTM NOTE
1302	PNL-HOOD INNER	1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	
1303	HINGE ASSY-HOOD, LH	1	COP/NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1304	HINGE ASSY-HOOD, RH	1	COP/NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1305	STAY ROD	1	NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1306	BUMPER-HOOD OVER SLAM	2	COP	RUBBER		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1307	BUMPER-HOOD GUIDE	2	COP	RUBBER		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1308	WEATHER STRIP ASSY-HOOD (REAR)	1	COP/ MODIFY	RUBBER		AMERIGON	AMERIGON	AMERIGON	AMERIGON	

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* Confidential portions omitted and filed separately with the Commission.

DETAIL PARTS BODY
&
PROCUREMENT RESPONSIBILITY

						LIMITED PRODUCT				
1000	BODY	QTY	COP/NEW	MATERIAL	PROCESS	ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
1309	SEAL STRIP ASSY-HOOD (FRONT)	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1310	STRIKER ASSY-HOOD	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1311	LATCH ASSY-HOOD	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1312	HANDLE ASSY-HOOD LATCH RELEASE	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1313	CABLE ASSY-HOOD RELEASE	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1400	DOOR									
1401	PANEL-DR OUTER, LH	1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	SEE RTM NOTE
1402	PANEL-DR OUTER, RH	1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	
1403	MEMBER ASSY-DOOR REINFORCE, LH	1	NEW	STEEL/AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	PIPE
1404	MEMBER ASSY-DOOR REINFORCE, RH	1	NEW	STEEL/AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	PIPE
1405	PANEL-DOOR INNER, LH	1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	
1406	PANEL-DOOR INNER, RH	1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	
1407	FRAME ASSY-DOOR, LH	1	COP/NEW	STEEL/AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1408	FRAME ASSY-DOOR, RH	1	COP/NEW	STEEL/AL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1407	HINGE ASSY-DOOR UPPER, LH	1	COP/NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1408	HINGE ASSY-DOOR UPPER, RH	1	COP/NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1409	HINGE ASSY-DOOR LOWER, LH	1	COP/NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1410	HINGE ASSY-DOOR LOWER, RH	1	COP/NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1411	REGULATOR ASSY-DOOR WINDOW, LH	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1412	REGULATOR ASSY-DOOR WINDOW, RH	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1413	LATCH ASSY-DOOR, LH	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1414	LATCH ASSY-DOOR, RH	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1415	STRIKER ASSY-DOOR	2	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1416	ROD DOOR INSIDE HANDLE, LH	1	NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1417	ROD DOOR INSIDE HANDLE, RH	1	NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1418	ROD DOOR SAFETY LOCK, LH	1	NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1419	ROD DOOR SAFETY LOCK, RH	1	NEW	STEEL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1420	KNOB-DR SAFETY LOCK, LH	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	

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DETAIL PARTS BODY
&
PROCUREMENT RESPONSIBILITY

1000	BODY	QTY	COP/NEW	MATERIAL	PROCESS	LIMITED PRODUCT ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
1421	KNOB-DOOR SAFETY LOCK, RH	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1422	HANDLE ASSY-DOOR INSIDE, LH	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1423	HANDLE ASSY-DOOR INSIDE, RH	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1424	HANDLE ASSY-DOOR OUTSIDE, LH	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1425	HANDLE ASSY-DOOR OUTSIDE, RH	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1426	CHECKER ASSY-DOOR, LH	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1427	CHECKER ASSY-DOOR, RH	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1428	GLASS-DOOR DROP, LH	1	NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1429	GLASS-DOOR DROP, RH	1	NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1430	CHANNEL-DOOR QUADRANT, LH	1	NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1431	CHANNEL-DOOR QUADRANT, RH	1	NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1432	RUN ASSY-DOOR GLASS, LH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1429	RUN ASSY-DOOR GLASS, RH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1430	CHANNEL-DOOR GUIDE, LH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1431	CHANNEL-DOOR GUIDE, RH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1432	WEATHER STRIP-BODY SIDE, LH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1433	WEATHER STRIP-BODY SIDE, RH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1434	WEATHER STRIP-DOOR SIDE, LH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1435	WEATHER STRIP-DOOR SIDE, RH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1436	WEATHER STRIP ASSY-BELT OUTSIDE, LH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1437	WEATHER STRIP ASSY-BELT OUTSIDE, RH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1438	WEATHER STRIP-BELT INSIDE, LH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1439	WEATHER STRIP-BELT INSIDE, RH	1	COP/ MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1440	PANEL ASSY-DOOR TRIM, LH	1	NEW	WOOD STOCK/ FRP		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1441	PANEL ASSY-DOOR TRIM, RH	1	NEW	WOOD STOCK/ FRP		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1442	PANEL ASSY-DOOR UPPER TRIM, RH	1	NEW	CLOTH		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1143	PANEL ASSY-DOOR UPPER TRIM, LH	1	NEW	CLOTH		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1444	MAP POCKET-FRONT DOOR TRIM, LH	1	NEW	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	

DETAIL PARTS BODY
&
PROCUREMENT RESPONSIBILITY

1000	BODY	QTY	COP/NEW	MATERIAL	PROCESS	LIMITED PRODUCT ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
1445	MAP POCKET-FRONT DOOR TRIM, RH	1	NEW	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1446	SEAL-DOOR TRIM, LH	1	NEW	VINYL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1447	SEAL-DOOR TRIM, RH	1	NEW	VINYL		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1448	HANDLE ASSY-DOOR GRIP, LH	1	NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1449	HANDLE ASSY-DOOR GRIP, RH	1	NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1500	TAIL GATE									
1501	PANEL-TAIL GATE OUTER	1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	SEE RTM NOTE
1502	PANEL-TAIL GATE INNER	1	NEW	FRP	RTM	AMERIGON	AMERIGON	AMERIGON	*	
1503	HINGE ASSY-TAIL GATE, LH	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1504	HINGE ASSY-TAIL GATE, RH	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1505	BUMPER-TAIL GATE OVER SLAM	2	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1504	LIFTER-TAIL GATE	2	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1505	STRIKER ASSY-TAIL GATE	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1506	LATCH ASSY-TAIL GATE	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1507	DOOR ASSY-BATTERY RECHARGE	1	NEW	FRP		AMERIGON	AMERIGON	AMERIGON	*	
1508	BUMPER-BATTERY RECHARGE OVER SLAM	2	COP	RUBBER		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1509	BATTERY RECHARGE DOOR LOCK SYS.	*	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	INCLUDE CABLE
1510	WEATHER STRIP-TAIL GATE	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
1600	KEY SET									
1601	KEY SET	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	

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DETAIL PARTS INTERIOR TRIM
&
PROCUREMENT RESPONSIBILITY

2000	INTERIOR TRIM	QTY	COP/NEW	MATERIAL	PROCESS	LIMITED PRODUCT ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
2100	INSTRUMENT PANEL									
2101	INSTRUMENT PANEL ASSY	1	NEW	ABS/PC OR PP	INJECTION	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2102	GLOVE BOX ASSY	1	NEW	ABS OR PP	INJECTION	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2103	LOCK ASSY-GLOVE BOX	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	W/O KEY
2104	CLUSTER FACIA PANEL	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2105	CENTER FACIA PANEL	1	NEW	ABS	* WANTS INJ.	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2106	TRAY-CTR FACIA	1	NEW	ABS	* WANTS INJ.	AMERIGON	AMERIGON	AMERIGON	AMERIGON	PUSH & SLIDING
2107	SHROUD-STEERING COLUMN - UPR	1	COP/NEW	PP OR ABS	VAC CAST/FORM	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2108	SHROUD-STEERING COLUMN - LWR	1	COP/NEW	PP OR ABS	VAC CAST/FORM	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2109	CONSOLE ASSY	1	NEW	ABS	VAC CAST/FORM	AMERIGON	AMERIGON	AMERIGON	*	
2200	SIDE TRIM									
2201	FR & CTR PLR TRIM ASSY - LH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2202	FR & CTR PLR TRIM ASSY - RH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2203	QTR INR TRIM ASSY - LH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2204	QTR INR TRIM ASSY - RH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2205	QTR INR CTR TRIM ASSY - LH	1	NEW	ABS + CLOTH	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	CLOTH COVER'G
2206	QTR INR CTR TRIM ASSY - RH	1	NEW	ABS + CLOTH	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	CLOTH COVER'G
2207	COWL SIDE TRIM ASSY - LH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2208	COWL SIDE TRIM ASSY - RH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2209	DR SCUFF TRIM ASSY - LH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2210	DR SCUFF TRIM ASSY - RH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2211	REAR PLR TRIM ASSY - LH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2212	REAR PLR TRIM ASSY - RH	1	NEW	ABS	VACUUM FORM'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2300	ROOF TRIM									
2301	HEAD LINING ASSY	1	NEW	CLOTH	HOT PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2302	ASSIST HANDLE ASSY	1	COP		RETRACT. TYPE	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2303	SUN VISOR ASSY - LH	1	COP		MEET TO H/LING	AMERIGON	AMERIGON	AMERIGON	*	
2304	SUN VISOR ASSY - RH	1	COP		MEET TO H/LING	AMERIGON	AMERIGON	AMERIGON	*	

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DETAIL PARTS INTERIOR TRIM
&
PROCUREMENT RESPONSIBILITY

						LIMITED PRODUCT				
2000	INTERIOR TRIM	QTY	COP/NEW	MATERIAL	PROCESS	ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
2400	TRUNK TRIM									
2401	REAR SHELF CENTER TRIM	1	NEW	W/STOCK + W/PAPER	HOT PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	W/STOCK;WOODSTOCK
2402	LUGGAGE SIDE TRIM ASSY - LH	1	NEW	BOARD + W/PAPER	HOT PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2403	LUGGAGE SIDE TRIM ASSY - RH	1	NEW	BOARD + W/PAPER	HOT PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2404	LUGGAGE REAR TRIM ASSY	1	NEW	BOARD + W/PAPER	HOT PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2405	LUGGAGE MAT	1	NEW	W/PAPER	TRIM'G OR CUT'G	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2500	FLOOR & BRACKETS									
2501	FLOOR CARPET ASSY	1	NEW	NEEDLE TYPE	HOT PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2502	BRACKET-CLUSATER GAUGE MTG.LH	1	NEW	SPCC	PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	SUPPORT TO I/P
2503	BRACKET-CLUSATER GAUGE MTG.RH	1	NEW	SPCC	PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	SUPPORT TO I/P
2504	BRACKET-GL/BOX HINGE MTG	1	NEW	SPCC	PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	SUPPORT TO GL/BOX
2505	STRIKER ASSY-GL/BOX	1	COP/NEW	SM2SC	PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2506	BRACKET ASSY-CTR SUPPORT	1	NEW	SPCC	PRESS	AMERIGON	AMERIGON	AMERIGON	AMERIGON	SUPPORT TO I/P
2600	VENTILATION									
2601	NOZZLE ASSY-DEFROSTER	1	COP	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	* TO APPROVE
2602	NOZZLE ASSY-DEFROSTER SIDE, LH	1	COP	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	STYLING
2603	NOZZLE ASSY-DEFROSTER SIDE, RH	1	COP	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2604	VENT LOUVER ASSY-CTR	1	COP	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2605	VENT LOUVER ASSY-SIDE, LH	1	COP	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2606	VENT LOUVER ASSY-SIDE, RH	1	COP	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2607	HOSE ASSY-SIDE DEFROSTER, LH	1	NEW	PP		AMERIGON	AMERIGON	AMERIGON	AMERIGON	USE BEST PROCESS
2608	HOSE ASSY-SIDE DEFROSTER, RH	1	NEW	PP		AMERIGON	AMERIGON	AMERIGON	AMERIGON	USE BEST PROCESS
2609	DUCT ASSY-CTR AIR VENT	1	NEW	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	USE BEST PROCESS
2610	DUCT ASSY-SIDE AIR VENT, LH	1	NEW	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	USE BEST PROCESS
2611	DUCT ASSY-SIDE AIR VENT, RH	1	NEW	ABS		AMERIGON	AMERIGON	AMERIGON	AMERIGON	USE BEST PROCESS
2612	HEATER CONTROL		COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2613	HEATER ASSY		COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	ELECTRIC

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DETAIL PARTS INTERIOR TRIM
&
PROCUREMENT RESPONSIBILITY

2000	INTERIOR TRIM	QTY	COP/NEW	MATERIAL	PROCESS	LIMITED PRODUCT ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
2700	SEAT									
2701	FRONT SEAT ASSY, LH	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2702	FRONT SEAT ASSY, RH	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2703	HEAD REST ASSY	2	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2704	CUSHION ASSY-REAR SEAT	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2705	BACK ASSY-REAR SEAT	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
2800	SEAT BELT									
2801	BELT ASSY-FRONT SEAT, LH	1	COP			AMERIGON	AMERIGON	*	*	ELR 3PT
2802	BELT ASSY-FRONT SEAT, RH	1	COP			AMERIGON	AMERIGON	*	*	ELR 3PT
2803	BELT ASSY-FRONT SEAT, LH	1	COP			AMERIGON	AMERIGON	*	*	ELR 3PT
2804	BELT ASSY-FRONT SEAT, RH	1	COP			AMERIGON	AMERIGON	*	*	ELR 3PT

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DETAIL PARTS EXTERIOR TRIM
&
PROCUREMENT RESPONSIBILITY

3000	EXTERIOR TRIM	QTY	COP/NEW	MATERIAL	PROCESS
3100	LAMP				
3101	LAMP ASSY-HEAD, LH (WITH T/SIGNAL)	1	NEW	LENS:PC	LENS:INJECTION
3102	LAMP ASSY-HEAD, RH (WITH T/SIGNAL)	1			HGS:VACUUM CAST'G
3103	LAMP ASSY-FRONT FOG	2	NEW/COP		
3104	LAMP ASSY REAR COMB, LH	1	NEW	LENS:ACRYL	LENS:INJECTION
3105	LAMP ASSY REAR COMB, RH	1			HGS:VACUUM CAST'G
3106	LAMP ASSY-LICENSE PLATE	2	COP		
3200	MIRROR & GLASS				
3201	MIRROR ASSY-INSIDE REAR VIEW	1	COP		
3202	MIRROR ASSY-OUTSIDE REAR VIEW, LH	1	COP/MODIFY		BASE PLATE:NEW OR
3203	MIRROR ASSY-OUTSIDE REAR VIEW, RH	1			MODIFY
3204	GLASS ASSY-WINDSHIELD	1	NEW	GLASS	
3205	GLASS ASSY-TAIL GATE	1	NEW	GLASS	
3206	GLASS ASSY-FIXED GLASS, LH/RH	1/1	NEW	GLASS	
3207	COVER ASSY-COWL TOP	1	COP/NEW	ABS OR PP	VACUUM CASTING
3208	MOULD'G ASSY-WINDSHIELD GLASS	1	COP/NEW	PVC	EXTRUSION
3209	MOULD'G ASSY-TAIL GATE	1	COP/NEW	PVC	EXTRUSION
3210	MOULD'G ASSY-FIXED GLASS, LH/RH	1/1	COP/NEW	PVC	EXTRUSION
3300	BUMPER				
3301	COVER-FRONT BUMPER	1	NEW	TPO	INJECTION OR ?
3302	RAIL-FRONT BUMPER	1	NEW	AL	
3303	COVER-REAR BUMPER	1	NEW	TPO	INJECTION OR ?
3304	RAIL-REAR BUMPER	1	NEW	AL	
3400	WIPER & WASHER				
3401	WIPER ASSY-WINDSHIELD (WITH LINKAGE)	1	COP/MODIFY		
3402	WASHER ASSY-WINDSHIELD	1	COP		
3403	RESERVOIR ASSY-WINDSHIELD WASHER	1	COP		

LIMITED PRODUCT

ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
AMERIGON	AMERIGON	AMERIGON	AMERIGON	ECE 20.02
AMERIGON	AMERIGON	AMERIGON	AMERIGON	
AMERIGON	AMERIGON	AMERIGON	AMERIGON	NEW LENS & MAT[cad 146]L
				STYLING
AMERIGON	AMERIGON	AMERIGON	AMERIGON	
AMERIGON	AMERIGON	AMERIGON	AMERIGON	
AMERIGON	AMERIGON	AMERIGON	AMERIGON	
AMERIGON	AMERIGON	AMERIGON	*	MEET TO STYLING
AMERIGON	AMERIGON	AMERIGON	AMERIGON	
AMERIGON	AMERIGON	AMERIGON	AMERIGON	MEET TO STYLING
AMERIGON	AMERIGON	AMERIGON	AMERIGON	LAMINATED
AMERIGON	AMERIGON	AMERIGON	AMERIGON	TEMPERED
AMERIGON	AMERIGON	AMERIGON	AMERIGON	TEMPERED
AMERIGON	AMERIGON	AMERIGON	*	
AMERIGON	AMERIGON	AMERIGON	AMERIGON	* TO CONFIRM
AMERIGON	AMERIGON	AMERIGON	AMERIGON	* TO CONFIRM
AMERIGON	AMERIGON	AMERIGON	AMERIGON	* TO CONFIRM
AMERIGON	AMERIGON	AMERIGON	AMERIGON	FMVSS 215
AMERIGON	AMERIGON	AMERIGON	AMERIGON	FRONT END FRAME
AMERIGON	AMERIGON	AMERIGON	AMERIGON	FMVSS 215
AMERIGON	AMERIGON	AMERIGON	AMERIGON	REAR END FRAME
AMERIGON	AMERIGON	AMERIGON	AMERIGON	2 SPEED INTERM'T
AMERIGON	AMERIGON	AMERIGON	*	
AMERIGON	AMERIGON	AMERIGON	*	WITH HOSE ASSY

* Confidential portions omitted and filed separately with the Commission.

DETAIL PARTS INTERIOR TRIM
&
PROCUREMENT RESPONSIBILITY

						LIMITED PRODUCT				
3000	EXTERIOR TRIM	QTY	COP/NEW	MATERIAL	PROCESS	ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
3500	TRIM									
3501	EMBLEM	1	NEW	TAPE		*	*	*	*	DESIGN BY *
3502	WHEEL GUARD-FRONT, LH	1	NEW	PE	VACUUM FORMING	AMERIGON	AMERIGON	AMERIGON	*	
3503	WHEEL GUARD-FRONT, RH	1	NEW	PE	VACUUM FORMING	AMERIGON	AMERIGON	AMERIGON	*	
3504	WHEEL GUARD-REAR, LH	1	NEW	PE	VACUUM FORMING	AMERIGON	AMERIGON	AMERIGON	*	
3505	WHEEL GUARD-REAR, RH	1	NEW	PE	VACUUM FORMING	AMERIGON	AMERIGON	AMERIGON	*	
3506	MUD GUARD-FRONT, LH/RH	1/1	NEW/COP		VACUUM FORMING	AMERIGON	AMERIGON	AMERIGON	*	MEET TO STYLING
3507	MUD GUARD-FRONT, LH/RH	1/1	NEW/COP		VACUUM FORMING	AMERIGON	AMERIGON	AMERIGON	*	MEET TO STYLING

* Confidential portions omitted and filed separately with the Commission.

DETAIL PARTS POWER TRAIN
&
PROCUREMENT RESPONSIBILITY

5000	POWER TRAIN	QTY	COP/NEW	MATERIAL	PROCESS	ENGINEERING	LIMITED PRODUCT TOOLS	PROTO(2)
5001	TRANS AXLE ASSY-MANUAL	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON
5002	PINION-SPEEDOMETER	1	COP	PLASTIC OR STEEL	INJECTION	AMERIGON	AMERIGON	AMERIGON
5003	RING-LOCK, SPEEDOMETER PINION	1	COP	PLASTIC OR STEEL	INJECTION	AMERIGON	AMERIGON	AMERIGON
5004	SEAL-O RING, SPEEDOMETER PINION	1	COP	RUBBER	INJECTION	AMERIGON	AMERIGON	AMERIGON
5005	COUPLING-INPUT SHAFT, TRANS	1	COP/NEW	OVER S45C	MACHINING	AMERIGON	AMERIGON	AMERIGON
5006	ADAPTER PLATE-CLUTCH HOUSING	1	NEW	AL	CAST'G/MACHIN'G	AMERIGON	AMERIGON	AMERIGON
5007	DOWEL PIN-BLOCK TO TRANSMISSION	2	COP/NEW	SICC	MACHINING	AMERIGON	AMERIGON	AMERIGON
5008	BRACKET & INSULATOR ASSY(MOTOR & T/M)	3-4	COP/MODIFY	STEEL-RUBBER		AMERIGON	AMERIGON	AMERIGON

5000	POWER TRAIN	PARTS(48)	REMARKS
5001	TRANS AXLE ASSY-MANUAL	AMERIGON	
5002	PINION-SPEEDOMETER	AMERIGON	ABLE TO CHANGE WITH
5003	RING-LOCK, SPEEDOMETER PINION	AMERIGON	SPEEDO METER GEAR
5004	SEAL-O RING, SPEEDOMETER PINION	AMERIGON	ASSY-COP PART ONLY
5005	COUPLING-INPUT SHAFT, TRANS	AMERIGON	
5006	ADAPTER PLATE-CLUTCH HOUSING	AMERIGON	
5007	DOWEL PIN-BLOCK TO TRANSMISSION	AMERIGON	
5008	BRACKET & INSULATOR ASSY(MOTOR & T/M)	AMERIGON	BRACKET;MODIFY

DETAIL PARTS CHASSIS
&
PROCUREMENT RESPONSIBILITY

6000	CHASSIS	QTY	COP/NEW	MATERIAL	PROCESS	ENGINEERING	LIMITED TOOLS	PRODUCT PROTO(2)
6100	BRAKE							
6101	FRONT WHEEL BRAKE ASSY, LH	1	COP			AMERIGON	AMERIGON	AMERIGON
6102	FRONT WHEEL BRAKE ASSY, RH	1	COP			AMERIGON	AMERIGON	AMERIGON
6103	REAR WHEEL BRAKE ASSY, LH	1	COP			AMERIGON	AMERIGON	AMERIGON
6104	REAR WHEEL BRAKE ASSY, RH	1	COP			AMERIGON	AMERIGON	AMERIGON
6105	BRAKE PEDAL ASSY	1	COP			AMERIGON	AMERIGON	AMERIGON
6106	BRAKE MASTER CYLINDER & BOOSTER	1	COP			AMERIGON	AMERIGON	AMERIGON
6107	BRAKE FLUID LINE	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON
6108	VACUUM HOSE	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON
6109	VACUUM PUMP	1	COP			AMERIGON	AMERIGON	AMERIGON
6110	VACUUM PUMP MOUNT'G BRACKET	1	NEW	AL		AMERIGON	AMERIGON	AMERIGON
6111	PARKING BRAKE & CABLE	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON
6200	SUSPENSION							
6201	FRONT HUB & KNUCKLE ASSY, LH	1	COP			AMERIGON	AMERIGON	AMERIGON
6202	FRONT HUB & KNUCKLE ASSY, RH	1	COP			AMERIGON	AMERIGON	AMERIGON
6203	FRONT STRUT ASSY, LH	1	COP			AMERIGON	AMERIGON	AMERIGON
6204	FRONT STRUT ASSY, RH	1	COP			AMERIGON	AMERIGON	AMERIGON
6205	LOWER ARM	1	COP			AMERIGON	AMERIGON	AMERIGON
6206	STABILIZER BAR	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON
6207	CROSS MEMBER	1	COP			AMERIGON	AMERIGON	AMERIGON
6208	REAR AXLE ASSY, LH	1	COP			AMERIGON	AMERIGON	AMERIGON
6209	REAR AXLE ASSY, RH	1	COP			AMERIGON	AMERIGON	AMERIGON
6210	REAR STRUT ASSY, LH	1	COP			AMERIGON	AMERIGON	AMERIGON
6211	REAR STRUT ASSY, RH	1	COP			AMERIGON	AMERIGON	AMERIGON
6212	REAR SUSPENSION CONTROL ARM	*	COP			AMERIGON	AMERIGON	AMERIGON

6000	CHASIS	PARTS(48)	REMARKS
6100	BRAKE		
6101	FRONT WHEEL BRAKE ASSY, LH	*	
6102	FRONT WHEEL BRAKE ASSY, RH	*	
6103	REAR WHEEL BRAKE ASSY, LH	*	
6104	REAR WHEEL BRAKE ASSY, RH	*	
6105	BRAKE PEDAL ASSY	*	
6106	BRAKE MASTER CYLINDER & BOOSTER	*	
6107	BRAKE FLUID LINE	*	
6108	VACUUM HOSE	AMERIGON	SAME AS EV ITEM
6109	VACUUM PUMP	AMERIGON	SAME AS EV ITEM
6110	VACUUM PUMP MOUNT'G BRACKET	AMERIGON	
6111	PARKING BRAKE & CABLE	*	
6200	SUSPENSION		
6201	FRONT HUB & KNUCKLE ASSY, LH	*	
6202	FRONT HUB & KNUCKLE ASSY, RH	*	
6203	FRONT STRUT ASSY, LH	*	AMERIGON SUPPLY ALL SPRINGS
6204	FRONT STRUT ASSY, RH	*	AMERIGON SUPPLY ALL SPRINGS
6205	LOWER ARM	*	
6206	STABILIZER BAR	AMERIGON	
6207	CROSS MEMBER	*	
6208	REAR AXLE ASSY, LH	*	
6209	REAR AXLE ASSY, RH	*	
6210	REAR STRUT ASSY, LH	*	AMERIGON SUPPLY ALL SPRINGS
6211	REAR STRUT ASSY, RH	*	AMERIGON SUPPLY ALL SPRINGS
6212	REAR SUSPENSION CONTROL ARM	*	

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* Confidential portions omitted and filed separately with the Commission.

DETAIL PARTS CHASSIS
&
PROCUREMENT RESPONSIBILITY

6000	CHASSIS	QTY	COP/NEW	MATERIAL	PROCESS	ENGINEERING	LIMITED TOOLS	PRODUCT PROTO(2)
6300	STEERING							
6301	STEERING WHEEL	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON
6302	STEERING COLUMN & SHAFT	1	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON
6303	POWER STEERING GEAR BOX	1	COP			AMERIGON	AMERIGON	AMERIGON
6304	POWER STEERING PUMP	1	COP			AMERIGON	AMERIGON	AMERIGON
6305	POWER STEERING PUMP MOUNT'G BRACKET	*	NEW			AMERIGON	AMERIGON	AMERIGON
6306	POWER STEERING HOSE	*	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON
6307	POWER STEERING MOTOR	1	COP			AMERIGON	AMERIGON	AMERIGON
6308	POWER STEERING MOTOR MOUNT'G BRACKET	1	NEW			AMERIGON	AMERIGON	AMERIGON
6309	ACCEL. PEDAL & CABLE ASSY	*	COP/MODIFY			AMERIGON	AMERIGON	AMERIGON
6400	DRIVE SHAFT							
6401	DRIVE SHAFT, LH		COP/NEW			AMERIGON	AMERIGON	AMERIGON
6402	DRIVE SHAFT, RH		COP/NEW			AMERIGON	AMERIGON	AMERIGON
6500	WHEEL & TIRE							
6501	WHEEL	4	COP			AMERIGON	AMERIGON	AMERIGON
6502	WHEEL COVER	4	COP			AMERIGON	AMERIGON	AMERIGON
6503	TIRE	4	COP			AMERIGON	AMERIGON	AMERIGON
6504	TEMPORARY TIRE	1	COP			AMERIGON	AMERIGON	AMERIGON

6000	CHASIS	PARTS(48)	REMARKS
6300	STEERING		
6301	STEERING WHEEL	*	
6302	STEERING COLUMN & SHAFT	*	
6303	POWER STEERING GEAR BOX	*	
6304	POWER STEERING PUMP	AMERIGON	
6305	POWER STEERING PUMP MOUNT'G BRACKET	AMERIGON	
6306	POWER STEERING HOSE	*	
6307	POWER STEERING MOTOR	AMERIGON	SAME AS EV ITEM
6308	POWER STEERING MOTOR MOUNT'G BRACKET	AMERIGON	
6309	ACCEL. PEDAL & CABLE ASSY	*	
6400	DRIVE SHAFT		
6401	DRIVE SHAFT, LH	*	AMERIGON SUPPLY IF NEW
6402	DRIVE SHAFT, RH	*	AMERIGON SUPPLY IF NEW
6500	WHEEL & TIRE		
6501	WHEEL	*	
6502	WHEEL COVER	*	REVIEW FOR STYLING
6503	TIRE	*	
6504	TEMPORARY TIRE	*	

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* Confidential portions omitted and filed separately with the Commission.

DETAIL PARTS ELECTRIC
&
PROCUREMENT RESPONSIBILITY

7000	ELECTRIC	QTY	COP/NEW	MATERIAL	PROCESS	LIMITED PRODUCT ENGINEERING	TOOLS	PROTO(2)	PARTS(48)
7001	HARNESS ASSY - MAIN	1	NEW						
7002	HARNESS ASSY - ENGINE ROOM	1	NEW			AMERIGON	AMERIGON	AMERIGON	*
7003	HARNESS ASSY - INSTRUMENT	1	NEW			AMERIGON	AMERIGON	AMERIGON	*
7004	HARNESS ASSY - TRUNK ROOM	1	NEW			AMERIGON	AMERIGON	AMERIGON	*
7005	HARNESS ASSY - ROOM LAMP	1	NEW			AMERIGON	AMERIGON	AMERIGON	*
7006	HARNESS ASSY - DOOR (DRIVE)	1	NEW			AMERIGON	AMERIGON	AMERIGON	*
7007	HARNESS ASSY - DOOR (ASSIST)	1	NEW			AMERIGON	AMERIGON	AMERIGON	*
7008	HARNESS ASSY - CONTROL	1	NEW			AMERIGON	AMERIGON	AMERIGON	*
7009	BATTERY	1	COP			AMERIGON	AMERIGON	AMERIGON	*
7010	BATTERY MOUNTING	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7011	SWITCH ASSY - COMBINATION	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7012	SWITCH ASSY - FOG LAMP	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7013	SWITCH ASSY - STOP LAMP	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7014	SWITCH ASSY - POWER WINDOW (O)	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7015	SWITCH ASSY - POWER WINDOW (A)	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7016	SWITCH ASSY - HAZARD	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7017	SWITCH ASSY - DOOR (D)	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7018	SWITCH ASSY - DOOR (A)	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7019	SWITCH ASSY - REAR HEATED	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7020	SWITCH ASSY - DIRECTION	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7021	SWITCH ASSY - EMERGENCY	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7022	COVER - DOOR SWITCH	2	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7023	LIGHTER COMPL. - CIGARETTE	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7024	RELAY	5	COP			AMERIGON	AMERIGON	AMERIGON	*
7025	LAMP ASSY - ROOM	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7026	MOTOR ASSY - WINDSHIELD WIPER	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7027	MOTOR ASSY - WINDSHIELD WASHER	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7028	MOTOR ASSY - POWER WINDOW (LH)	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7029	MOTOR ASSY - POWER WINDOW (RH)	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7030	AUDIO ASSY - ETR	1	COP			AMERIGON	AMERIGON	*	*
7031	ANTENNA ASSY - ROD	1	COP			AMERIGON	AMERIGON	*	*
7032	SPEAKER ASSY - DOOR	2	COP			AMERIGON	AMERIGON	*	*

7000	ELECTRIC	REMARKS
7001	HARNESS ASSY - MAIN	
7002	HARNESS ASSY - ENGINE ROOM	AMERIGON TO SUPPLY
7003	HARNESS ASSY - INSTRUMENT	CONNECTORS & F. BOX
7004	HARNESS ASSY - TRUNK ROOM	DETAIL DRWGS, PLUS
7005	HARNESS ASSY - ROOM LAMP	MASTER HARNESS
7006	HARNESS ASSY - DOOR (DRIVE)	PLUS WIRE LENGTHS
7007	HARNESS ASSY - DOOR (ASSIST)	
7008	HARNESS ASSY - CONTROL	
7009	BATTERY	
7010	BATTERY MOUNTING	
7011	SWITCH ASSY - COMBINATION	MULTI-FUNCTION SW
7012	SWITCH ASSY - FOG LAMP	* TO APPROVE
7013	SWITCH ASSY - STOP LAMP	ALL SWITCH ASSYS.
7014	SWITCH ASSY - POWER WINDOW (D)	DRIVE
7015	SWITCH ASSY - POWER WINDOW (A)	ASSIST
7016	SWITCH ASSY - HAZARD	
7017	SWITCH ASSY - DOOR (D)	
7018	SWITCH ASSY - DOOR (A)	
7019	SWITCH ASSY - REAR HEATED	
7020	SWITCH ASSY - DIRECTION	PRND SWITCH
7021	SWITCH ASSY - EMERGENCY	
7022	COVER - DOOR SWITCH	RUBBER
7023	LIGHTER COMPL. - CIGARETTE	
7024	RELAY	
7025	LAMP ASSY - ROOM	
7026	MOTOR ASSY - WINDSHIELD WIPER	
7027	MOTOR ASSY - WINDSHIELD WASHER	
7028	MOTOR ASSY - POWER WINDOW (LH)	SWITCH ON CONSOLE
7029	MOTOR ASSY - POWER WINDOW (RH)	
7030	AUDIO ASSY - ETR	SUPPLIER: *
7031	ANTENNA ASSY - ROD	SUPPLIER: *
7032	SPEAKER ASSY - DOOR	SUPPLIER: *

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* Confidential portions omitted and filed separately with the Commission.

DETAIL PARTS ELECTRIC
&
PROCUREMENT RESPONSIBILITY

7000	ELECTRIC	QTY	COP/NEW	MATERIAL	PROCESS	LIMITED PRODUCT ENGINEERING	TOOLS	PROTO(2)	PARTS(48)
7033	SPEAKER GRILLE - DOOR	2	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7034	CLUSTER ASSY - INSTRUMENT	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7035	SPEED SENSOR	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7036	INTERMITTENT WIPER RELAY	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7037	FLASHER ASSY - COMBINATION	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7038	SEAT BELT TIMER	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7039	FLASHER ASSY - COMBINATION	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON
7040	HORN ASSY - HIGH	1	COP			AMERIGON	AMERIGON	AMERIGON	*
7041	DIGITAL CLOCK	1	COP/NEW			AMERIGON	AMERIGON	AMERIGON	AMERIGON

7000	ELECTRIC	REMARKS
7033	SPEAKER GRILLE - DOOR	
7034	CLUSTER ASSY - INSTRUMENT	* TO APPROVE
7035	SPEED SENSOR	CABLELESS TYPE
7036	INTERMITTENT WIPER DELAY	WITH TIMMER
7037	FLASHER ASSY - COMBINATION	
7038	SEAT BELT TIMER	LIGHT PLUS CHIME
7039	FLASHER ASSY - COMBINATION	
7040	HORN ASSY - HIGH	SINGLE HORN TYPE
7041	DIGITAL CLOCK	

* Confidential portions omitted and filed separately with the Commission.

DETAIL PARTS ELECTRIC VEHICLE
&
PROCUREMENT RESPONSIBILITY

8000	ELECTRIC	QTY	COP/NEW	MATERIAL	PROCESS	LIMITED PRODUCT ENGINEERING	TOOLS	PROTO(2)	PARTS(48)	REMARKS
8001	MOTOR	1	COP			AMERIGON	AMERIGON	AMERIGON	*	
8002	CONTROLLER	1	COP			AMERIGON	AMERIGON	AMERIGON	*	
8003	CHARGING UNIT	1	COP			AMERIGON	AMERIGON	AMERIGON	*	MAIN & 12V
8004	BATTERY	28	COP	LEAD ACID		AMERIGON	AMERIGON	AMERIGON	*	QTY HAVE TO ACCORD TO MOTOR & CONTROLLER
8005	POWER BRAKE SYSTEM	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
8006	POWER STEERING UNIT	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	
8007	SAFETY UNIT	1	COP			AMERIGON	AMERIGON	AMERIGON	AMERIGON	

* REGULATION
FOOT BRAKE STOPPING DISTANCE; 29 m OR LESS (AT SPEED OF 50Em/h
PARKING BRAKE; VEHICLE SHALL BE CAPABLE OF HOLDING MECHANICALLY THE MOTOR VEHICLE STATIONARY ON A DRIVE PAVED ROAD WITH 20% (11.6) GRADIENT (AT THE STATE OF G.V.B.) OTHER PARTS NOT SHOWN ON LIST WILL BE DESIGNED & SUPPLIED BY AMERIGON. ALL PARTS RELATED TO STYLING WILL BE CONFIRMED WITH *.

* Confidential portions omitted and filed separately with the Commission.

SETTLEMENT AND LICENSE AGREEMENT

BY, BETWEEN AND AMONG

AMERIGON, INC.,

AUDIO NAVIGATION SYSTEMS, LLC

ALCOM ENGINEERING CORPORATION

AND

AUDIO NAVIGATION SYSTEMS, INC.

DATED MAY 10, 1996

TABLE OF CONTENTS

SETTLEMENT AND LICENSE AGREEMENT

This Settlement and License Agreement (the "Agreement") is made and entered into this 9th day of May, 1996, by and between Amerigon, Inc., a California corporation ("Amerigon"); Audio Navigation Systems, Inc., a California corporation ("ANSI"); Audio Navigation Systems, LLC, a California limited liability corporation ("ANSLC"); and Alcom Engineering Corporation, a California corporation ("Alcom"), with reference to the following facts:

A. Amerigon and ANSI are parties to an Option and License Agreement dated as of July 13, 1992.

B. Amerigon, ANSI and Alcom Engineering Corporation are parties to a Consulting Agreement dated as of July 13, 1992.

C. Certain disputes have arisen between Amerigon and ANSI relating, INTER ALIA, to their respective rights and obligations under the July 13, 1992 Option and License Agreement and the July 13, 1992 Consulting Agreement.

D. On May 17, 1995, Amerigon filed a complaint in Superior Court, County of Los Angeles, State of California, AMERIGON. INC. v. AUDIO NAVIGATION SYSTEMS, INC. ET AL., Case No. BC127921, and on June 1, 1995, Amerigon filed a First Amended Complaint for Declaratory Relief in that action. On or about July 1, 1995, ANSI filed a General Denial and a Cross-Complaint for Declaratory Relief in that action.

E. Subsequent to the commencement of the legal action described in Paragraph D above, ANSI and Amerigon entered into an Agreement Re Gen 4 Navigation System dated July 24, 1995, which was amended by an Amendment dated as of August 14, 1995.

F. Certain disputes have arisen between Amerigon and ANSI relating to their respective rights and obligations under the July 24, 1995 Agreement Re Gen 4 Navigation System as amended by the August 14, 1995 Amendment.

G. Amerigon, on the one hand, and the ANSLC Parties, on the other hand, wish fully and finally to resolve all differences, claims, demands, causes of action and disputes of whatever nature or subject matter between them, including but not limited to all disputes and claims arising out of any of the facts, transactions and occurrences alleged in or in connection with the legal action described in Paragraph D above and all disputes and claims arising out of or relating to the July 13, 1992 Option and License Agreement, the July 13, 1992 Consulting Agreement and/or the July 24, 1995 Agreement Re Gen 4 Navigation System, as amended by the August 14, 1995 Amendment.

H. All or substantially all of ANSI's rights in and to the technology, patents and business that are the subject of this Agreement have been or will be assigned to ANSLC.

I. Amerigon, on the one hand, and ANSI and ANSLC, on the other hand, desire, pursuant to the terms and conditions set forth herein, to grant one another certain rights and make certain commitments not to assert claims against one another in the future in an effort to lessen the likelihood of future disputes between the parties and to permit the parties to conduct their respective businesses.

NOW THEREFORE, in consideration of the foregoing, and in consideration of the representations, warranties and covenants set forth in this Agreement, ANSI, ANSLC, Alcom and Amerigon agree as follows:

ALTHOUGH THIS AGREEMENT IS BEING EXECUTED ON MAY 10, 1996, THE PARTIES AGREE THAT THIS AGREEMENT SHALL NOT BE BINDING OR EFFECTIVE UNLESS AND UNTIL ANSLC CONCLUDES AN AGREEMENT WITH NAVTECH REASONABLY ACCEPTABLE TO ANSLC GRANTING ANSLC LICENSE RIGHTS IN THE NAVTECH TECHNOLOGY COMPARABLE TO THOSE HELD BY AMERIGON. IN THE EVENT NO SUCH AGREEMENT BETWEEN NAVTECH AND ANSLC IS ENTERED INTO, THIS AGREEMENT SHALL BE VOID AND OF NO FORCE OR EFFECT, EXCEPT THAT THIS PARAGRAPH AND SECTION 3.1 SHALL BE BINDING UPON THE PARTIES. ANSLC SHALL NEGOTIATE IN GOOD FAITH IN AN EFFORT TO REACH AN AGREEMENT WITH NAVTECH CONSISTENT WITH THE CORRESPONDENCE AND PROPOSALS HERETOFORE EXCHANGED BETWEEN NAVTECH AND ANSLC. UPON EXECUTION OF SUCH AN AGREEMENT BETWEEN NAVTECH AND ANSLC, ANSLC SHALL PROMPTLY NOTIFY AMERIGON IN WRITING, AND AMERIGON AND ANSLC SHALL EXECUTE AN ADDENDUM CONFIRMING THAT THIS AGREEMENT IS IN FULL FORCE AND EFFECT. THE DATE OF EXECUTION OF SUCH AN AGREEMENT BETWEEN NAVTECH AND ANSLC SHALL BE THE "EFFECTIVE DATE" OF THIS AGREEMENT. IN THE EVENT THE EFFECTIVE DATE HAS NOT OCCURRED ON OR BEFORE JUNE 15, 1996: (i) THERE SHALL NOT BE AN EFFECTIVE DATE OF THIS AGREEMENT, UNLESS THE PARTIES MUTUALLY AGREE IN WRITING TO THE CONTRARY; AND (ii) THIS PARAGRAPH AND SECTION 3.1 SHALL BE THE ONLY PROVISIONS OF THIS AGREEMENT BINDING UPON THE PARTIES.

1. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings:

1.1 "Actions" shall mean any allegations, claims, suits, arbitrations, actions, or proceedings.

1.2 "Affiliate" shall mean, with respect to any applicable party referred to in this Agreement, any corporation, limited liability company, partnership or other entity (collectively, an "Entity") of which such party (a) has legal, beneficial or equitable ownership, directly or indirectly, or the right to acquire legal, beneficial or equitable ownership, directly

or indirectly, of forty percent (40%) or more of the aggregate of all equity interests in such Entity (no matter how evidenced) or (b) has legal, beneficial or equitable ownership, directly or indirectly, or the right to acquire legal, beneficial or equitable ownership, directly or indirectly, of forty percent (40%) or more of the interests (no matter how evidenced) having the power to direct the affairs of such Entity by reason of ownership of voting stock, contract or otherwise; or (c) is directly or indirectly controlling, controlled by or under common control with such applicable party. Without limiting the foregoing definition, ANSI, ANSLC and Amerigon each agrees not to create any Entity that does not meet the definition of an Affiliate hereunder for the principal purpose of circumventing or frustrating the respective rights, obligations and intentions of the parties as set forth in this Agreement. Further without limiting the foregoing definition, the parties agree that ANSI shall be deemed an Affiliate of ANSLC.

1.3 "Amerigon Licensed Patents" shall mean all patents (not including any design patents) Issued or Issuing on patent applications entitled to an effective filing date prior to May 10, 1998, for which, (a) at May 10, 1996, Amerigon or an Amerigon Affiliate is an actual or beneficial owner or an assignee, or (b) at the date of the invention, the date of reduction to practice or May 10, 1996 any named inventor was employed by Amerigon or an Amerigon Affiliate or engaged by Amerigon or an Amerigon Affiliate pursuant to an agreement requiring that the inventor assign patent rights in such invention to Amerigon or an Amerigon Affiliate. The term "Amerigon Licensed Patents" shall also include any patent which is a reissue or extension of any of the foregoing, and any patent issuing on any patent application related as a divisional or a continuation or a continuation-in-part of any of the foregoing. Without limiting the foregoing, Amerigon Licensed Patents include those patents identified in Schedule 1.3 attached hereto.

1.4 "Amerigon Other Consideration" means any Other Consideration received by Amerigon or an Amerigon Affiliate.

1.5 "Amerigon Selling Price" shall mean the Selling Price at which a VANS Product is sold, leased, licensed, made available or otherwise exploited by Amerigon, an Amerigon Affiliate or an Amerigon Sublicensee to a third party other than Amerigon, an Amerigon Affiliate, an Amerigon Sublicensee or an Affiliate of an Amerigon Sublicensee.

1.6 "Amerigon Sublicensees" shall mean any person or entity to which Amerigon grants any rights to make, or have made VANS Products or to practice or have practiced any method or process involved in the manufacture or use thereof; or to make, have made or use Manufacturing Apparatus or practice or have practiced any method or process involved in the manufacture or use

thereof; or to use, lease, sell or otherwise transfer VANS Products;

1.7 "ANSLC Licensed Patents" shall mean all patents (not including any design patents), Issued or Issuing on patent applications entitled to an effective filing date prior to May 10, 1998, for which, (a) at May 10, 1996, ANSLC or an ANSLC Affiliate is an actual or beneficial owner or an assignee, or (b) at the date of the invention, the date of reduction to practice or May 10, 1996 any named inventor was employed by ANSLC or an ANSLC Affiliate or engaged by ANSLC or an ANSLC Affiliate pursuant to an agreement requiring that the inventor assign patent rights in such invention to ANSLC or an ANSLC Affiliate. The term "ANSLC Licensed Patents" shall also include any patent which is a reissue or extension of any of the foregoing, and any patent issuing on any patent application related as a divisional or a continuation or a continuation-in-part of any of the foregoing. Without limiting the foregoing, ANSLC Licensed Patents include those Issued patents identified in Schedule 1.7 attached hereto, and patents hereafter Issuing on those patent applications identified in Schedule 1.7.

1.8 "ANSLC Other Consideration" means any Other Consideration received by ANSLC or an ANSLC Affiliate.

1.9 "ANSLC Parties" means, individually and collectively, ANSI, ANSLC and Alcom.

1.10 "ANSLC Selling Price" shall mean the Selling Price at which a VANS Product is sold, licensed or otherwise made available or exploited by ANSLC, an ANSLC Affiliate or an ANSLC Sublicensee to a third party other than ANSLC, an ANSLC Affiliate, an ANSLC Sublicensee or an Affiliate of an ANSLC Sublicensee.

1.11 "ANSLC Sublicensees" shall mean any person or entity to which ANSLC grants any rights to make, or have made VANS Products or to practice or have practiced any method or process involved in the manufacture or use thereof; or to make, have made or use Manufacturing Apparatus or practice or have practiced any method or process involved in the manufacture or use thereof; or to use, lease, sell or otherwise transfer VANS Products;

1.12 "Consulting Agreement" shall mean the Consulting Agreement dated as of July 13, 1992 between and among Amerigon, ANSI and Alcom Engineering Corporation.

1.13 "Credit Card Processing Agreement" shall mean the agreement dated August 22, 1995 between ANSI and First U.S.A./DMGT pursuant to which First U.S.A./DMGT has certain obligations with respect to the processing of credit card transactions for sales of certain Gen 4 Software.

1.14 "Disputed Matters" shall mean all disputes, controversies or conflicts between any of the ANSLC Parties, on the one hand, and Amerigon, on the other hand, relating to any of the Specified Agreements and all disputes, controversies or conflicts which are the subject of the Legal Proceeding.

1.15 "Effective Date" shall have the meaning specified on the first page of this agreement, in the paragraph immediately preceding Section 1.

1.16 "Gen 4 Agreement" shall mean the Agreement Re Gen 4 Navigation System dated July 24, 1995 between ANSI and Amerigon, as amended by the Amendment dated as of August 14, 1995 between ANSI and Amerigon.

1.17 "Gen 4 Hardware" shall mean VANS Hardware consisting of a printed circuit board and electronic components and connectors, cables, housings, firmware and other tangible hardware in substantially the form that exists as of the date of this Agreement for anticipated delivery by Amerigon to Amerigon's customers such as Kenwood, Alpine, Clarion and Eclipse. VANS Hardware shall be deemed to constitute Gen 4 Hardware if (a) such hardware includes a system architecture that uses a Digital Signal Processor from Analog Devices (#21MSP55) and a Motorola Central Processing Unit (#68340) (or backward compatible direct successors thereto or a second-source chips generally recognized in the industry as clones of such chips or clones of backward compatible successors thereto) or (b) such hardware is characterized by the DSP, operating as a slave to the CPU, being used for speech recognition and speech generation; the CPU being used for CD data retrieval, navigation calculations, and system control; the DSP receiving the data and program code necessary for speech recognition and speech generation from a DRAM accessible indirectly through the CPU; the DSP having dedicated SRAM for its "scratch" calculations; and a ROM from which program code necessary to start the system upon power-on is executed from the CPU. Gen 4 Hardware also includes minor modifications to the foregoing that are intended to reduce cost or to resolve technical problems or to improve performance, provided that the hardware modifications do not change the fundamental system architecture of the foregoing. Gen 4 Hardware expressly excludes any VANS Hardware that utilizes a single chip that combines the functions of the Digital Signal Processor and the Central Processing Unit.

1.18 "Gen 4 Software" shall mean operating system and application Software for the Gen 4 Hardware which, when used on the Gen 4 Hardware, provides Voice-Interactive Navigation-Related Features or Functions. The Gen 4 Software may include, without limitation, operating system software, application programs, hardware device drivers for interfacing with audio CD players and/or maps, including points of interest.

1.19 "Indemnified Parties" shall mean with respect to any party, such party and its Affiliates, and their respective officers, directors, agents and employees.

1.20 "Interoperable Software" shall have the meaning specified in Section 24.1.

1.21 "Issued", "Issuing", "Issues" and "Issuance" shall refer to the awarding of a patent based upon a patent application, whether such awarding is affected by issuance, registration, deliverance, sealing, granting or any other act.

1.22 "Legal Proceeding" shall mean the proceeding in Superior Court, County of Los Angeles, State of California, AMERIGON INC. V. AUDIO NAVIGATION SYSTEMS, INC. ET AL., Case No. BC127921.

1.23 "Lunel" shall mean Roy Lunel.

1.24 "Manufacturing Apparatus" shall mean any instrumentality or aggregate of instrumentalities primarily designed for use in the fabrication of a VANS Product.

1.25 "Navigation-Related Features or Functions" shall mean any features or functions that facilitate any one or more of the following: (a) determining and/or communicating to the user his/her current geographic position; (b) determining and/or communicating to the user what course to follow or how to navigate from one geographic location to another; (c) determining and/or communicating to the user the position of a geographic location of interest; or (d) otherwise utilizing map databases or geographic databases to determine and/or communicate to the user information relating to geographic location or position.

1.26 "Option and License Agreement" shall mean the Option and License Agreement dated as of July 13, 1992 between Amerigon and ANSI.

1.27 "Other Consideration" shall mean any and all consideration other than the Selling Price received by an applicable person or entity in connection with the marketing, licensing, sale or other commercial exploitation of the VANS Products or the Licensed Patents, regardless of the form or characterization of such consideration, including without limitation advances, one-time payments, stock or equity interests, profit participations, assets, development or consulting fees, tooling fees, advertising or promotional payments and any other form of compensation or consideration, provided that, in the event an applicable entity sells a stock or equity interest in connection with the marketing, licensing, sale or other commercial exploitation of the VANS Products or the Licensed Patents, "Other Consideration" shall include only that portion, if any, of the

consideration received for such stock or equity interest which exceeds the fair market value of such stock or equity interest as of the date of such transaction. The parties' intention in providing for Other Consideration to include the above fair market portion of any value paid for a stock or equity interest in connection with the marketing, licensing, sale or other commercial exploitation of the VANS Products or the Licensed Patents is to circumvent a party's ability to structure a transaction in order to avoid payments to the other party hereunder simply by characterizing a payment as part of the consideration received for a stock or equity interest rather than as a license fee. By way of example only, if an entity licenses rights to one or more VANS Products or Licensed Patents in a transaction in which such entity receives (i) consulting fees; (ii) support fees; (iii) a one-time payment; and (iv) an equity investment in which the licensee acquires a portion of the stock of such entity, Other Consideration would include the consulting fees, the support fees, the one-time payment and any portion of the amount paid for the stock of such entity which exceeds the fair market value of the stock as of the date of purchase. Any dispute over what portion of consideration paid for a stock or equity interest exceeds the fair market value of such stock or equity interest shall be resolved as set forth in Section 20. Further, in the event that a VANS Product is incorporated into a larger product, and there are no bona fide separately stated prices for the VANS Product and the non-VANS portion of the larger product, the allocation of what portion of the Other Consideration is attributable to the VANS Product and the non-VANS portion of the larger product for the purpose of calculating payments hereunder shall be made based on a reasonable good faith apportionment of the value of the VANS Product and the value of the non-VANS portion of the larger product, where the value of the VANS product is based upon the value added to the non-VANS portion of the larger product by the VANS Product to Unrelated Third Party purchasers at the distribution level at which sales to Unrelated Third Party Purchasers actually occur.

1.28 "Outsourcing Agreement" shall mean the agreement dated October 1, 1995 between ANSI and The Right Start, Inc. pursuant to which The Right Start, Inc. has certain obligations with respect to the operation of a toll-free 800 number, and the providing of telemarketing, direct mail and order fulfillment services for sales of certain Gen 4 Software.

1.29 "Passcode Activation Patent" shall mean all patents, if any, Issued or Issuing on (a) the patent application(s) identified in Schedule 1.29 and any foreign filings thereon, or (b) any other patent applications filed with respect to the Sales Fulfillment / Activation Technology, including any patent which is a reissue or extension of any of the foregoing, and any patent issuing on any such patent application(s) related as a divisional or a continuation or a continuation-in-part of any of the foregoing.

1.30 "Prior Agreements" shall have the meaning specified in Section 2.

1.31 "Sales Fulfillment / Activation Technology" shall mean the method and process utilized by ANSI for decryption and activation of Gen 4 Software and the program code utilized by ANSI to implement such method and process.

1.32 "Selling Price" shall mean, with respect to any applicable person or entity, the bona fide gross invoiced billing price at which a VANS Product is sold, leased, licensed or otherwise made available or exploited by such entity, less the following: (i) promotional, refund, returns or similar credits or rebates which are actually granted or credited against amounts invoiced; and (ii) any federal, state or foreign sales, excise or other taxes or tariffs imposed on the licensing, manufacture and/or distribution of VANS Products (not including taxes based on income). If said billing price includes the following items, they may be deducted only if separately stated: packing, transportation and insurance charges Commissions and costs payable to sales representatives shall not be deductible from the gross invoiced billing price for purposes of calculating the Selling Price. If a VANS Product includes both VANS Hardware and VANS Software, and there are no BONA FIDE separately stated prices for the VANS Hardware and the VANS Software incorporated in such VANS Product, the allocation of what portion of the Selling Price is attributable to the VANS Hardware and what portion is attributable to the VANS Software for purposes of calculating payments hereunder shall be made based on (i) the ratio of the average selling price or license fee charged by the entity selling, leasing, licensing, making available or otherwise exploiting the VANS Product for separate transactions with respect to the VANS Hardware and VANS Software contained in such VANS Product during the same quarterly period (or the most recent quarterly period in which sales or licenses have occurred), if such products are or were sold or licensed separately, or (ii) in the event the VANS Hardware and VANS Software contained in such VANS Product are not and were not sold or licensed separately, such allocation shall be based on a reasonable good faith apportionment of the relative values, to Unrelated Third Party purchasers at the distribution level at which sales to Unrelated Third Party Purchasers actually occur, of the VANS Hardware and VANS Software comprising said VANS Product and the relative prices that could be charged for such products if sold, leased, licensed, made available or otherwise exploited separately. Further, in the event that a VANS Product is incorporated into a larger product, and there are no bona fide separately stated prices for the VANS Product and the non-VANS portion of the larger product, the allocation of what portion of the Selling Price is attributable to the VANS Product and the non-VANS portion of the larger product shall be a reasonable good faith apportionment of the value of the VANS Product and the value of

the non-VANS portion of the larger product, where the value of the VANS Product is based upon the value added to the non-VANS portion of the larger product by the VANS Product to Unrelated Third Party purchasers at the distribution level at which sales to Unrelated Third Party Purchasers actually occur. By way of example only, if a VANS product is incorporated into a larger CD product, where the sales price (at the appropriate distribution level) of comparable non-VANS CD products is $300 and the sales price of the larger, integrated product is $450, the apportionment of value to the VANS product would be $150, notwithstanding whatever price might by sought or paid for separately priced stand-alone VANS products. Also by way of example only, in the event a VANS Product consisting of a chipset is sold by ANSLC, an ANSLC Affiliate or an ANSLC Sublicensee to an Unrelated Third Party for integration by such third party into a consumer product, the Selling Price would be the Selling Price for such chipset.

1.33 "Specified Agreements" shall mean the Consulting Agreement, the Option and License Agreement, and the Gen 4 Agreement.

1.34 "Specified Recoupment" shall have the meaning specified in Section 12.1.2.1.

1.35 "Specified Software" shall mean any software, including without limitation operating system software, application programs, hardware device drivers for interfacing with audio CD players, and/or maps, irrespective of the form or medium in which such software is embodied, including magnetic and/or optical storage media, CD-ROMs, firmware, and any other media now known or hereafter invented, which software is created by or for ANSLC, Amerigon, an ANSLC Affiliate or an Amerigon Affiliate or which is created, manufactured, distributed, used or sold pursuant to license or authorization from ANSLC, Amerigon, an ANSLC Affiliate or an Amerigon Affiliate.

1.36 "Unrelated Third Party" shall mean, as to Amerigon, any person or entity other than Amerigon, an Amerigon Affiliate, an Amerigon Sublicensee or an Affiliate of an Amerigon Sublicensee, and as to ANSLC shall mean any person or entity other than ANLSC, an ANSLC Affiliate, an ANSLC Sublicensee or an Affiliate of an ANSLC Sublicensee.

1.37 "VANS Hardware" shall mean (i) any hardware meeting all of the criteria set forth in subparagraphs (a), (b), (c) and (d) below, or (ii) any hardware that, in the form sold to end-user customers (including any software resident in firmware on such hardware or otherwise provided or bundled with such hardware) would be deemed to infringe or contributorily infringe United States patent #5,274,560 if manufactured or sold without a license to such patent, irrespective of whether such hardware meets the criteria set forth in subparagraphs (a), (b), (c) and (d) below:

(a) The hardware (when used with software resident in firmware on such hardware or otherwise provided for use with such hardware) is capable of providing Voice-Interactive Navigation-Related Features or Functions, whether or not such hardware also provides other features or functions;

(b) Substantially all of (i) the computing and memory storage functions or (ii) the digital processing and memory storage functions associated with the providing of Voice-Interactive Navigation-Related Features or Functions are performed locally, in the hardware unit itself, and not remotely. By way of example only, a cellular phone or other device through which navigation information is communicated to a user would not be deemed to constitute VANS Hardware where such device does not provide substantially all of the computing and memory storage functions associated with the providing of Voice-Interactive Navigation-Related Features or Functions but merely communicates to the user navigation information originating from a remote system.

(c) The designs or specifications for the hardware were created in substantial and material part by or for ANSLC, Amerigon, an ANSLC Affiliate or an Amerigon Affiliate or were designed, manufactured, distributed, used or sold pursuant to license or authorization from ANSLC, Amerigon, an ANSLC Affiliate or an Amerigon Affiliate. By way of example only, if ANSLC or Amerigon is a value-added reseller for hardware designed in part by a third party, and ANSLC or Amerigon, as applicable, contributes substantial and material modifications to such third party hardware design, the designs or specifications for such hardware will be deemed to have been created in substantial and material part by or for ANSLC or Amerigon, as applicable.

(d) The hardware was designed in substantial part and is marketed in substantial part for the purpose of providing Voice-Interactive Navigation-Related Features or Functions (when used with software resident in firmware on such hardware or otherwise provided for use with such hardware).

Notwithstanding anything to the contrary set forth in this Section 1.37, a general purpose personal computer running a standard, generally available, general-purpose operating system or operating environment and capable of running a wide range of applications programs (E.G., an operating system/environment such as MS-DOS, Windows, UNIX, Macintosh OS and similar operating systems/environments) shall not constitute VANS Hardware.

1.38 "VANS Navigation Software" shall mean any Specified Software that enables Voice-Interactive Navigation-Related Features or Functions, which software either:

(a) is designed for operation on VANS Hardware; or

(b) is designed for operation on hardware that

(i) does not constitute VANS Hardware; and

(ii) performs substantially all of (a) the computing and memory storage functions or (b) the digital processing and memory storage functions associated with the providing of Voice-Interactive Navigation-Related Features or Functions are performed locally, in the non-VANS Hardware unit itself, and not remotely.

By way of example only, in the case of software created by ANSLC or Amerigon that enables Voice-Interactive Navigation-Related Features or Functions and that is designed and marketed for operation on a general purpose laptop PC running MS-DOS/Windows, where such laptop PC performs substantially all of the computing and memory storage functions associated with the providing of Voice-Interactive Navigation-Related Features or Functions locally, such software would be deemed VANS Navigation Software and such laptop PC would not be deemed VANS Navigation Hardware.

1.39 "VANS Non-Navigation Software" shall mean any Specified Software that (a) is designed and marketed for operation on VANS Hardware and (b) does not provide Navigation-Related Features or Functions. By way of example only, software designed and marketed for operation on VANS Hardware to play blackjack or other games which does not provide Navigation-Related Features or Functions would constitute VANS Non-Navigation Software.

1.40 "VANS Product" shall mean any item of VANS Hardware or VANS Software.

1.41 "VANS Software" shall mean any VANS Navigation Software and any VANS Non-Navigation Software. For purposes of determining the percentage royalty payable pursuant to Section 12.1 or 12.2, VANS Software shall be considered part of the VANS Hardware (and therefore be subject to the two percent (2%) royalty percentage) if such VANS Software is (a) embedded on firmware in VANS Hardware, and (b) consists solely of operating system software and/or device drivers and not applications programs.

1.42 "Voice-Interactive" shall mean, with respect to any system, a system that responds to human vocal utterances and communicates to the user via speech (whether such speech is synthesized, recorded or otherwise generated by any process or method now known or hereafter invented).

2. PRIOR AGREEMENTS. All agreements, negotiations, representations and obligations which may now be in effect between ANSI and Amerigon, including without limitation the Specified

Agreements (collectively the "Prior Agreements"), whether oral or written, and whether or not relating specifically to the Disputed Matters or the subject matter of this Agreement, and whether or not specifically referred to herein, are hereby terminated and superseded by this Agreement, except to the extent set forth in Schedule 2.

3. RIGHTS TO EXISTING TECHNOLOGY.

3.1 DELIVERY OF EXISTING VOICE FILES. Not later than May 31, l996, Amerigon will provide ANSLC with a copy of all then currently existing voice files for Amerigon's VANS Navigation Software embodying the recorded speech of Lunel. Such voice files will be provided to ANSLC in both compressed and uncompressed formats, in SIX SYM CIX CMP format. Amerigon will also deliver to ANSLC with such voice files such technical information as is reasonably required to inform ANSLC how to access and utilize such voice files. IN THE EVENT AMERIGON MAKES SUCH A DELIVERY OF VOICE FILES PRIOR TO THE EFFECTIVE DATE, AND NO AGREEMENT IS REACHED BETWEEN NAVTECH AND ANSLC SUCH THAT THE EFFECTIVE DATE DOES NOT OCCUR, ANSLC SHALL HAVE NO RIGHTS TO DISTRIBUTE, SELL, LICENSE, MARKET OR COMMERCIALLY EXPLOIT THE VOICE FILES DELIVERED TO ANSLC PURSUANT TO THIS SECTION.

3.2 DELIVERY OF SALES FULFILLMENT/ACTIVATION TECHNOLOGY. Upon execution of this Agreement, ANSLC will provide Amerigon with a copy of those items identified in Schedule 3.2. ANSLC will also deliver to Amerigon such other technical information and materials as are reasonably required to inform Amerigon how to utilize the Sales Fulfillment/Activation Technology.

3.3 COVENANTS NOT TO SUE.

3.3.1 BY AMERIGON. Except as otherwise provided in Section 18, the Amerigon Releasing Parties hereby covenant not to bring any claim for relief, whether by litigation or otherwise, based on allegations (whether true or not) that any information, technology, knowledge, know-how or products known to or in the possession of the ANSLC Parties at May 10, 1996 or any of the materials delivered by Amerigon to ANSLC pursuant to Section 3.1, include or incorporate in any way, or are in any way based on or derived from, proprietary information or intellectual property (including copyrights, trade secrets or otherwise) created, developed, authored or owned (legally, equitably or beneficially) by or on behalf of any of the Amerigon Releasing Parties. This covenant by the Amerigon Releasing Parties shall extend to any other party (whether an ANSLC Affiliate, ANSLC Sublicensee, customer or otherwise) only to the extent that such entity's information, technology, know-how or products are derived from any information, technology, knowledge, know-how or products of any of

the ANSLC Released Parties which were known to or in the possession of the ANSLC Released Parties at May 10, 1996.

3.3.2 BY ANSLC. Except as otherwise provided in Section 18, the ANSLC Releasing Parties hereby covenant not to bring any claim for relief, whether by litigation or otherwise, based on allegations (whether true or not) that any information, technology, knowledge, know-how or products known to or in the possession of Amerigon at May 10, 1996 or any of the materials delivered by ANSLC to Amerigon pursuant to Section 3.2 include or incorporate in any way, or are in any way based on or derived from proprietary information or intellectual property (including copyrights, trade secrets or otherwise) that was created, developed, authored or owned (legally, equitably or beneficially) by or on behalf of any of the ANSLC Releasing Parties. This covenant by the ANSLC Releasing Parties shall extend to any other party (whether an Amerigon Affiliate, Amerigon Sublicensee, customer or otherwise) only to the extent that such entity's information, technology, know-how or products are derived from any information, technology, knowledge, know-how or products of any of the Amerigon Released Parties which were known to or in the possession of any of the Amerigon Released Parties May 10, 1996.

3.4 LIMITATION ON ANSLC'S RIGHTS TO GEN 4. Notwithstanding the provisions of Section 3.3, each of the ANSLC Parties agrees that it and the ANSLC Affiliates and ANSLC Sublicensees will not design, manufacture or sell or authorize or assist in the design, manufacture or sale of any VANS Hardware utilizing a system architecture meeting the definition of Gen 4 Hardware hereunder. Nothing contained herein shall be deemed to limit the ANSLC Parties' or their Affiliates' or Sublicensees' respective rights to design, manufacture or sell, or authorize the design, manufacture or sale of VANS Hardware that utilizes a single chip that combines the functions of the Digital Signal Processor and the Central Processing Unit.

3.5 LIMITATIONS ON AMERIGON'S RIGHTS. Notwithstanding the provisions of Section 3.3, Amerigon agrees that, for a period of twenty-four (24) months following May 10, 1996, Amerigon, the Amerigon Affiliates and the Amerigon Sublicensees will not sell commercially any VANS Hardware incorporating a Texas Instruments TMS320C32 DSP chip (or backward compatible direct successors thereto or a second-source chips generally recognized in the industry as clones of such chips or clones of backward compatible successors thereto).

3.6 OWNERSHIP OF PROPRIETARY RIGHTS IN EXISTING TECHNOLOGY.

3.6.1 GENERAL. Since the Option and License Agreement was executed, various technology relating to VANS Products has been created by ANSI or ANSI Affiliates and/or

Amerigon or Amerigon Affiliates, including, without limitation, corrections and enhancements to maps, improvements and enhancements to VANS Navigation Software, improvements and enhancements to speech software, and new software (including software tools) that did not exist when the Option and License Agreement was executed.

3.6.2 ANSI OWNERSHIP. The ANSLC Parties and Amerigon agree that, as between the ANSLC Parties and Amerigon, ANSLC will own all copyrights, patents, trade secrets and other proprietary rights in any technology, inventions and works of authorship created, invented, discovered or made by any of the ANSLC Parties at any time prior to the date of this Agreement that relate to any VANS Products, subject to Amerigon's rights set forth in Section 3.3 and Section 6. Without limiting the foregoing, the parties agree that all inventions described in Schedule 1.7 and all patent rights therein are owned by ANSLC, subject to Amerigon's rights set forth in Section 3.3 and Section 6.

3.6.3 AMERIGON OWNERSHIP. The ANSLC Parties and Amerigon agree that, as between the ANSLC Parties and Amerigon, on the other hand, Amerigon will own all copyrights, patents, trade secrets and other proprietary rights in any technology, inventions and works of authorship created, invented, discovered or made by Amerigon or any Amerigon Affiliate at any time prior to the date of this Agreement that relate to any VANS Products, subject to ANSLC's rights set forth in Section 3.3 and Section 7.

3.6.4 JOINT OWNERSHIP. The ANSLC Parties and Amerigon agree that, as between the ANSLC Parties and Amerigon, ANSLC and Amerigon will jointly own in equal undivided shares all copyrights, patents, trade secrets and other proprietary rights in any technology, inventions and works of authorship created, invented, discovered or made by or through joint collaborative efforts of the ANSLC Parties or any Affiliate of any of the ANSLC Parties, on the one hand, and Amerigon and/or any Amerigon Affiliate, on the other hand, at any time prior to the date of this Agreement where both Amerigon or any of its Affiliates and the ANSLC Parties or any of their respective Affiliates contributed substantial and significant legally protectible elements. Notwithstanding such joint ownership, neither party shall have any obligation, express or implied, to deliver to the other any materials relating to or embodying any such jointly owned technology, inventions or works of authorship, except to the extent of any obligations expressly set forth in this Agreement.

3.7 OWNERSHIP OF TRADEMARKS. The ANSLC Parties and Amerigon agree that, as between the ANSLC Parties and Amerigon:

3.7.1 IVS TRADEMARK. Amerigon shall retain exclusive trademark rights to the mark "IVS," and ANSI agrees not to use or authorize the use of "IVS" or any mark confusingly similar to IVS.

3.7.2 VANS TRADEMARK. ANSLC shall retain exclusive trademark rights to the marks "VANS," "AudioNav," "Audio Navigation Systems" and "vehicle audio navigation system," to the extent such marks are legally protectible. The ANSLC Parties agrees that licensees and distributors of Amerigon that have already commenced to use the "VANS" mark or similar marks shall have the right to continue to use such mark, including without limitation that Eclipse shall have the right to continue to use the marks "VAANS" and "voice activated audio navigation system." Nothing contained in this Agreement shall be deemed to constitute an admission or acknowledgement by the ANSLC Parties or Amerigon as to the scope of protection for the terms "VANS" or "vehicle audio navigation system."

3.8 NO WARRANTIES RE TECHNOLOGY. AMERIGON MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND TO ANY OF THE ANSLC PARTIES, AND THE ANSLC PARTIES MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND TO AMERIGON, WHETHER EXPRESS, IMPLIED (EITHER IN FACT OR BY OPERATION OF LAW) OR STATUTORY WITH RESPECT TO THE VANS PRODUCTS OR ANY TECHNOLOGY, INVENTIONS AND WORKS OF AUTHORSHIP OR ANY PROPRIETARY RIGHTS CREATED, INVENTED, DISCOVERED OR MADE IN WHOLE OR IN PART BY SUCH PARTY OR LICENSED TO THE OTHER PARTY PURSUANT TO THIS AGREEMENT. THE ANSLC PARTIES AND AMERIGON EACH EXPRESSLY DISCLAIMS TO THE OTHER ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ALL IMPLIED WARRANTIES AGAINST INFRINGEMENT. NEITHER THE ANSLC PARTIES, ON THE ONE HAND, OR AMERIGON, ON THE OTHER HAND, WARRANTS OR REPRESENTS TO THE OTHER THAT ANY OF THE TECHNOLOGY, INVENTIONS OR WORKS OF AUTHORSHIP CREATED OR INVENTED BY SUCH PARTY OR LICENSED TO THE OTHER PARTY PURSUANT TO THIS AGREEMENT ARE ERROR-FREE OR THAT OPERATION, USE OR IMPLEMENTATION THEREOF WILL BE UNINTERRUPTED.

4. INDEMNIFICATIONS

4.1 THIRD PARTY CLAIMS AGAINST THE ANSLC PARTIES. Except for claims for which ANSLC has an indemnification obligation pursuant to this Section 4, Amerigon agrees to indemnify and hold the ANSLC Parties and their respective Indemnified Parties harmless from and against any claims, actions, damages, liabilities, costs and expenses, including reasonable attorney's fees, arising out of any claim brought by any Amerigon customer or licensee or other third party arising out of Amerigon's operation of its business from and after the Effective Date, including any claims arising out of the sale, licensing, distribution, marketing or exploitation of VANS Products or Licensed Patents by Amerigon, its Affiliates and Sublicensees, except to the extent such claims arise out of (a) acts or deeds of any of the ANSLC Parties after the Effective Date or (b) the sale, licensing, distribution, marketing or exploitation of VANS Products or Licensed Patents by ANSLC, its Affiliates or Sublicensees.

4.2 THIRD PARTY CLAIMS AGAINST AMERIGON. Except for claims for which Amerigon has an indemnification obligation pursuant to this Section 4, ANSLC agrees to indemnify and hold the Amerigon and its Indemnified Parties harmless from and against any claims, actions, damages, liabilities, costs and expenses, including reasonable attorney's fees, arising out of any claim brought by any ANLSC customer or licensee or other third party arising out of the operation by any of the ANSLC Parties of their respective businesses from and after the Effective Date, including any claims arising out of the sale, licensing, distribution, marketing or exploitation of VANS Products or Licensed Patents by ANSLC, its Affiliates and Sublicensees, except to the extent such claims arise out of (a) acts or deeds of Amerigon after the Effective Date or (b) the sale, licensing, distribution, marketing or exploitation of VANS Products or Licensed Patents by Amerigon, its Affiliates or Sublicensees.

4.3 LIMITATIONS. The indemnification obligations set forth in this Section 4 shall not apply with respect to claims asserted by third parties unless the party claiming indemnification notifies the other of any such claims promptly after the notifying party receives notice of such claims from the third party and gives the other full opportunity to control the response thereto and the defense thereof, including, without limitation, any agreement relating to the settlement thereof. An indemnitor may settle any Action on terms and conditions of such party's selection, provided they are not in conflict with the terms of this Agreement and the indemnitor pays all settlement amounts. The Indemnified Parties may participate in any Action at their expense, subject to the additional rights described below. If an indemnitor fails to promptly investigate, defend or settle, then the Indemnified Parties will, following notification to the indemnitor, have the right from that time on to have sole control of the defense of such Action and all negotiations for its settlement or compromise, and in such event, the indemnitor will pay, as they become due, all costs, expenses, and reasonable attorneys' fees incurred by the Indemnified Parties in undertaking such actions and any judgments or decrees which may be rendered against or any settlements or compromises that may be entered into by the Indemnified Parties relating to a claim indemnified against hereunder.

5. CREATION OF ADDITIONAL VOICE FILES.

5.1 ENGAGING LUNEL. ANSLC and Amerigon shall each have the right to make arrangements for Lunel to produce additional voice files for use by the respective parties. The parties shall consult with one another regarding the scheduling of Lunel's time and shall coordinate their engagement of Lunel so that both parties have reasonable access to and ability to utilize Lunel's services for such purposes. Both parties will cooperate in good faith in scheduling the use of Lunel's services so that neither party

monopolizes Lunel's time for an extended period or precludes the other from having a reasonable ability to utilize Lunel's services.

5.2 COSTS OF PRODUCING VOICE FILES. In the event that ANSLC and Amerigon each desire to have Lunel create an identical voice file, Amerigon and ANSLC shall each bear one half of the commercially reasonable costs of producing such voice file. In the event ANSLC or Amerigon engages Lunel to produce a voice file which is not identical to a voice file sought by the other party, the party engaging Lunel shall bear the full costs of creating such voice file. In the event ANSLC engages Lunel to produce a voice file which is not identical to a voice file sought by Amerigon, Amerigon agrees that during a period of one (1) year from the Effective Date, it will use reasonable efforts to cooperate in good faith to permit Lunel to use Amerigon's in-house studio to record such voice files, provided that such studio time is scheduled on dates and times reasonably convenient to Amerigon and that Amerigon has the personnel and resources available to provide necessary technical support and supervision. Amerigon shall charge ANSLC for use of such studio and related resources at commercially reasonable rates. Amerigon shall have no obligation to permit any personnel other than Lunel to have access to Amerigon's premises in connection with such recording activities. In the event of any disputes between Amerigon and ANSLC with respect to such recording activities or the technical quality of such recordings, ANSLC's sole and exclusive remedy shall be to arrange at ANSLC's expense to record such voice files at a studio other than the one on Amerigon's premises. Amerigon will, upon ANSLC's request, provide ANSLC with reasonable technical specifications (such as volume levels and descriptions of equipment used in Amerigon's studio) to assist ANSLC in attempting to replicate at another studio the sound quality of Lunel recordings made at Amerigon's studio.

5.3 ROYALTIES. ANSLC and Amerigon shall each be responsible for any royalties or per copy fees payable with respect to copies of voice files made by it or under its authority.

5.4 OWNERSHIP AND LICENSING OF VOICE FILES. As between ANSLC and Amerigon, ANSLC shall own all proprietary rights in any voice files which it pays or has paid Lunel to create, Amerigon shall own all proprietary rights in any voice files which it pays or has paid Lunel to create, and proprietary rights in any voice files for which the costs are borne one-half by Amerigon and one-half by ANSLC shall be jointly owned in equal undivided shares by Amerigon and ANSLC, with each party having full non-exclusive rights to exercise all rights of ownership with respect to such jointly owned voice files, provided that notwithstanding such joint ownership, neither party shall have any obligation to account to or pay the other party for the use of such jointly owned voice files. For purposes of this Section, proprietary rights in voice files shall include copyrights, rights of publicity and any other rights. Nothing in this Section is intended to limit the rights

of either party pursuant to Section 3.3 with respect to voice files currently in the possession of ANSLC or Amerigon or delivered pursuant to Section 3.1.

6. PATENT LICENSE FROM ANSLC TO AMERIGON.

6.1 GENERAL. ANSLC grants to Amerigon a worldwide nonexclusive license under the ANSLC Licensed Patents as follows:

6.1.1 to make and have made VANS Products and to practice and have practiced any method or process involved in the manufacture or use thereof;

6.1.2 to make, have made and use Manufacturing Apparatus and to practice and have practiced any method or process involved in the manufacture or use thereof;

6.1.3 to use, lease, sell and otherwise transfer VANS Products.

6.2 PASSCODE ACTIVATION PATENT. ANSLC grants to Amerigon a worldwide nonexclusive license under the Passcode Activation Patent to practice and have practiced any method or process in connection with the making, use, lease, sale, transfer or other distribution or exploitation of VANS Products.

6.3 EXTENSION OF LICENSE TO AFFILIATES AND SUBLICENSEES. The licenses granted to Amerigon pursuant to this Section 6 includes the right of Amerigon to sublicense Amerigon Sublicensees (which may include without limitation Amerigon Affiliates). To the extent an Amerigon Sublicensee desires to further sublicense any such rights, any such further sublicense agreement must be entered into between Amerigon and the sublicensee, and not between an Amerigon Sublicensee and the sublicensee. By way of example only, if Amerigon sublicenses certain rights to an Amerigon Sublicensee, and such Amerigon Sublicensee wishes to further sublicense certain rights such as manufacturing rights, the sublicense of rights to the manufacturing sublicensee must be entered into directly between Amerigon and such manufacturing sublicensee, and not between the Amerigon Sublicensee and the manufacturing sublicensee. Such manufacturing sublicensee would thereby become an Amerigon Sublicensee. Each such Amerigon Sublicensee shall be bound by the terms and conditions of Sections 6.3, 8, 13.6, 24.1, 24.2 and 24.4 of this Agreement as if it were named herein in the place of Amerigon.

7. PATENT LICENSE FROM AMERIGON TO ANSLC.

7.1 GENERAL. Amerigon grants to ANSLC a worldwide nonexclusive license under the Amerigon Licensed Patents as follows:

7.1.1 to make and have made VANS Products and to practice and have practiced any method or process involved in the manufacture or use thereof;

7.1.2 to make, have made and use Manufacturing Apparatus and to practice and have practiced any method or process involved in the manufacture or use thereof;

7.1.3 to use, lease, sell and otherwise transfer VANS Products.

7.2 EXTENSION OF LICENSE TO AFFILIATES AND SUBLICENSEES. The licenses granted to ANSLC pursuant to this Section 7 includes the right of ANSLC to sublicense ANSLC Sublicensees (which may include without limitation Amerigon Affiliates). To the extent an ANSLC Sublicensee desires to further sublicense any such rights, any such further sublicense agreement must be entered into between ANSLC and the sublicensee, and not between an ANSLC Sublicensee and the sublicensee. Each such ANSLC Sublicensee shall be bound by the terms and conditions of Sections 7.2, 8, 13.6, 24.1, 24.2 and 24.4 of this Agreement as if it were named herein in the place of ANSLC.

8. PATENT NOTICES. Amerigon agrees to mark and to require Amerigon Sublicensees to mark all VANS Products covered by the claim of an Issued ANSLC Licensed Patent, and ANSLC agrees to mark and require ANSLC Sublicensees to mark all VANS Products covered by the claim of an Issued Amerigon Licensed Patent, with the words "U.S. Patent No." and the numbers of the applicable Issued Licensed Patents.

9. DISCLOSURE OF PATENTS. Each party shall disclose to the other within thirty (30) days following Issuance any Licensed Patents hereunder Issued to such party.

10. EXPENSES OF PATENT PROSECUTION. Except as otherwise provided in this Section, each party shall bear its own expenses with respect to the prosecution of any applications for patents owned by such party pursuant to Section 3.6. To the extent that either party believes that an invention has been made jointly by one or more employees or persons engaged by Amerigon, on the one hand, and one or more employees or persons engaged by any of the ANSI Parties, on the other hand, ANSLC and Amerigon shall, at the request of either party, negotiate in good faith in an effort to agree upon whether such invention was made jointly and whether any patent application should be made jointly, it being the parties intention to avoid any error in identifying the inventor(s) of a patent that could bar issuance of or jeopardize the validity of the patent. If the parties agree that a patent application is to be made jointly, the parties shall negotiate in good faith with respect to appropriate sharing of the expenses of prosecuting such patent application and with respect to management and control of the prosecution of such patent application.

11. PATENT LITIGATION AND APPORTIONMENT OF RECOVERY.

11.1 EACH PARTY RESPONSIBLE FOR PROTECTION OF ITS PATENTS. Amerigon shall be solely responsible for taking, at its expense, all actions, legal or otherwise, which it deems reasonably necessary or desirable with respect to infringements by third parties of the Amerigon Licensed Patents, and ANSLC shall be solely responsible for taking, at its expense, all actions, legal or otherwise, which it deems reasonably necessary or desirable with respect to infringements by third parties of the ANSLC Licensed Patents. Amerigon shall control the type and conduct of all such infringement actions relating solely to Amerigon Licensed Patents (including without limitation sole control over the settlement thereof) and ANSLC shall control the type and conduct of all such infringement actions with respect to ANSLC Licensed Patents (including without limitation sole control over the settlement thereof). Amerigon and ANSLC each agrees to provide reasonable cooperation to the other in connection with any such action and to keep the other informed of the progress of any such action.

11.2 RIGHT TO SHARE LITIGATION EXPENSES AND APPORTIONMENT OF RECOVERIES. Without limiting Amerigon's and ANSLC's respective rights to control actions which either of them initiate to enforce their respective Licensed Patents, as set forth in Section 11.1, in the event Amerigon undertakes legal action with respect to alleged infringement by any third party of any of the Amerigon Licensed Patents, or in the event ANSLC undertakes legal action with respect to alleged infringement by any third party of any of the ANSLC Licensed Patents, the party undertaking such action shall inform the other party in writing of the action, including a description of the claims asserted, the basis for the assertion of such claims, an estimate of the legal fees and other expenses anticipated to be incurred in connection with such action, and such other information reasonably requested by the other party. The other party shall have the right, within sixty (60) days following receipt of such information, to elect to bear up to fifty percent (50%) of the legal fees and other expenses incurred in such action. In the event of such an election, the party undertaking the action shall continue to have sole control over the conduct of the action (including without limitation sole control over the settlement thereof), shall bill the other party on a monthly basis for its share of fees and expenses incurred in the preceding month, and shall keep the other party reasonably apprised of all developments in the proceedings. Any recoveries and/or settlement fees received from suits or settlements for alleged or actual infringement in which fees and expenses are shared as set forth in this Section shall, after payment of all fees and expenses, be divided between ANSLC and Amerigon in the same proportion as the proportional sharing of fees and expenses. By way of example only, if ANSLC undertakes legal action with respect to alleged infringement by a third party of an ANSLC Licensed Patent, and Amerigon elects to bear thirty percent (30%) of the legal fees and other expenses

incurred in connection with such action, Amerigon would be entitled to receive thirty percent (30%) of any recovery and/or settlement fees received.

12. ROYALTIES.

12.1 ROYALTIES PAYABLE BY ANSLC.

12.1.1 HARDWARE. With respect to VANS Hardware, ANSLC shall pay to Amerigon the following amounts:

12.1.1.l Two Percent (2%) of the ANSLC Selling Price with respect to all VANS Hardware.

12.1.1.2 To the extent that ANSLC or an ANSLC Affiliate is entitled to receive royalties or other amounts calculated on the basis of the ANSLC Selling Price (or a comparable royalty base), and the amount of such royalties or other amounts exceeds Two Percent (2%) of the ANSLC Selling Price for the VANS Hardware, all such royalties or other amounts in excess of Two Percent (2%) of the ANSLC Selling Price shall be deemed to constitute ANSLC Other Consideration. By way of example only, in the event ANSLC is entitled to receive from an unrelated third party royalties equal to three percent (3%) of the ANSLC Selling Price of VANS Hardware, ANSLC will pay to Amerigon an amount equal to two percent (2%) of the ANSLC Selling Price with respect to such VANS Hardware, and the remaining one percent (1%) of the ANSLC Selling Price shall be deemed to constitute ANSLC Other Consideration, a percentage of which shall be payable to Amerigon as set forth in Section 12.1.2.

12.1.2 SOFTWARE AND ANSLC OTHER CONSIDERATION. With respect to VANS Software and ANSLC Other Consideration, ANSLC shall pay to Amerigon the following amounts:

12.1.2.1 Fifteen Percent (15%) of the ANSLC Selling Price with respect to all VANS Software and Fifteen Percent of all ANSLC Other Consideration, provided that such amount shall be increased from Fifteen Percent (15%) to Twenty Percent (20%) until such point ("Specified Recoupment") as the sum of (a) the aggregate additional amounts paid by ANSLC pursuant to this Section 12.1.2.1 as a result of such Five Percent (5%) increase plus (b) the aggregate reduction in amounts paid by Amerigon to ANSLC pursuant to Section 12.2.2.1 as a result of the Five Percent (5%) reduction described in Section 12.2.2.1 equals Five Million Dollars ($5,000,000).

12.1.2.2 Thereafter, Ten Percent (10%) of the ANSLC Selling Price with respect to all VANS Software and Ten Percent (10%) of all ANSLC Other Consideration until such point as the aggregate amounts paid to Amerigon pursuant to this Section

12.1.2.2 following Specified Recoupment equals Five Million Dollars ($5,000,000).

12.1.2.3 Thereafter, Seven and One Half Percent (7.5%) of the ANSLC Selling Price with respect to all VANS Software and Seven and One Half Percent (7.5%) of all ANSLC Other Consideration until such point as the aggregate amounts paid to Amerigon pursuant to Sections 12.1.2.2 and this Section 12.1.2.3 following Specified Recoupment equals Ten Million Dollars ($10,000,000).

12.1.2.4 Thereafter, Five Percent (5%) of the ANSLC Selling Price with respect to all VANS Software and Five Percent (5%) of all ANSLC Other Consideration.

12.1.2.5 To the extent that ANSLC or an ANSLC Affiliate is entitled to receive royalties or other amounts calculated on the basis of the ANSLC Selling Price with respect to VANS Software (or a comparable royalty base), and the amount of such royalties or other amounts exceeds the applicable percentage of the ANSLC Selling Price for such VANS Software which is payable to Amerigon pursuant to this Section 12.1.2, all such royalties or other amounts in excess of the percentage of the ANSLC Selling Price payable to Amerigon shall be deemed to constitute ANSLC Other Consideration. By way of example only, in the event ANSLC is entitled to receive from an unrelated third party (i) royalties equal to twenty-five percent (25%) of the ANSLC Selling Price of VANS Software; (ii) consulting fees; (iii) support fees; (iv) a one-time payment; and (v) an equity investment in which the licensee acquires an equity interest in ANSLC, Other Consideration would include the consulting fees, the support fees, the one-time payment and that portion of the equity investment which exceeds the fair market value of the equity interest acquired, plus any portion of the royalty based on the Selling Price of the VANS Software in excess of the royalty based on the Selling Price of the VANS Software payable to Amerigon pursuant to Section 12.1.2.1, 12.1.2.2, 12.1.2.3 or 12.1.2.4.

12.2 ROYALTIES PAYABLE BY AMERIGON.

12.2.1 HARDWARE. With respect to VANS Hardware, Amerigon shall pay to ANSLC the following amounts:

12.2.1.1 Two Percent (2%) of the Amerigon Selling Price with respect to all VANS Hardware.

12.2.1.2 To the extent that Amerigon or an Amerigon Affiliate is entitled to receive royalties or other amounts calculated on the basis of the Amerigon Selling Price (or a comparable royalty base), and the amount of such royalties or other amounts exceeds Two Percent (2%) of the Amerigon Selling Price for the VANS Hardware, all such royalties or other amounts

in excess of Two Percent (2%) of the Amerigon Selling Price shall be deemed to constitute Amerigon Other Consideration. By way of example only, in the event Amerigon is entitled to receive from an unrelated third party royalties equal to three percent (3%) of the Amerigon Selling Price of VANS Hardware, Amerigon will pay to ANSLC an amount equal to two percent (2%) of the Amerigon Selling Price with respect to such VANS Hardware, and the remaining one percent (1%) of the Amerigon Selling Price shall be deemed to constitute Amerigon Other Consideration, a percentage of which shall be payable to ANSLC as set forth in Section 12.2.2.

12.2.2 SOFTWARE AND AMERIGON OTHER CONSIDERATION. With respect to VANS Software and Amerigon Other Consideration, Amerigon shall pay to ANSLC the following amounts:

12.2.2.1 Fifteen Percent (15%) of the Amerigon Selling Price with respect to all VANS Software and Fifteen Percent (15%) of all Amerigon Other Consideration, provided that such amount shall be reduced from Fifteen Percent (10%) to Ten Percent (10%) until Specified Recoupment.

12.2.2.2 Thereafter, Ten Percent (10%) of the Amerigon Selling Price with respect to all VANS Software and Ten Percent (10%) of all Amerigon Other Consideration until such point as the aggregate amounts paid to Amerigon pursuant to this Section 12.2.2.2 following Specified Recoupment equals Five Million Dollars ($5,000,000).

12.2.2.3 Thereafter, Seven and One Half Percent (7.5%) of the Amerigon Selling Price with respect to all VANS Software and Seven and One Half Percent (7.5%) of all Amerigon Other Consideration until such point as the aggregate amounts paid to Amerigon pursuant to Section 12.2.2.2 and this Section 12.2.2.3 following Specified Recoupment equals Ten Million Dollars ($10,000,000).

12.2.2.4 Thereafter, Five Percent (5%) of the Amerigon Selling Price with respect to all VANS Software and Five Percent (5%) of all Amerigon Other Consideration.

12.2.2.5 To the extent that Amerigon or an Amerigon Affiliate is entitled to receive royalties or other amounts calculated on the basis of the Amerigon Selling Price with respect to VANS Software (or a comparable royalty base), and the amount of such royalties or other amounts exceeds the applicable percentage of the Amerigon Selling Price for such VANS Software which is payable to ANSLC pursuant to this Section 12.2.2, all such royalties or other amounts in excess of the percentage of the Amerigon Selling Price payable to Amerigon shall be deemed to constitute Amerigon Other Consideration.

12.3 EXPIRATION OF PAYMENT OBLIGATIONS. Except as otherwise provided in Section 24.5 hereof, ANSLC's and Amerigon's payment obligations pursuant to Sections 12.1 and 12.2 shall apply to sales, leases, licenses, marketing and other exploitation of VANS Products and Licensed Patents during a period commencing on the date of this Agreement and terminating ten (10) years following the date of this Agreement and no amounts shall be payable pursuant to Sections 12.1 or 12.2 with respect to sales, leases, licenses, marketing and other exploitation of VANS Products or Licensed Patents after such ten (10) year period. Royalties which have accrued hereunder during such ten (10) year period shall remain payable in accordance with the terms of this Agreement following expiration of such ten (10) year period.

12.4 RESPONSIBILITY FOR AFFILIATES AND SUBLICENSEES.

12.4.1 ANSLC RESPONSIBILITY FOR ANSLC AFFILIATES AND SUBLICENSEES. ANSLC acknowledges and agrees that it is responsible and liable hereunder for payment of amounts payable to Amerigon based on the Selling Price at which a VANS Product is sold, licensed or otherwise made available or exploited by ANSLC, an ANSLC Affiliate or an ANSLC Sublicensee to a third party other than ANSLC, an ANSLC Affiliate, an ANSLC Sublicensee or an Affiliate of an ANSLC Sublicensee, or based on ANSLC Other Consideration received by ANSLC or an ANSLC Affiliate, irrespective of whether ANSLC collects any monies from its Affiliates or Sublicensees with respect to such sale, license or other transaction, and irrespective of whether such VANS Product uses or incorporates any proprietary rights licensed to ANSLC by Amerigon pursuant to this Agreement.

12.4.2 AMERIGON RESPONSIBILITY FOR AMERIGON AFFILIATES AND SUBLICENSEES. Amerigon acknowledges and agrees that it is responsible and liable hereunder for payment of amounts payable to ANSLC based on the Selling Price at which a VANS Product is sold, licensed or otherwise made available or exploited by Amerigon, an Amerigon Affiliate or an Amerigon Sublicensee to a third party other than Amerigon, an Amerigon Affiliate, an Amerigon Sublicensee or an Affiliate of an Amerigon Sublicensee, or based on Amerigon Other Consideration received by Amerigon or an Amerigon Affiliate, irrespective of whether Amerigon collects any monies from its Affiliates or Sublicensees with respect to such sale, license or other transaction, and irrespective of whether such VANS Product uses or incorporates any proprietary rights licensed to Amerigon by ANSLC hereunder.

13. ACCRUALS, RECORDS AND REPORTS.

13.1 ACCRUAL OF ROYALTIES. Royalties payable to ANSLC based on the Amerigon Selling Price shall accrue when VANS Products with respect to which royalty payments are required by this Agreement are first sold, leased, licensed or otherwise made

available or exploited by Amerigon, an Amerigon Affiliate or an Amerigon Sublicensee to an Unrelated Third Party. Royalties payable to Amerigon based on the ANSLC Selling Price shall accrue when VANS Products with respect to which royalty payments are required by this Agreement are first sold, leased, licensed or otherwise made available or exploited by ANSLC, an ANSLC Affiliate or an ANSLC Sublicensee to an Unrelated Third Party. In the event a VANS Product is made available to an Unrelated Third Party on a true consignment basis, royalties shall accrue on the earlier of (a) receipt of payment for such VANS Product or (b) sixty (60) days following delivery of such VANS Product, unless such VANS Product is returned by the consignee prior to the expiration of such sixty (60) day period. Royalties payable to ANSLC based on Amerigon Other Consideration shall accrue when such Amerigon Other Consideration is received by Amerigon or an Amerigon Affiliate. Royalties payable to Amerigon based on ANSLC Other Consideration shall accrue when such ANSLC Other Consideration is received by ANSLC or an ANSLC Affiliate.

13.2 STATEMENTS. Quarterly accounting periods shall end on the last day of each March, June, September and December during the term of this Agreement. Within thirty (30) days after the end of each such period each party to this Agreement shall furnish to the other a written report containing the information specified in Section 13.5 and shall pay to the other party all unpaid royalties accrued hereunder to the end of each such period.

13.3 LATE CHARGES. Payment shall be deemed made when received. Late charges at the rate of one percent (1) per month or the maximum rate permitted by applicable law, whichever is lower, shall accrue on any due and payable amounts that are not paid when due hereunder, including any accrued but unpaid late charges. Accrual of such late charges shall be without limitation of any other rights or remedies.

13.4 FORM OF PAYMENTS. All royalties and other payments due hereunder shall be paid in United States dollars. All royalties for an accounting period computed in other currencies shall be converted into United States dollars at the exchange rate for bank transfers from such currency to United States dollars as quoted by the head office of Citibank N.A., New York, at the close of banking on the last day of such accounting period (or the first business day thereafter if such last day shall be a non-business day).

13.5 CERTIFICATION. Quarterly reports shall be certified by an officer of the party submitting such report or his designee and shall contain the following information:

13.5.1 Identification, description and quantity of each VANS Product upon which royalties have accrued pursuant to Section 13.1;

13.5.2 Identification of the entity that sold, leased, licensed, made available or otherwise exploited each VANS Product upon which royalties have accrued pursuant to Section 13.1 and identification and basis for calculation of such entity's Selling Price for such VANS Product, including without limitation an itemization of all deductions from the gross invoiced billing price pursuant to Section 1.32 ;

13.5.3 Identification of all Other Consideration upon which royalties have accrued pursuant to Section 13.1;

13.5.4 Such other information as is reasonably required in order to understand the calculation of amounts payable pursuant to such quarterly report;

13.5.5 Identification of Sublicensees to which such party or any of its Affiliates or Sublicensees has, since the previous quarterly report, granted any rights to make, or have made VANS Products or to practice or have practiced any method or process involved in the manufacture or use thereof; or to make, have made or use Manufacturing Apparatus or practice or have practiced any method or process involved in the manufacture or use thereof; or to use, lease, sell or otherwise transfer VANS Products;

13.5.6 In the event no royalties are due, the quarterly report shall so state.

13.6 RECORDS. Amerigon and ANSLC shall each keep and require its respective Affiliates and Sublicensees to keep records in sufficient detail to permit the determination of royalties payable hereunder. Amerigon and ANSLC shall, at request of the other, permit an independent auditor selected by the other, or any other person acceptable to both ANSLC and Amerigon, to examine such records and other materials of Amerigon or ANSLC as may be required by the auditor to verify or determine royalties paid or payable under this Agreement. In the event ANSLC or Amerigon requests that the other conduct an examination of one or more of such other party's Affiliates or Sublicensees, such other party will engage an independent auditor acceptable to both ANSLC and Amerigon, to examine such Affiliate's or Sublicensee's records and shall share the results of such examination with the party requesting such examination. Any audit of Amerigon or ANSLC or an Affiliate or Sublicensee shall be conducted during ordinary business hours and only once in each calendar year. Any auditor or other person shall be instructed to report to the party requesting such audit only the amount of royalties determined to be due and payable. The party requesting an audit shall bear the expense of any such audit unless such audit reveals a shortfall of Fifty Thousand Dollars ($50,000) or more in the amounts paid to such party, in which event the costs of such audit shall (in addition to, and without limitation of, any

other rights or remedies the requesting party may have hereunder or at law or in equity) be borne by the other party hereto. In the event of any discrepancy arising out of such audit which indicates that the other is owed amounts hereunder, ANSLC or Amerigon shall, within thirty (30) days following delivery to it of written confirmation establishing such discrepancy, reimburse the other for the amount of any such discrepancy arising out of such audit as well as the costs of the audit, if applicable, as provided above. If no request for examination of such records and materials for a particular quarterly accounting period has been made by ANSLC or Amerigon, as applicable, within six (6) years after the end of said period, the right to examine such records and materials for said period and the obligation to keep such records and materials for said period shall terminate.

13.7 TAXES. Amerigon and ANSLC shall bear and pay all taxes (including, without limitation, sales and value added taxes but excluding income tax as specified below) imposed by any governmental authority of any country in which such party conducts business as the result of the existence of this Agreement or the exercise of rights hereunder, provided that each party shall not bear and pay any income tax withholding imposed by any national government upon the payments made to the other party pursuant to Section 12 to the extent that such income tax is to be credited to taxes payable by such other party to the United States government. Each party may deduct any such withholding taxes from amounts otherwise payable to the other party hereunder and furnish the other party with a tax certificate for such withheld income tax.

14. SECURITY INTERESTS. ANSLC and Amerigon will endeavor in good faith to negotiate and enter into Security Agreements within thirty (30) days following the Effective Date, which Security Agreements shall thereupon be attached to this Agreement as Schedule 14-A and 14-B. ANSLC and Amerigon acknowledge and agree that they have not conducted due diligence with respect to security interests that may previously have been granted by either ANSLC or Amerigon, and that ANSLC's or Amerigon's ability to grant a security interest consistent with this Section may be limited by previously granted security interests. ANSLC and Amerigon further acknowledge and agree that their respective obligations to endeavor in good faith to negotiate and enter into Security Agreements will be subject to the parties' respective good faith determinations that entering into such Security Agreements will not unduly interfere with the parties' ability to secure financing or investments or conduct business. Subject to the foregoing, ANSLC and Amerigon acknowledge that it is their current intention that the Security Agreements to be negotiated will likely provide key terms comparable to the following, but such terms may be subject to change as the parties consider and negotiate the implications of the Security Agreements:

(a) ANSLC would grant to Amerigon, and Amerigon would grant to ANSLC, respectively, a security interest in the collateral (the "Collateral") consisting of the proceeds of exploitation of the rights granted to or acknowledged to belong to each of them under Sections 3, 6 and 7 hereof (the "Settlement Rights"), including but not limited to licenses or sublicenses to others and consideration payable thereunder; provided that the Collateral would not include the Settlement Rights in and of themselves; and further provided that such security interest would be subordinate to any consensual security interest except to the extent of that portion of any specific proceeds which is equal to the amount payable to the secured party pursuant hereto on account of such proceeds.

(b) The Security Agreements would provide that such subordination would be automatic and self-enforcing; for the inclusion of the subordination statement in all financing statements, mortgages or similar documents designed to perfect such security interest; and for the obligation of ANSLC and Amerigon to execute subordination agreements consistent with such subordination, both as to priority and remedies, if requested to do so in connection with the grant of any consensual security interests.

(c) The Security Agreements would provide that the Collateral will secure obligations arising under this Settlement and License Agreement and expenses of enforcement, including but not limited to reasonable attorneys' fees; for the execution of additional documents reasonably necessary to perfect the security interests granted; and would contain other appropriate provisions, identical to both ANSLC and Amerigon, as are consistent with the foregoing.

15. LIMITATIONS ON PUBLIC STATEMENTS.

15.1 GENERAL. Amerigon, on the one hand, and the ANSLC Parties, on the other hand, each agrees to refrain from and agrees to direct its employees to refrain from, making public statements maligning or impugning the reputation or integrity of the other. Recognizing that it is difficult for either party fully to police compliance with this Section, the parties agree that a party shall not be deemed to be in default of this Section as a result of statements made by one of its employees without knowledge or support from such party's upper management, provided such party takes reasonable corrective action after being notified of any such statements. The parties further agree that statements to customers or prospective customers comparing the performance of the parties' respective products shall not be deemed to violate the terms of this Section 15.1, provided that each party reserves its legal and/or equitable rights with respect to untruthful or misleading

statements comparing the performance of the parties' respective products.

15.2 EXCEPTIONS AND EXCLUSIONS. Nothing contained herein shall be deemed to limit the rights of either party to disclose information or make statements:

15.2.1 to the extent ordered to do so by a court of competent jurisdiction or regulatory agency or body or to the extent required in order to make an appropriate response to a legitimate subpoena or legitimate discovery request;

15.2.2 to the extent required by applicable law (including any regulations or orders promulgated thereunder);

15.2.3 to the extent required in order to report income to appropriate taxing authorities and/or to contest the imposition of any tax by appropriate taxing authorities;

15.2.4 to such party's officers, directors, employees, accountants and attorneys;

15.2.5 to the extent such disclosure is reasonably required for a valid business purpose, including without limitation, to prospective investors or prospective customers or to parties seeking to acquire all or any portion of such party's stock or assets;

15.2.6 in connection with any legal proceedings between the parties hereto relating to this Agreement.

15.3 PRESS RELEASE. Amerigon and ANSLC shall jointly issue a press release on or shortly after the Effective Date in a form mutually approved by ANSLC and Amerigon, such approval not to be unreasonably withheld by either ANSLC or Amerigon.

16. RELEASES; DISMISSAL OF LEGAL PROCEEDING.

16.1 RELEASE BY AMERIGON. Except for the obligations, covenants, representations and warranties provided for in this Agreement, Amerigon, for and on behalf of itself and its predecessors, successors, assigns, heirs, affiliates, employees, agents, legal representatives and partners (individually and collectively referred to herein as the "Amerigon Releasing Parties"), do hereby fully, finally and forever release and discharge the ANSLC Parties, and their respective predecessors, successors, assigns, heirs, affiliates, shareholders, officers, directors, employees, agents, legal representatives, and parent, subsidiary or other related companies (individually and collectively referred to herein as the "ANSLC Released Parties") of and from any and all claims, rights, debts, liabilities, demands, obligations, promises, damages, causes of action and

claims for relief of whatever kind or nature, known or unknown, which any of the Amerigon Releasing Parties may have had or asserted, may now have or assert or may hereafter have or assert against the ANSLC Released Parties, or any of them, in whatever capacity any of the ANSLC Released Parties may have been acting, for or by reason of any occurrence, matter or thing which has occurred on or before the Effective Date, including without in any way limiting the generality of the foregoing, any and all claims which were or could have been asserted in connection with, or arising from or out of any of the facts, transactions or occurrences alleged in or in connection with any of the Disputed Matters.

It is expressly understood by Amerigon, on behalf of itself and the Amerigon Releasing Parties, that Section 1542 of the California Civil Code provides as follows:

> "Section 1542. General Releases -- Claims Extinguished. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

To the extent the provisions of Section 1542 of the California Civil Code as well as the provisions of any and all comparable or similar statutes or principles of the law of California or any other state or federal jurisdiction might otherwise be deemed applicable, they are hereby expressly and with the advice of counsel waived by Amerigon, on behalf of itself and the Amerigon Releasing Parties, and each of them, and Amerigon admits to full knowledge and understanding of the consequences and effects of this waiver.

16.2 RELEASE BY ANSLC PARTIES. Except for the obligations, covenants, representations and warranties provided for in this Agreement, each of the ANSLC Parties, for and on behalf of itself and its respective predecessors, successors, assigns, heirs, affiliates, shareholders, officers, directors, employees, agents, legal representatives, and parent, subsidiary or other related companies (individually and collectively referred to herein as the "ANSLC Releasing Parties"), does hereby fully, finally and forever release and discharge Amerigon and its predecessors, successors, assigns, licensees, customers, heirs, affiliates, employees, agents, legal representatives, partners, shareholders, officers, directors, employees, agents, legal representatives, and parent, subsidiary or other related companies (individually and collectively referred to herein as the "Amerigon Released Parties") of and from any and all claims, rights, debts, liabilities, demands, obligations, promises, damages, causes of action and claims for relief of whatever kind or nature, known or unknown, which any of the ANSLC Releasing Parties may have had or asserted,

may now have or assert or may hereafter have or assert against the Amerigon Released Parties, or any of them, in whatever capacity any of the Amerigon Released Parties may have been acting, for or by reason of any occurrence, matter or thing which has occurred on or before the Effective Date, including without in any way limiting the generality of the foregoing, any and all claims which were or could have been asserted in connection with, or arising from or out of any of the facts, transactions or occurrences alleged in or in connection with any of the Disputed Matters.

It is expressly understood by ANSLC, on behalf of itself and the ANSLC Releasing Parties, that Section 1542 of the California Civil Code provides as follows:

> "Section 1542. General Releases -- Claims Extinguished. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

To the extent the provisions of Section 1542 of the California Civil Code as well as the provisions of any and all comparable or similar statutes or principles of the law of California or any other state or federal jurisdiction might otherwise be deemed applicable, they are hereby expressly and with the advice of counsel waived by ANSLC, on behalf of itself and the ANSLC Releasing Parties, and each of them, and ANSLC admits to full knowledge and understanding of the consequences and effects of this waiver.

16.3 STIPULATION FOR DISMISSAL OF LITIGATION. ANSI and Amerigon agree to enter into, and shall direct their counsel to execute concurrently with the execution of this Agreement, a stipulation dismissing with prejudice the Legal Proceeding in its entirety, including all claims and counterclaims therein, in the form attached hereto as Exhibit A. Amerigon shall file the stipulation with the Court within ten (10) days after the date of this Agreement and shall thereafter provide counsel for ANSI with a conformed copy of the stipulation.

16.4 COMPROMISE ONLY. The releases set forth in this Section 16 are made for purposes of settlement and compromise only. Neither this Agreement nor anything contained herein, nor any act or thing done in connection herewith, is intended to be or shall be construed or deemed to be an admission of any party of liability, fault or wrongdoing, or an admission of any party of any fact, allegation or claim whatsoever, including any fact, allegation or claim alleged by any party in or in connection with the Disputed Matters.

17. REPRESENTATIONS.

17.1 MUTUAL REPRESENTATIONS. Each party to this Agreement hereby represents, warrants and agrees as follows:

17.1.1 Such party has received competent and independent legal advice from its counsel regarding the meaning and legal effect of this Agreement, and regarding the advisability of making the agreements provided for herein, and fully understands the same;

17.1.2 Each person executing this Agreement on behalf of a party hereto has the full right and authority to enter into this Agreement on behalf of such party and the full right and authority to execute all instruments provided for in this Agreement and to fully bind said party to the terms and obligations of this Agreement;

17.1.3 Such party is the sole and lawful owner of all right, title and interest in and to every claim or other matter which such party purports to release herein, and that such party has full power to enter into this Agreement and has not heretofore assigned, transferred or encumbered, or purported to assign, transfer or encumber, voluntarily or involuntarily, to any person or entity which is not a party to this Agreement, all or any portion of the claims, obligations or rights covered by this Agreement.

17.2 REPRESENTATIONS BY ANSLC PARTIES. The ANSLC Parties warrant, represent and agree that the ANLSC Parties have not heretofore derived any revenues from the sale, licensing, distribution, or other exploitation of VANS Software, including prototypes or pre-release versions thereof.

17.3 LIMITATIONS AND EXCLUSIONS. Except as expressly set forth in this Agreement, neither party makes any representations or warranties, express or implied to the other party to this Agreement, nor does either party assume any liability in respect of any infringement of third party patents or other rights of third parties due to the other party's operation under the licenses and immunities from suit herein granted.

18. CONFIDENTIALITY OBLIGATIONS. Amerigon agrees to take reasonable steps to hold in confidence and not reveal, report, publish, disclose or transfer any information contained in pending ANSLC patent applications previously disclosed to Amerigon, and Amerigon represents to ANSLC that it has not disclosed to any third party on or prior to the Effective Date any such confidential information. The ANSLC Parties agree to take reasonable steps to hold in confidence and not reveal, report, publish, disclose or transfer any of the following information previously disclosed to any of the ANSLC Parties: information contained in Amerigon

business plans, information contained in pending Amerigon patent applications, Amerigon interface specifications, Amerigon driver designs, and Amerigon electronics designs. The ANSLC Parties represent that the ANSLC Parties have not disclosed to any third party on or prior to the Effective Date any such confidential information. Notwithstanding the foregoing, this Section 18 is not intended to limit the rights of the parties to use or incorporate information in connection with their own respective products and business operations. Accordingly, to the extent information that is subject to this Section 18 is utilized or incorporated by Amerigon or ANSLC in its respective own products or business operations, Amerigon and ANSLC shall each be free to disclose such information as it deems appropriate in the conduct of its respective business (and a previous disclosure of such information as incorporated in such products or business operations shall not be deemed a breach of the representations made pursuant to this Section). By way of example only, ANSLC would be free to utilize information contained in an Amerigon business plan in the operation of its own business and to disclose to third parties such information as it relates to the operation of ANSLC's business, but ANSLC would be obligated to hold in confidence the fact that such information was part of Amerigon's business plans. Also by way of example only, ANSLC would be free to utilize information contained in Amerigon electronics designs in the design of ANSLC's own products and to disclose to third parties the electronics designs of ANSLC's own products, but ANSLC would not be permitted to disclose to third parties the specifics of the electronics designs of Amerigon's products. Also by way of example only, a prior disclosure by ANSLC to third parties of the design of ANSLC's own products would not be deemed a breach of ANSLC's representation pursuant to this Section regarding no disclosure of confidential information prior to the Effective Date. Notwithstanding anything to the contrary contained in this Agreement, the disclosee's obligations under this Section 18 shall not extend to information (a) publicly known or which becomes publicly known other than as a result of the fault or negligence of the disclosee or the disclosee's failing to perform any of its obligations hereunder; (b) already known by the disclosee without an obligation of confidentiality at the time of first disclosure by the disclosing party; (c) rightfully received by the disclosee from a third party that has the right to provide such information to the disclosee without obligations of confidentiality; or (d) rightfully and independently developed or ascertained by the disclosee.

19. DISPUTE RESOLUTION.

19.1 GENERAL. Any disagreement, dispute, controversy or claim arising out of or relating to this Agreement, or the obligations of the parties hereunder (a "Dispute"), regardless of the magnitude thereof or the amount in controversy or whether such Dispute would otherwise be considered justiciable or ripe for resolution by a court or arbitral tribunal, shall be resolved and

determined only in accordance with the following provisions of this Section 19.

19.2 DISPUTE ESCALATION. Neither party shall commence any arbitration proceeding relating to any Dispute until the procedures set forth in this Section 19.2 have been followed. Upon the written request of either party each of the parties will appoint a designated representative whose task it will be to attempt to resolve such dispute or to negotiate for an adjustment to such provision of this Agreement. Such representatives will discuss the problem and/or negotiate in good faith in an effort to resolve the dispute or renegotiate the applicable section or provision without the necessity of any formal proceedings. During the course of such negotiation, all reasonable requests made by one party to the other for information, including requests for copies of relevant documents, will be honored. The specific format for such discussions will be left to the discretion of the designated representatives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party. If the designated representatives are unable to agree within thirty (30) days of their first meeting, each party shall, upon request by either party, appoint a designated officer to meet to attempt to resolve the matter. No arbitration proceedings or litigation for the resolution of such dispute may be commenced until such a meeting between officers has occurred and either party has concluded in good faith that amicable resolution through continued negotiation of the matter does not appear likely (unless either party fails or refuses to schedule such a meeting of officers within a reasonable time after a request by the other party).

19.3 RESOLUTION OF DISPUTES RE SELLING PRICE ALLOCATION ISSUES. In the event of a dispute between ANSLC and Amerigon with respect to appropriate calculation and allocation of portions of the Selling Price pursuant to Section 1.32, ANSLC and Amerigon shall first follow the procedures set forth in Section 19.2 in an effort to resolve such dispute. In connection with such negotiations, ANSLC and Amerigon shall each present to the other written data to support their respective contentions regarding appropriate allocation of the Selling Price, which may include INTER ALIA written data relating to the prices at which ANSLC, Amerigon and/or their respective Affiliates and Sublicensees have sold or licensed various products, and written data regarding pricing and valuation of third party software, hardware and consumer electronics products, as appropriate. In connection with such negotiations, each party shall make at least one proposal, in writing, for appropriate allocation of the Selling Price.

19.3.1 SELECTION OF ARBITRATOR. If ANSLC and Amerigon are unable to resolve such dispute over allocation of the Selling Price within such thirty (30) day period, ANSLC and Amerigon shall agree on a single arbitrator within

fifteen (15) days following the end of such thirty (30) day period who shall be an individual knowledgeable about marketing, distribution and pricing of computer hardware, software and consumer electronics products. If ANSLC and Amerigon are unable to agree on a single arbitrator within such fifteen (15) day period, the single arbitrator shall, at the written request of either party, be appointed by the American Arbitration Association.

19.3.2 HEARING AND RESOLUTION. The single arbitrator selected shall be directed to schedule a one day hearing within twenty (20) days after his or her selection. At the hearing, ANSLC and Amerigon shall present the arbitrator with the data previously exchanged between ANSLC and Amerigon pursuant to Section 19.3 regarding appropriate allocation of the Selling Price, and ANSLC and Amerigon shall each present the arbitrator with the most recent proposed Selling Price allocation presented by ANSLC or Amerigon, respectively, to the other party during negotiations pursuant to Section 19.3. Any data or information regarding pricing of third party hardware, software or consumer electronics products and any documents which either party intends to introduce at such hearing shall be provided to the other party at least ten (10) days prior to the hearing, and neither ANSLC nor Amerigon shall be permitted to introduce at the hearing any pricing data or documents not so provided to the other party in advance of the hearing. At the conclusion of the one day hearing, ANSLC and Amerigon shall each be permitted to submit to the arbitrator a final proposed Selling Price allocation (the "Final Proposed Allocations"). The arbitrator shall select one of the two Final Proposed Allocations in its totality. The arbitrator must select one of the two Final Proposed Allocations AS-IS, and shall not be permitted to modify such allocation or to compromise between the two Final Proposed Allocations. The Final Proposed Allocation so selected by the arbitrator shall thereupon be deemed binding upon the parties with respect to such disputed matter, retroactive to the commencement of any sales, licenses or other transactions relating to the product in question.

19.3.3 EXPENSES. The arbitrator shall require, as part of the final decision, that the party against whom the arbitrator renders a decision reimburse any or all of the expenses and costs (including without limitation attorneys' fees) incurred by the other party in connection with the arbitration pursuant to this Section 19.3, and pay all costs and expenses of the arbitration itself, such as compensation to the arbitrator and reporter and the expense of hearing room facilities.

19.4 ARBITRATION. If any Dispute, other than a dispute with respect to appropriate calculation and allocation of portions of the Selling Price pursuant to Section 1.32 or a dispute over what portion of consideration paid for a stock or equity interest exceeds the fair market value of such interest pursuant to Section 1.27, is not resolved as a result of the procedures set forth in Section 19.2, such Dispute shall be submitted to, and finally determined by, arbitration in accordance with this Section 19.4.

19.4.1 Except as provided below or in Section 19.3, if any dispute occurs between the parties arising out of or related to this Agreement or its negotiation, execution or performance, whether such dispute is in contract, tort or otherwise, and including disputes as to whether a dispute is subject to arbitration, it will be submitted to binding arbitration at the request of either party if the parties are unable to resolve such dispute pursuant to Section 19.2. The arbitration will be conducted by one arbitrator under the commercial arbitration rules of the American Arbitration Association then in effect. The arbitrator will be chosen from a panel of persons with a knowledge of industry practices in the computer and consumer electronics industries and admitted to practice law in at least one state.

19.4.2 In connection with any arbitration hearings, the parties shall be entitled to submit written legal briefs for consideration by the arbitrator in accordance with a schedule to be negotiated by the parties or to be established by the arbitrator if the parties are unable to agree. Except as provided in this Section 19.4 or Section 21.2, the arbitrator may award any remedy consistent with the commercial arbitration rules. The arbitrator will have the authority in the arbitrator's discretion to award costs and attorneys' fees to the prevailing party. The arbitrator will not have the power or authority to award any punitive, exemplary or other non-compensatory damages, any penalties. The parties will be entitled to discovery to the same extent provided for civil actions in the Central District of the State of California. The parties agree to endeavor in good faith to select an arbitrator within thirty (30) days after either party provides written notice to the other of its election to arbitrate and to endeavor in good faith to complete the arbitration within one hundred eighty (180) days following such notice.

19.5 GENERAL PROVISIONS RE ARBITRATION. Any arbitration will be held and the award deemed made in Los Angeles County, California. The parties agree to be bound by the decision of the arbitrator and judgment upon the award rendered thereby may be entered in any court having jurisdiction within the State of

California. The parties hereby submit to the in personam jurisdiction of the federal and state courts located in the State of California for all purposes of this Section and any disputes arising under this Agreement.

20. APPRAISAL OF FAIR MARKET VALUE. In the event of a dispute between ANSLC and Amerigon regarding what portion of consideration paid for a stock or equity interest exceeds the fair market value of such interest pursuant to Section 1.27, ANSLC and Amerigon shall attempt pursuant to Section 19.2 to agree on the fair market value of such stock or equity interest or to agree on a single appraiser mutually acceptable to both parties to make a binding determination of such fair market value. If the parties are unable to agree on the fair market value or on a single appraiser pursuant to the procedures set forth in Section 19.2, then within five (5) days after written notice from one party to the other, ANSLC and Amerigon shall each appoint one person to render an appraisal of the fair market value of such stock or equity interest, which appraisals shall be rendered by written decision within thirty (30) days of the appointment of the second of the two appraisers. If the higher of the resulting two appraisals is not more than fifteen percent (15%) higher than the lower of the two appraisals, the average (I.E., the mean) of the two appraisals will be final and conclusive upon both parties. If the higher of the resulting two appraisals is more than fifteen (15%) higher than the lower of the two appraisals, the two persons so chosen shall, within five (5) days of the rendering of written appraisals by both appraisers, appoint a third impartial appraiser, who shall render by written decision an appraisal within thirty (30) days thereafter. In the event of such an appointment of a third appraiser, the average (I.E., the mean) of the appraised value rendered by such third appraiser and the closest to such third appraiser's appraised value of the other two appraised values will be final and conclusive upon both parties. All appraisers shall be reasonably qualified and knowledgeable regarding the appraisal of businesses and stocks such as those of ANSLC. If either party fails to designate its appraiser as provided above, the appraiser designated by the other party will act as the sole appraiser and will be deemed to be the single, mutually approved appraiser to determine the fair market value of the stock or equity interest. In such event, the sole appraiser shall render his or her written decision within thirty (30) days of the expiration of said initial five (5) day period. ANSLC shall provide the appraisers with such financial and other information as the appraisers may reasonably request.

21. TERM OF LICENSE RIGHTS; LIMITATION OF REMEDIES.

21.1 TERM OF LICENSE RIGHTS. The license rights granted by ANSLC to Amerigon and by Amerigon to ANSLC hereunder with respect to any patents shall continue for the duration of the applicable patent, and the license rights granted with respect to any other proprietary rights shall continue for the duration of

such proprietary rights. Notwithstanding the foregoing sentence, the payment of royalties as provided in Sections 12 and 13 hereof being an essential and material element of this Agreement, the parties agree that: (a) the failure to pay in full all royalties determined to be due pursuant to Section 19 hereof, or, if Section 19 shall be determined not to be controlling of the issue, by a court of competent jurisdiction, within ten (10) days of the final determination of the arbitrators, or, if applicable, entry of a final judgment or order of such court; or (b) rejection of this Agreement under 11 U.S.C. Section 365, shall constitute a material breach of this Agreement and shall terminate all rights of the breaching party to further use, sale and/or sublicensing of the rights granted under Section 6 or 7 hereof, respectively, but shall effect no such termination of the rights of the nonbreaching party, subject to the provisions of 11 U.S.C. Section 365(n), to the extent applicable.

21.2 NO INJUNCTIVE RELIEF. Except as provided in Section 21.1 hereof or in the Security Agreements to be entered into pursuant to Section 14 hereof, and notwithstanding anything to the contrary set forth elsewhere herein, in no event shall ANSLC or Amerigon be entitled to terminate any of the license rights granted pursuant to Sections 3, 6 or 7 hereof or to enjoin or seek to enjoin the other party's exercise of any of the license rights granted pursuant to Sections 3, 6 or 7 hereof, and each party hereby expressly waives any right to injunctive or other equitable relief to terminate or enjoin the exercise of any such rights, whether based on statute, common law, or otherwise, arising out of any alleged default by the other party or any of its Affiliates or Sublicensees. Nothing contained herein shall be deemed to limit or restrict ANSLC's or Amerigon's rights or remedies with respect to matters outside the scope of this Agreement, such as patents which are not ANSLC Licensed Patents or Amerigon Licensed Patents hereunder.

22. PAYMENTS TO NAVTECH AND LERNOUT & HAUSPIE AND OTHER THIRD PARTIES. Amerigon and ANSLC shall each bear its own respective costs of any license fees payable to third parties in connection with their respective exploitation of VANS Products, including without limitation costs of license fees payable to NavTech and Lernout & Hauspie.

23. NOTICES. Except for the patent notices referred to in Section 8, neither party shall have any obligation to provide notices or credit of any kind to the other party in connection with the exploitation of VANS Products. ANSI expressly agrees that Amerigon shall be entitled to sell off its existing inventory of VANS Products containing notices or credits in ANSI's name.

24. COMPATIBILITY / INTEROPERABILITY.

24.1 VANS NON-NAVIGATION SOFTWARE. ANSLC and Amerigon each intends that the other party to this Agreement not be prevented from creating VANS Non-Navigation Software that operates on the VANS Hardware of the other party and its Affiliates and Sublicensees ("Interoperable Software"). Accordingly, each party agrees to provide and require each of its Affiliate and Sublicensee to provide the other party to this Agreement with technical information reasonably necessary to permit the other party to make Interoperable VANS Non-Navigation Software to run on such VANS Hardware and each party hereby grants the other a nonexclusive, worldwide right to make, have made, practice, have practiced, copy, distribute, transmit, create derivative works based upon, use, lease, sell and otherwise transfer and exercise all proprietary rights in and to such Interoperable VANS Non-Navigation Software. Without limiting the foregoing, to the extent that either party or any Affiliate or Sublicensee of such party employs a "lock-out" or similar mechanism designed to prevent or hinder the use of unauthorized Interoperable VANS Non-Navigation Software on its VANS Hardware, such party will provide the other and require each of its Affiliates and Sublicensees to provide the other with technical information reasonably necessary to circumvent or bypass such "lock-out" or similar mechanism.

24.2 VANS NAVIGATION SOFTWARE. To the extent that either party or any Affiliate or Sublicensee of such party employs a "lock-out" or similar mechanism designed to prevent or hinder the use of unauthorized VANS Navigation Software on its VANS Hardware, and such entity permits any third party other than an Affiliate of such entity to create VANS Navigation Software that can be used on such party's VANS Hardware, the other party to this agreement will thereupon be deemed to have the nonexclusive right to make, have made, practice, have practiced, copy, distribute, transmit, create derivative works based upon, use, lease, sell and otherwise transfer and exercise all proprietary rights in and to Interoperable VANS Navigation Software, and such entity will provide such technical information reasonably necessary to permit the other party to make such VANS Navigation Software, subject to the same geographic limitations imposed on such third party. By way of example only, if either party permits an unrelated third party to create Interoperable VANS Navigation Software that can be used on such party's VANS Hardware and to distribute such VANS Navigation Software in Japan, such party will provide the other party with such technical information reasonable necessary to permit the other party to make Interoperable VANS Navigation Software, and the other party shall have the right to create Interoperable VANS Navigation Software and distribute such Interoperable VANS Navigation Software in Japan.

24.3 TRANSFERABILITY OF RIGHTS. Nothing in this Agreement shall be deemed to authorize Amerigon or ANSLC to provide

to any third party any of the technical information provided to it pursuant to this Section 24 or to transfer or sublicense to any third party any of the rights granted to it pursuant to this Section 24, except that Amerigon or ANSLC shall each have the right to provide to a single Affiliate or Sublicensee the technical information provided to it pursuant to this Section 24 and to transfer and sublicense to such Affiliate or Sublicensee all of the rights granted to it pursuant to this Section 24, provided in the event of such a transfer and sublicense by Amerigon or ANSLC, as the case may be, Amerigon or ANSLC, as the case may be, shall retain no rights pursuant to this Section 24 and all such rights shall thereafter be vested solely in such Affiliate or Sublicensee (with such Affiliate or Sublicensee also having the right to transfer and sublicense such rights to one of its Affiliates or Sublicensees, provided that it retains no rights following such transfer, it being the intention of Amerigon and ANSLC that a succession of transfers/sublicenses to Affiliates or Sublicensees shall be permitted so long as only a single entity has rights under this Section 24 at any time). By way of example only, Amerigon would have the right to transfer its rights pursuant to this Section 24 to a joint venture that is an Affiliate of Amerigon, in which event Amerigon would thereafter retain no rights pursuant to this Section 24. Nothing contained herein shall be deemed or construed to restrict either party from lawfully creating and exploiting Interoperable VANS Non-Navigation Software or Interoperable VANS Navigation Software to the extent such software can be lawfully created and exploited without any grant of rights pursuant to this Section.

24.4 LIMITED TECHNICAL SUPPORT. The parties do not intend that either party or any Affiliate or Sublicensee be required pursuant to Section 24.1 or 24.2 to provide the other party with extensive technical support or assistance in creating such Interoperable VANS Navigation Software, but the parties do intend to require that reasonably sufficient specifications be provided to permit the creation of Interoperable VANS Navigation Software and that limited telephonic technical assistance be provided in the event of errors or lack of clarity in such specifications.

24.5 ROYALTY ADJUSTMENT. Royalties payable with respect to Interoperable VANS Navigation Software shall be as set forth in Section 12, subject to adjustment pursuant to the provisions of this Section. If Amerigon or ANSLC enters into an agreement with a third party providing for lower royalties with respect to such Interoperable VANS Navigation Software, or for a shorter duration of royalty obligations with respect to such Interoperable VANS Navigation Software, it shall provide the other party with written notice of such lower rate and/or shorter duration and the material terms of such contract, including information regarding product volumes or present-value dollar amounts commitments, and shall promptly provide the other party with such additional information

as the other party may reasonably request regarding the pricing and duration of payment obligations under such contract and the commitments provided by such third party in consideration for such pricing and payment obligations. For thirty (30) days after the receipt of such notice and information, the other party shall have the option to make to the party providing such notice commitments substantially equal to those made by the third party in exchange for the same pricing and duration of payment obligations provided to such third party and subject to the same limitations applicable to such third party. The objective of this Section is to provide the parties with the opportunity to obtain the lowest price and shortest duration of royalties offered by the other party with respect to Interoperable VANS Navigation Software by substantially matching any greater commitments made by such a third party which result in a lower price for such third party. Accordingly, the parties agree to discuss in good faith any greater third party commitments and potential means for the other party to make comparable commitments, to qualify for such lower rate and/or shorter duration. If the other party elects to make comparable commitments on a going forward basis, adjustments to the royalty rate and/or duration shall also be made on a going forward basis to reflect the most favored pricing provisions of this Section 24.5. Except as otherwise provided in this Section 24.5, the royalty obligations of the parties with respect to Interoperable VANS Navigation Software shall be perpetual.

25. OPERATION OF TOLL-FREE 800 NUMBER; OUTSOURCING AGREEMENT. Effective May 31, 1996 or the end of the calendar month in which the Effective Date occurs, whichever is later, Amerigon will assume responsibility for operating the toll-free 800 support service for the Gen 4 Hardware and Gen 4 Software, and ANSI will have no further obligations or responsibilities in connection therewith other than to effectuate an orderly transition of such service to Amerigon without disruption of service.

25.1 RIGHT START AGREEMENT. Effective May 31, 1996 or the end of the calendar month in which the Effective Date occurs, whichever is later, ANSI will assign to Amerigon, and Amerigon will assume ANSI's prospective obligations with respect to, the Outsourcing Agreement, or substantially the equivalent will be accomplished by Amerigon's entering into a superseding agreement with The Right Start, Inc. on substantially the same terms.

25.2 CREDIT CARD PROCESSING AGREEMENT. Effective May 31, 1996 or the end of the calendar month in which the Effective Date occurs, whichever is later, ANSI will assign to Amerigon, and Amerigon will assume ANSI's prospective obligations with respect to, the Credit Card Processing Agreement, or substantially the equivalent will be accomplished by Amerigon's entering into a superseding agreement with First U.S.A./DMGT on substantially the same terms.

26. CUSTOMER LISTS. ANSLC and Amerigon shall each retain exclusive rights to any customer lists or similar data compiled by such party in connection with its sales and marketing activities with respect to VANS Products, and neither party shall have any obligation to provide the other party with any such lists or data, except that ANSLC shall provide Amerigon upon execution hereof with a customer lists and any available data regarding customers who have activated disks for the Gen 4 Hardware via the toll free 800 number prior to the date of Amerigon's assumption of responsibility for operation of the 800 number. Amerigon shall be free to use such customer list and data in any manner Amerigon desires.

27. RELATIONSHIP OF PARTIES. Nothing in this Agreement shall be deemed to create a joint venture, partnership or principal-agent relationship between any of the ANSLC Parties, on the one hand, and Amerigon, on the other hand. None of the ANSLC Parties is by virtue of this Agreement authorized as an agent or legal representative of the Amerigon, and Amerigon is not by virtue of this Agreement authorized as an agent or legal representative of any of the ANSLC Parties . None of the ANSLC Parties is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of Amerigon or to bind Amerigon in any manner, and Amerigon is not granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of any of the ANSLC Parties or to bind any of the ANSLC Parties in any manner.

28. MISCELLANEOUS.

28.1 NOTICES AND COMMUNICATIONS. Except as otherwise specifically provided herein, any notice required or permitted to be sent by this Agreement will be in writing and will be (a) delivered by hand, (b) sent by fax (if the receiving machine confirms receipt through answerback and the sending machine prints a paper copy of the answerback message), (c) mailed by registered, certified mail or other pre-paid, receipted delivery service, return receipt requested, to the address or fax number provided by this Agreement, or (d) sent by a reputable next business day courier delivery service such as Federal Express. Complying notices will be effective: (w) when delivered by hand; (x) when sent by fax, (y) three (3) business days after deposited in the mail in the manner required by subsection (c) above, with proper postage prepaid, or (z) one (1) business day after deposit with the delivery service. Notices will be addressed as follows or as from time to time directed in writing by either party by notice given hereunder:

To Amerigon:

Amerigon, Inc.
404 East Huntington Drive
Monrovia, California 91016
Attn: President
Fax No. (818) 932-1220
-WITH 1ST CLASS MAIL COPY TO-

Blanc Williams Johnston & Kronstadt
1900 Avenue of the Stars
17th Floor
Los Angeles, California 90067
Attn: Allen R. Grogan, Esq.

To ANSI or ANSLC:

Audio Navigation Systems LLC
6611 Odessa Avenue
Van Nuys, California 91406-5799

Fax No. (818) 778-1005

-WITH 1ST CLASS MAIL COPY TO-

Stephen R. Mick, Esq.
Loeb and Loeb
1000 Wilshire Boulevard, Suite 1800
Los Angeles, California 90017-2475

28.2 EXCUSED PERFORMANCE. Neither party will be liable for delays in or failure of performance required under this Agreement when such delay or failure is due to acts of God, acts of civil or military authority, fire, flood, strikes, war, epidemics, shortage of power, or other cause beyond such party's reasonable control and without its fault or negligence, provided such party: (A) uses best efforts to promptly notify the other in advance of conditions which may result in any such delay in or failure of performance; (B) uses best efforts to avoid or remove such conditions; and (C) immediately continues performance when such conditions are removed.

28.3 ASSIGNMENT. Except as provided in this Section 28.3, this Agreement may not be assigned in whole or in part by ANSLC or Amerigon without the other party's prior written consent, which shall not be unreasonably withheld or delayed. By way of example only, legitimate, good faith and reasonable concerns that there exists a material risk of a prospective assignee's insolvency, where such risk is materially greater than the risk of the assignor's insolvency, would be reasonable grounds for withholding consent. Also by way of example only, mere concern that a prospective assignee is a potentially formidable competitor

that could place the other party at a competitive disadvantage shall not be deemed reasonable grounds for withholding consent. ANSLC and Amerigon shall each have the right, without seeking or obtaining the other party's consent, to assign or transfer this Agreement or any interest herein (including without limitation rights and duties of performance) to any entity (i) which owns more than fifty percent (50%) of such party's issued and outstanding voting stock, (ii) in which such party owns more than fifty percent (50%) of the issued and outstanding voting stock, (iii) which acquires all or substantially all of such party's operating assets, or (iv) into which such party is merged or reorganized pursuant to any plan of merger or reorganization.

28.4 INTEGRATION. This Agreement and the Schedules attached hereto constitute the entire agreement of the parties and supersede any other agreement or understanding, written or oral, that may have been made or entered into with regard to the subject matter hereof by any of the ANSLC Parties, on the one hand, and Amerigon, on the other hand. The Schedules attached hereto are a material part of this Agreement and are incorporated herein by this reference as if fully written in this Agreement.

28.5 MODIFICATION. This Agreement may not be altered, amended or modified, except by formal agreement in writing signed by duly authorized representatives of both parties, except as expressly provided herein.

28.6 WAIVER OR DELAY. Any waiver or delay in the exercise by a party of its right to terminate or enforce any provision of this Agreement for any breach by the other party will not prejudice such party's right of termination or enforcement for such breach or any further, continuing or other breach by the other party.

28.7 SEVERABILITY. If any provision of this Agreement is, for any reason, held unenforceable or invalid in any respect under the laws of any jurisdiction where enforcement is sought, the invalidity or unenforceability will not affect: (i) any other provision of this Agreement and this Agreement will be construed as if such unenforceable or invalid provision were not contained herein; and (ii) enforcement or validity of such provision in any other jurisdiction.

28.8 SURVIVAL. The respective obligations of the ANSLC Parties and Amerigon hereunder which by their nature would continue beyond termination or expiration hereof, including but not limited to obligations of confidentiality and the limitations of liability, will survive termination or expiration of this Agreement.

28.9 GOVERNING LAW. This Agreement will be construed and enforced in accordance with the laws of California as applied to

contracts entered into in and performed in California between California residents.

28.10 HEADINGS. The Article and Section headings of this Agreement are for convenience only and will neither be considered a part of, nor affect the construction or interpretation of, any provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of May 10, 1996.

AMERIGON, INC.	AUDIO NAVIGATION SYSTEMS, INC.
By /s/ Joshua M. Newman	By /s/ Ron Bernard
Title Vice President	Title President
Date 5/10/96	Date 5/10/96
ALCOM ENGINEERING CORPORATION	AUDIO NAVIGATION SYSTEMS, LLC
By /s/ Charles LaRue	By /s/ Ron Bernard
Title President	Title President
Date 5/10/96	Date 5/10/96

Schedule 1.29

Description or Identification of Passcode Activation Patent Application

United States patent application "Method and System for Disseminating Stored Programs and Data" currently enumerated as Loeb & Loeb patent file PD-4611, and all foreign filings thereon.

Schedule 1.3

List of Amerigon Licensed Patents as of date of Agreement

NONE

Schedule 1.7

List of ANSLC Licensed Patents as of date of Agreement

1. United States patent #5,274,560, "Sensor free vehicle navigation system utilizing a voice input/output interface for routing a drive from his source point to his destination point" and all foreign filings thereon, including without limitation the following filings: Brazil No. 9.107.099; Canada No. 2,096,840; EPC No. 91918978.7; Japan No. 3-517237; S. Korea No. 701633/93; PCT No PCT/US91/03696; Taiwan No. 80104229.

2. United States patent #5,454,062, "Method for recognizing spoken words", and all foreign filings thereon.

3. United States patent application "Methods and apparatus for improving the reliability or recognizing words in a large database when the words are spelled or spoken", currently enumerated as Loeb & Loeb patent file PD-2950, and all foreign filings thereon.

4. United States patent application "Vehicle navigation system providing travel directions based on existing travel conditions", currently enumerated as Loeb & Loeb patent file PD-2916, and all foreign filings thereon.

5. United States patent application "Navigation system utilizing audio CD player for data storage", currently enumerated as Loeb & Loeb patent file PD-2844, and all foreign filings thereon.

6. United States patent application "Sensor free vehicle navigation system utilizing a voice input/output interface for routing a driver from his source point to his destination point", currently enumerated as Loeb & Loeb patent file PD-3004, and all foreign filings thereon.

Schedule 2

Transition Date and Surviving Obligations of
Parties Under Prior Agreements and Agreements
To Be Assigned

1. ANSI and Amerigon will continue to fulfill their respective obligations under the Agreement Re Gen 4 Navigation System dated July 24, 1995, as amended by an Amendment dated as of August 14, 1995 (the "Gen 4 Agreement"), and the Gen 4 Agreement will remain in full force and effect in accordance with its terms, through [May 31, 1996]. Thereafter, all obligations of Amerigon and ANSI as set forth in the Gen 4 Agreement will terminate and be of no further force or effect, except that the terms of such agreement (including payment and accounting terms) shall continue to govern all sales and distribution occurring pursuant to such agreement through [May 31, 1996]. Without limiting the foregoing, ANSI shall remain obligated to account for and pay to Amerigon its share of "Adjusted Gross Revenues" as set forth in Section 6.3 of the Gen 4 Agreement, and Amerigon shall be obligated to account for and pay to ANSI royalties as set forth in Section 6.4 of the Gen 4 Agreement, for all sales and services provided thereunder through [May 31, 1996].

2. Except to the extent any terms of the Option and License Agreement dated as of July 13, 1992 are incorporated by reference as part of the Gen 4 Agreement with respect to activities governed by the Gen 4 Agreement, the Option and License Agreement shall terminate and be of no further force or effect as of the Effective Date.

3. ANSLC shall remain obligated to pay one-half of legal fees and costs incurred by Amerigon on or before the Effective Date with respect to ANSLC Licensed Patents in accordance with the terms of the existing agreement between ANSI and Amerigon governing the sharing of such legal fees and costs.

Schedule 3.2

Materials relating to Sales Fulfillment / Activation Technology
To Be Delivered by ANSLC to Amerigon

1. Source code, random number generator, random number seed, random number tables used for encryption (generation of a pass code on a PC).

2. Source code, random number generator, random number seed, random number tables used for decryption (enabling the use of metro areas within the navigator).

3. Specifications for software or procedures used by Right Start to facilitate the sale of metro area usage to end users.

4. All lists, data bases, compilations, summaries or statistics relating to customers, customer attributes, metro areas enabled, and type of navigator prepared by Right Start and/or ANSI prior to the transfer of the Right Start operation to the control of Amerigon.

Schedule 14-A

Security Agreement #1

(Grant of Security Interest by Amerigon to ANSLC)

To Be Attached When Agreed To

Schedule 14-B

Security Agreement #2

(Grant of Security Interest by ANSLC to Amerigon)

To Be Attached When Agreed To

ADDENDUM
TO SETTLEMENT AND LICENSE AGREEMENT
BY, BETWEEN AND AMONG
AMERIGON, INC., AUDIO NAVIGATION SYSTEMS, LLC,
ALCOM ENGINEERING CORPORATION AND AUDIO NAVIGATION SYSTEMS, INC.

Amerigon, Inc., a California corporation ("Amerigon"); Audio Navigation Systems, Inc., a California corporation ("ANSI"); Audio Navigation Systems, LLC, a California limited liability corporation ("ANSLC"); and Alcom Engineering Corporation, a California corporation ("Alcom") are parties to a Settlement and License Agreement (the "Agreement") dated May 10, 1996.

This Addendum reflects the following additional understandings and agreements of the parties to the Agreement as follows:

1. Unless otherwise specified herein, any capitalized terms used in this Addendum have the same meanings as specified in the Agreement.

2. Pursuant to the Agreement, the parties agreed that although the Agreement was being executed on May 10, 1996, the Agreement would not be binding or effective unless and until ANSLC concludes an agreement with NavTech reasonably acceptable to ANSLC granting ANSLC license rights in the NavTech technology comparable to those held by Amerigon. ANSLC warrants and represents that ANSLC and NavTech are entering into such an agreement concurrently with the execution of this Addendum. Accordingly, the parties agree that the Effective Date of the Agreement shall be June 12, 1996.

3. Pursuant to Section 15.3 of the Agreement, Amerigon and ANSLC are jointly to issue a press release on or shortly after the Effective Date in a form mutually approved by ANSLC and Amerigon, such approval not to be unreasonably withheld by either ANSLC or

Amerigon. Attached hereto as Exhibit "A" is the form of joint press release mutually approved by ANSLC and Amerigon.

IN WITNESS WHEREOF, the parties have executed this Addendum this 12th day of June, 1996.

AMERIGON, INC.

By /s/ Joshua M. Newman

Title Vice President

Date 6/12/96

AUDIO NAVIGATION SYSTEMS, INC.

By /s/ Ron Bernard

Title President

Date 6/12/96

ALCOM ENGINEERING CORPORATION

By /s/ Charles LaRue

Title President

Date 6/11/96

AUDIO NAVIGATION SYSTEMS, LLC

By /s/ Ron Bernard

Title President & CEO

Date 6/12/96

No. TCL-698-93

Revised 1/10/94

LICENSE AGREEMENT

For

ULTRA-WIDEBAND (UWB) IMPULSE RADAR-BASED TECHNOLOGY FOR AUTOMOTIVE FIELD OF USE

Between

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

and

AMERIGON, INCORPORATED
LLNL Case No. TCL-698-93

Lawrence Livermore National Laboratory
University of California
P.O. Box 808, L-795, Livermore, CA 94550
Technology Transfer Initiatives Program
1-24, 1994

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No. TCL-698-93

LICENSE AGREEMENT FOR

ULTRA-WIDEBAND (UWB) IMPULSE RADAR-BASED TECHNOLOGY
FOR AUTOMOTIVE FIELD OF USE

This Limited Exclusive Agreement is made this 20 day of January, 1994 (the "Effective Date") between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, (hereinafter referred to as "THE REGENTS"), a corporation organized and existing under the laws of the State of California and having its statewide administration address at 300 Lakeside Drive, Oakland, California 94612-3550, and AMERIGON, INCORPORATED (hereinafter referred to as "Licensee"), a corporation duly organized under the laws of California, and having its principal place of business at 3601 Empire Avenue, Burbank, CA 91505. Both Parties to this Agreement are hereinafter jointly referred to as the "Parties". This Agreement and the resulting license is subject to overriding obligations to the Federal Government pursuant to the provisions of THE REGENTS' Contract No. W-7405-ENG 48 with the United States Department of Energy (DOE) for the operation of the Lawrence Livermore National Laboratory ("LLNL"), and the license grant is subject to DOE grant of rights in THE REGENTS' Intellectual Property Rights to THE REGENTS.

1. BACKGROUND

1.1 Certain inventions related to the UWB Impulse Radar are described in LLNL Invention Disclosures IL-9092, "Ultra Wideband Radar Motion Sensor," (U.S. Patent Application No. 08044717); IL-9091, "A Differential Receiver for Ultra-Wideband Signals," (U.S. Patent Application No. 08044745); and IL-9318: "Two Terminal Micropower Radar Sensor" [hereinafter collectively referred to as "THE REGENTS' Intellectual Property Rights"] which were made in the course of LLNL research.

WHEREAS, THE REGENTS is the owner of certain intellectual property rights described herein;

WHEREAS, THE REGENTS desires to have THE REGENTS' Intellectual Property Rights (as later defined herein) utilized in the public interest and is willing to grant a license thereunder;

WHEREAS, Licensee has represented to THE REGENTS to induce THE REGENTS to enter into this Agreement, that Licensee is experienced in the development, production, manufacture, marketing and sale of products similar to the "Licensed Product(s)" (as later defined herein), and that it shall commit itself to a thorough, vigorous and diligent program of exploiting the THE REGENTS' Intellectual Property Rights commercially so that public utilization and royalty income to THE REGENTS shall result therefrom; and

WHEREAS, Licensee desires to obtain a license under THE REGENTS' Intellectual Property Rights upon the terms and conditions hereinafter set forth.

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

2. DEFINITIONS

2.1 "Affiliate(s)" of a party means any entity which, directly or indirectly, controls such party, is controlled by such party or is under common control with such party, "control" for these purposes being defined as the actual, present capacity to elect a majority of the directors of such Affiliate, or if not, the capacity to elect at least half of the members that control at least fifty percent (50%) of the outstanding stock or other voting rights entitled to elect directors; provided, however, that in any country where the local law shall not permit foreign equity participation of a majority, then an "Affiliate" shall include any company in which Licensee shall own or control, directly or indirectly, the maximum percentage of such outstanding stock

or voting rights permitted by local law. Each reference to Licensee herein shall be meant to include its Affiliate(s).

2.2 "Field-of-Use" shall mean use of the Licensed Product in the following three applications for passenger vehicles, trucks, minivans, and buses:

(a) Application: Intelligent Cruise Control.
Broad band radar sensors for use as part of an intelligent cruise control system. An example is a forward looking radar sensor that measures the distance and/or velocity to a car in the direction of travel and is part of a system that regulates the spacing between cars.

(b) Application: Airbag Crash Systems.
Broad band radar sensors that sense a crash and sensors that activate, monitor, arm and modify the deployment of driver and passenger airbag systems, seat belt pretensioning systems, and seat belt systems. Examples are frontal, side and rear collision sensors used to deploy these airbags.

(c) Application: Position Sensors.
Sensor and control devices that employ position sensing in their function, and that measure attributes within and external to the vehicle (e.g., throttle position, occupant sensors, blind spot, suspension system sensing, seat position, steering wheel position, and vehicle height sensing).

All applications not specifically set forth above are excluded from this license including, but not limited to, collision warning, collision avoidance, fuel tank fill status, and car alarm systems.

2.3 "Licensed Patent(s)" shall mean any and all of THE REGENTS Patent Rights granted to Licensee under this Agreement.

2.4 A "Licensed Product" shall mean any product or part thereof which:

(a) is covered in whole or in part by an issued, unexpired claim or a pending claim contained in THE REGENTS'

Intellectual Property Rights in the country in which any Licensed Products are made, used or sold;

(b) is derived from THE RIGHTS' Intellectual Property Rights related to or described in patents and disclosures in Exhibit A; and

(c) is sold, manufactured or used in any country under this Agreement.

2.5 "Net Selling Price" as used in this Agreement for the purpose of computing royalties shall mean gross invoice selling price of the Licensed Product, f.o.b. factory, after deduction of normal and customary trade, quantity and cash discounts and allowances or credits to customers on account of returns, but before deduction of any other items, including but not limited to, freight allowances, packing costs, costs of insurance or agents' commissions.

2.6 "Net Sales" shall mean LICENSEE'S billings for Licensed Products produced hereunder, less the sum of the following:

(a) discounts allowed in amounts customary in the trade;

(b) sales taxes, customs and tariff duties, and/or use taxes which are directly imposed and are with reference to particular sales;

(c) outbound transportation prepaid or allowed; and

(d) amounts allowed or credited on returns.

Net sales shall not include sales to the U.S. Government. No deductions shall be made for commissions paid to individuals whether they be with independent sales agencies or regularly employed by LICENSEE and on its payroll, or for cost of collections.

Licensed Products shall be considered "sold" when billed out or invoiced.

2.7 "Patent Right(s)" shall mean all of the following of THE REGENTS' Intellectual Property Rights:

(a) the United States and foreign patents and/or patent applications listed in Exhibit A;

(b) United States and foreign patents issued from the applications covered by the technology listed in Exhibit A and from divisionals and continuations of these applications;

(c) claims of U.S. and foreign continuation-in-part applications, and of the resulting patents, which are directed to subject matter specifically described in the U.S. and foreign applications listed in Exhibit A;

(d) any reissues of United States patents described in (a), (b), or (c) above.

2.8 "THE REGENTS' Intellectual Property Rights" shall mean patent rights to subject matter claimed in or disclosed in Exhibit A, which is attached and incorporated herein.

2.9 "Territory": Worldwide, for countries covered by Licensed Patents.

3. LICENSE GRANT

3.1 Subject to certain conditions stated herein, THE REGENTS hereby grants to the Licensee a nontransferable (except as expressly provided herein) limited exclusive, royalty-bearing license under THE REGENTS Patent Rights to make, have made, use, lease and sell the Licensed Products in the Territory for the

Field-of-Use set forth under Article 2.2 for the term set forth under Article 8, unless sooner terminated according to the terms hereof.

3.2 THE REGENTS also grants to LICENSEE the right to issue royalty-bearing sublicenses to third parties, only in said Field of Use (set forth in Article 2.2), to make, use, and sell Licensed Products, provided LICENSEE has current rights in said Field of Use herein under this Agreement at the time of such sublicenses.

However, the LICENSEE shall notify THE REGENTS in writing in advance of final license negotiations and prior to execution of a sublicense with all potential sublicensees.

LICENSEE agrees to require its sublicensees to give preference that any Licensed Products for applications, use or sale shall be manufactured substantially in the United States.

The LICENSEE hereby agrees that every sublicensing agreement to which it shall be a party and which shall relate to the rights, privileges and license granted hereunder shall contain a statement setting forth the date upon which the LICENSEE's exclusive rights, privileges and license hereunder shall terminate.

The LICENSEE agrees that any sublicenses granted by it shall provide that the obligations to THE REGENTS of this Agreement shall be binding upon the sublicensee as if it were a party to this Agreement. The LICENSEE further agrees to attach copies of this Agreement to sublicense agreements.

The LICENSEE shall not receive from sublicensees anything of value in lieu of cash payments in consideration for any sublicense under this Agreement, without the express prior written permission of THE REGENTS, which shall not be unreasonably withheld.

3.3 Any sublicenses granted by LICENSEE shall include all of the rights and obligations due THE REGENTS that are contained in this Agreement.

3.4 LICENSEE shall provide THE REGENTS with a copy of each sublicense issued hereunder within thirty (30) days of the execution of such sublicense agreement; collect payment of all royalties due THE REGENTS from the sale of Licensed Product by any sublicensees; pay THE REGENTS the amounts due and collected from sublicensees in a timely manner; and summarize and deliver all reports due TO REGENTS from sublicensees according to the schedule set forth in Article 6 (PROGRESS AND ROYALTY REPORTS) of this Agreement.

3.5 The license granted hereunder shall not be construed to confer any rights upon the LICENSEE by implication, estoppel or otherwise as to any technology not specifically set forth herein.

3.6 THE REGENTS expressly reserve the right to use THE REGENTS' Intellectual Property Rights, Licensed Product(s), and associated technology for educational and research purposes.

3.7 Any license granted hereunder shall be subject to the prior license retained by the Federal Government which consists of a nonexclusive, nontransferable, irrevocable, paid-up license to practice the Licensed Patent(s) or have the Licensed Patent(s) practiced for or on behalf of the United States throughout the world.

3.8 The parties acknowledge that the Federal Government has certain march-in rights to THE REGENTS' Intellectual Property Rights in accordance with 35 USC 203.

3.9 Nothing in this License Agreement shall cause LICENSEE to give up or transfer to Licensor any rights to improvements or developments made by LICENSEE.

4. ROYALTIES AND PAYMENTS

4.1 The license-issue fee and royalty rate for the license that is the subject of this Agreement shall be in accordance with this Article 4.

4.2 Royalties and fees due hereunder shall accrue and be paid to THE REGENTS according to this Article 4 and the attached Exhibit B which is incorporated herein as if fully set forth.

4.3 Where Licensed Products are not sold, but are otherwise disposed of or used, the Net Selling Price of such products and/or processes for the purposes of computing royalties shall be the selling price at which products of similar kind and quality, sold in similar quantities, are currently being offered for sale by the LICENSEE. Where such products are not currently being offered for sale by the LICENSEE, the Net Selling Price of products otherwise disposed of or used, for the purpose of computing royalties, shall be the average selling price at which products of similar kind and quality, sold in similar quantities, are then currently being offered for sale by other manufacturers. Where such products are not currently sold or offered for sale by others, then the Net Selling Price, for the purpose of computing royalties, shall be the LICENSEE's cost of manufacture determined by the LICENSEE's customary accounting procedures, plus the LICENSEE's standard mark-up. Nothing in this paragraph shall require licensee to keep track of or account for Licensed Products used internally by LICENSEE for process development, test, demonstration, prototype samples for the purpose of creating customer interest or acceptance, or Licensed Products manufactured but unsold and unused.

4.4 Under this Agreement, Licensed Products shall be considered to be sold when invoiced, or if not invoiced, when delivered for use or lease to a third party, except that upon expiration of any patent covering such Licensed Products, or upon any termination of license, all shipments made on or prior to the day of such expiration or termination which have not been billed out prior thereto shall be considered as sold (and therefore subject to royalty). Royalties paid on Licensed Products which are not accepted or paid by the customer shall be credited to the LICENSEE.

4.5 The LICENSEE shall pay to THE REGENTS a minimum annual royalty as defined in Exhibit B. This minimum annual royalty shall be paid to THE REGENTS by January 1 of each year and shall be credited against the earned royalty due and owing for that calendar year.

4.6 The LICENSEE shall pay THE REGENTS an earned royalty, as defined in the attached Exhibit B, which is incorporated herein as if fully set forth, on all Licensed Products sold or used by Licensee and any sublicensee.

4.7 Earned royalties for Licensed Products sold under this Agreement in any country outside the United States shall accrue to THE REGENTS for the duration of THE REGENTS' patent rights in that country.

4.8 Earned royalties accruing to THE REGENTS shall be paid to THE REGENTS by February 28, May 31, August 31, and November 30. Each such payment to THE REGENTS will be for any and all royalties which accrued to THE REGENTS within the most recently completed calendar quarter, less any credits for minimum royalties paid per Article 4.5 above.

4.9 All monies due THE REGENTS shall be payable in United States funds collectible at par in San Francisco, California. When

Licensed Products are sold for monies other than United States dollars, the earned royalties will first be determined in the foreign currency of the country in which Licensed Products were sold and then converted into equivalent United States Funds. The exchange rate will be that established by the Bank of America in New York, New York on the last business day of the reporting period and will be quoted in the Continental terms methods of quoting exchange rates (local currency per U.S. dollar).

4.10 Royalties earned with respect to sales occurring in any country outside the United States shall not be reduced by any value-added taxes, fees, or other charges imposed by the government of such country on the remittance of royalty income. The LICENSEE shall be responsible for all bank transfer charges.

4.11 If at any time legal restrictions prevent the prompt remittance by the LICENSEE of part or all royalties due with respect to any country outside the United States where a Licensed Product is sold, the LICENSEE shall have the right and option to make such payments by depositing the amount thereof in local currency to THE REGENTS' account in a bank or other depository in such country.

4.12 No royalties shall be collected or paid hereunder on Licensed Products distributed to or used by the United States Government including any agency thereof and the amount charged for such sales to the United States Government will be reduced by an amount equal to the royalty otherwise due THE REGENTS.

4.13 Notwithstanding any other provision of this agreement, no royalty payments are due or payable on any products not covered by outstanding patent filing(s) or then currently valid Licensed Patent(s).

5. DUE DILIGENCE

5.1 The LICENSEE, upon execution of this Agreement, shall diligently proceed with the development, manufacture and sale of Licensed Products and shall earnestly and diligently endeavor to market the same within a reasonable time after execution of this Agreement and in quantities sufficient to meet the market demands therefor, and comply with the minimum royalties specified in Part C of Exhibit B.

In addition, LICENSEE, as a condition to maintain the exclusive license for each of the three applications identified in Article 2.1, the LICENSEE must achieve commercial sales of products by the end of 1998. Commercial sales are defined as sales or non-prototype products to at least one original equipment manufacturer. Failure to achieve commercial sales for a particular application will result in the loss of exclusivity of the license for that application, in which event THE REGENTS will have the right to grant other entities a non-exclusive license for that application at terms no more favorable than those of the LICENSEE.

5.2 The LICENSEE shall be entitled to exercise prudent and reasonable business judgment in meeting its due diligence obligations in accordance with this Agreement.

6. PROGRESS AND ROYALTY REPORTS

6.1 Prior to the first sale of Licensed Product(s) anywhere in the world, the LICENSEE shall submit a progress report covering the LICENSEE's activities related to the development and testing of the Licensed Product(s). After the first such sale and/or commercial use, the LICENSEE shall submit a quarterly royalty report by February 28, May 31, August 31, and November 30 of each calendar year for the most recently completed calendar

quarter, giving such particulars of the business conducted by the LICENSEE under this Agreement as shall be pertinent to a royalty accounting hereunder. These shall include at least the following:

(a) number of Licensed Products in each application manufactured and sold;

(b) the gross sales and Net Selling Price of Licensed Products sold by LICENSEE during the most recently completed calendar quarter;

(c) the royalties, in U.S. dollars, payable hereunder with respect to such sales;

(d) the names and addresses of the sublicenses, if any, granted, and royalty consideration received, and the number, description, and aggregate Net Selling Price of Licensed Products sold or otherwise disposed of during the preceding three (3) calendar months and upon which royalty is payable as provided in Article 4 above. (The first royalty report shall include such sublicenses and/or Licensed Products sold or otherwise disposed of, between the date of patent application filing and the date of such report); and

(e) with each such report submitted, the LICENSEE shall pay to THE REGENTS the royalties due and payable under this Agreement. If no royalties shall be due, the LICENSEE shall so report.

6.2 On or before the sixtieth (60th) day following the close of the LICENSEE's fiscal year, the LICENSEE shall provide THE REGENTS with the LICENSEE's certified financial statements for the preceding fiscal year including, at a minimum, a Balance Sheet and an Operating Statement.

6.3 If no acquisition of Licensed Product(s) has been made during any reporting period, a statement to that effect shall be required in the royalty report filed for that period.

7. BOOKS AND RECORDS

7.1 The LICENSEE shall keep books and records accurately showing all Licensed Product(s) developed, manufactured, used, and/or acquired under the terms of this Agreement. Such books and records shall be preserved for at least five (5) years from the date of the royalty payment to which they pertain and shall be open to inspection by representatives or agents of THE REGENTS at all reasonable times, provided that reasonable notice is given.

7.2 The fees and expenses incurred by THE REGENTS' representatives or agents to perform an examination of the royalty reports shall be borne by THE REGENTS. However, if an error in the royalty accounting of more than five percent (5%) of the total royalties due for any year is discovered, then the fees and expenses incurred by THE REGENTS' examination shall be borne by the LICENSEE.

8. LIFE OF THE AGREEMENT

8.1 Unless otherwise terminated by operation of law or by acts of the parties in accordance with the terms of this Agreement, this Agreement shall be in force from the Effective Date and shall remain in effect for the life of the last-to-expire issued Licensed Patent(s) licensed under this Agreement. As patents expire, Licensed Product(s) covered by an expired patent but not by other Licensed Patent(s) will not be subject to further royalty payments.

8.2 Any termination of this Agreement shall not affect the rights and obligations set forth in the following Articles:

Article 7	Books and Records
Article 13	Patent Prosecution and Maintenance
Article 14	Use of Names and Trademarks
Article 19	Indemnification and Insurance
Article 25	Export Control Laws

9. DISPUTES

9.1 The Parties shall attempt to jointly resolve all disputes (such joint resolution may include non-binding arbitration) arising from this Agreement. If the Parties are unable to jointly resolve a dispute within a reasonable time, then the Parties or either of them shall have the right to commence proceedings in a court of competent jurisdiction. U.S. Federal law is to govern the Agreement to the extent there is such law. To the extent that there is no applicable U.S. Federal law, this Agreement and performance thereunder shall be governed by the law of the State of California without reference to that state's conflicts of law provisions.

10. TERMINATION BY THE REGENTS

10.1 The right to terminate this Agreement, if exercised by THE REGENTS, supersedes the rights granted in Article 3 (LICENSE GRANT). If the LICENSEE should fail to perform any material term or covenant of this Agreement, then THE REGENTS may give written notice of such default ("Notice of Default") to the LICENSEE. If the LICENSEE should fail to remedy such default or initiate satisfactory action toward the remedy with satisfaction and tangible evidence that the deficiency has been cured within sixty (60) days of the effective date of such Notice of Default, THE REGENTS shall have the right to terminate this Agreement and the licenses granted herein by a second written notice ("Notice of Termination"). If Notice of Termination is sent to the LICENSEE, this Agreement shall automatically terminate on the effective date of such notice. The LICENSEE's failure to pay any royalty or other fee by the date required under Exhibit B shall be considered to be a material breach subject to termination of the license.

10.2 Termination of this Agreement shall not relieve the LICENSEE of any obligation or liability accrued hereunder prior to such termination, or rescind any payments due or paid to THE REGENTS hereunder prior to the time such termination becomes effective. Such termination shall not affect, in any manner, any rights of THE REGENTS arising under this Agreement prior to such termination.

11. TERMINATION BY THE LICENSEE

11.1 The LICENSEE shall have the right at any time to terminate this Agreement in whole or as to any portion of THE REGENTS' Intellectual Property Rights by giving notice in writing to THE REGENTS. Termination of this Agreement by the LICENSEE shall be effective ninety (90) days from the effective date of such notice. Any termination of this Agreement shall not affect the rights and obligations set forth in Article 8.2.

12. DISPOSITION OF LICENSED PRODUCTS ON HAND UPON TERMINATION

12.1 Upon termination of this Agreement for any reason other than expiration of Licensed Patent(s), LICENSEE shall provide THE REGENTS within forty-five (45) days following the effective date of termination with written inventory of all Licensed Products in process of manufacture or in stock, and shall dispose of such Licensed Products within one hundred and twenty (120) days of the effective date of termination, provided, however, that the sales of all such Licensed Products shall be subject to the terms of this Agreement.

13. PATENT PROSECUTION AND MAINTENANCE

13.1 THE REGENTS shall diligently pursue and maintain the United States patents for Licensed Patent(s) using counsel of its choice,

and such patents will be held in the name of THE REGENTS. THE REGENTS shall provide the LICENSEE with copies of all relevant documentation so that the LICENSEE may be informed and apprised of the continuing prosecution and to comment on and/or make suggestions, and the LICENSEE agrees to keep this documentation confidential.

13.2 THE REGENTS may, at its option, amend any patent application to include claims reasonably requested by the LICENSEE to protect the products contemplated to be sold or methods used under this Agreement.

13.3 The cost of preparing, filing, prosecuting and maintaining existing United States and foreign patents filed as of the Effective Date of this Agreement shall be borne by THE REGENTS.

13.4 The LICENSEE shall have the right to request that THE REGENTS obtain patent protection on THE REGENTS' Intellectual Property Rights in foreign countries if available and if it so desires. The LICENSEE must notify THE REGENTS within seven (7) months of the filing of the corresponding United States application of its decision to obtain foreign patents. This notice concerning foreign filing shall be in writing and identify the countries desired. The absence of such a notice to THE REGENTS shall be considered an election not to secure foreign rights.

13.5 The cost of preparation, filing and prosecution of foreign patent applications filed at the LICENSEE's request, as well as the maintenance of all resulting patents, shall be borne by the LICENSEE, so long as the LICENSEE has an exclusive license in at least one application. Such patents shall be held in the name of THE REGENTS and shall be obtained using counsel of THE REGENTS' choice.

13.6 The LICENSEE's obligation to underwrite and to pay patent prosecution costs shall continue for so long as this Agreement

remains in effect, provided, however, that the LICENSEE may terminate its obligations with respect to any given patent application or patent upon ninety (90) days' written notice to THE REGENTS. THE REGENTS may continue prosecution and/or maintenance of such application(s) or patent(s) at its sole discretion and expense; provided, however, that the LICENSEE shall have no further rights or licenses thereunder.

13.7 THE REGENTS shall have the right to file patent applications at its own expense in any country in which the LICENSEE has not elected to secure patent rights.

14. USE OF NAMES AND TRADEMARKS AND NONDISCLOSURE OF AGREEMENT

14.1 Nothing contained in this Agreement shall be construed as conferring any right to use in advertising, publicity or other promotional activities any name, trade name, trademark, or other designation of either party hereto (including any contraction, abbreviation, or simulation of any of the foregoing). The use of the name "LLNL" or "the Regents of the University of California" or the name of any University of California campus is expressly prohibited.

It is understood that THE REGENTS shall be free to release to the inventors the terms and conditions of this Agreement upon request of the inventors. If such release is made, THE REGENTS shall request that the inventors not disclose such terms and conditions to others. It is further understood that should a third party inquire whether a license to Licensed Patents is available, THE REGENTS may disclose the existence of this Agreement and the extent of the grant in Article 3 (GRANT) to such third party, but shall not disclose the terms of this Agreement or the name of the LICENSEE, except where THE REGENTS is required to release information under either the California Public Records Act or other applicable law.

15. LIMITED WARRANTY

15.1 THIS LICENSE AND THE ASSOCIATED THE REGENTS' INTELLECTUAL PROPERTY RIGHTS ARE PROVIDED WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. THE REGENTS MAKES NO REPRESENTATION OR WARRANTY THAT THE REGENTS' INTELLECTUAL PROPERTY RIGHTS, LICENSED PATENT(S), OR LICENSED PRODUCT(S) WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT.

15.2 IN NO EVENT WILL THE REGENTS BE LIABLE FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM EXERCISE OF THIS LICENSE OR THE USE OF THE REGENTS' INTELLECTUAL PROPERTY RIGHTS, LICENSED PATENT(S), OR LICENSED PRODUCT(S).

15.3 NEITHER THE UNITED STATES DEPARTMENT OF ENERGY, NOR ANY OF ITS EMPLOYEES, MAKES ANY WARRANTY, EXPRESS OR IMPLIED, OR ASSUMES ANY LEGAL LIABILITY OR RESPONSIBILITY FOR THE ACCURACY, COMPLETENESS, OR USEFULNESS OF ANY INFORMATION, APPARATUS, OR PRODUCT DISCLOSED, OR REPRESENTS THAT ITS USE WOULD NOT INFRINGE PRIVATELY OWNED RIGHTS.

15.4 Nothing in this Agreement shall be construed as:

15.4a A warranty or representation by THE REGENTS as to the validity or scope of any of THE REGENTS' Intellectual Property Rights, Licensed Patent(s) or Patent Rights;

15.4b A warranty or representation that anything made, used, sold or otherwise disposed of under any license granted in

this Agreement is or will be free from infringement of patent(s) of third parties;

15.4c Any obligation to bring or prosecute actions or suits against third parties for patent infringement;

15.4d Conferring by implication, estoppel or otherwise any license or rights under any patents of THE REGENTS, other than Licensed Patent(s) as defined herein, regardless of whether such patents are dominant or subordinate to Licensed Patent(s); or

15.4e An obligation to furnish any know-how not provided in Licensed Patent(s).

16. PATENT INFRINGEMENT

16.1 In the event that the LICENSEE shall learn of the substantial infringement of any Licensed Patent(s), the LICENSEE shall call THE REGENTS' attention thereto in writing and shall provide THE REGENTS with reasonable evidence of such infringement. Both parties shall use their best efforts in cooperation with each other to terminate such infringement without litigation.

16.2 The LICENSEE may request that THE REGENTS take legal action against the infringement of THE REGENTS' Patent Rights. Such request shall be made in writing and shall include reasonable evidence of such infringement and damages to the LICENSEE. If the infringing activity has not been abated within ninety (90) days following the effective date of such request, THE REGENTS shall have the right to:

16.2a Commence suit on their own account; or

16.2b Refuse to participate in such suit, and THE REGENTS shall give notice of their election in writing to the

LICENSEE by the end of the one-hundredth (100th) day after receiving notice of such request from the LICENSEE. The LICENSEE may thereafter bring suit for patent infringement, if and only if, THE REGENTS elect not to commence suit (other than as nominal party plaintiff) and if the infringement occurred during the period and in a jurisdiction where the LICENSEE has rights under this Agreement. However, in the event the LICENSEE elects to bring suit in accordance with this Article, THE REGENTS may thereafter join such suit at its own expense.

16.3 Such legal action as is decided upon shall be at the expense of the party on account of whom suit is brought and all recoveries thereby shall belong to such party, provided, however, the legal action brought jointly by THE REGENTS and the LICENSEE and fully participated in by both shall be at the joint expense of the parties and all recoveries shall be shared jointly by them in proportion to the share of expense paid by each party.

16.4 Each party agrees to cooperate with the other in litigation proceedings instituted hereunder but at the expense of the party on account of whom suit is brought. Such litigation shall be controlled by the party bringing the suit, except that THE REGENTS at its expense may be represented by counsel of its choice pursuant to THE REGENTS' determination in any suit brought by the LICENSEE.

17. WAIVER

17.1 It is agreed that no waiver by either party hereto of any breach or default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or similar breach or default.

18. ASSIGNABILITY

18.1 This Agreement is binding upon and shall inure to the benefit of THE REGENTS, its successors and assigns, but shall be personal to the LICENSEE and assignable by the LICENSEE only with the written consent of THE REGENTS.

19. INDEMNIFICATION AND INSURANCE

19.1 The LICENSEE agrees to indemnify, hold harmless and defend THE REGENTS and DOE, their officers, employees, and agents; the inventors of the inventions disclosed in the patents and patent applications in Licensed Patent(s) against any and all claims, suits, losses, damage, costs, fees, and expenses resulting from or arising out of exercise of this license. The LICENSEE shall pay any and all costs incurred by THE REGENTS in enforcing this indemnification, including reasonable attorney fees.

19.2 The LICENSEE, at its sole cost and expense, shall insure its activities in connection with the work under this Agreement and obtain, keep in force, and maintain insurance with an insurance company acceptable to THE REGENTS, which acceptance shall conform to reasonable business standards, as follows: A minimum level of two million dollars ($2,000,000) of Comprehensive or Commercial Form General Liability Insurance (including contractual liability and products liability).

The coverages referred to in this Article 19 shall not in any way limit the liability of the LICENSEE. The LICENSEE shall furnish THE REGENTS with certificates of insurance, including renewals, evidencing compliance with all requirements at least thirty (30) days prior to the first commercial sale, or distribution of Licensed Product.

19.2a If such insurance is written on a claims-made form, coverage shall provide for a retroactive date of placement

prior to or coinciding with the effective date of this License Agreement.

19.2b The LICENSEE shall maintain the general liability insurance specified herein during (a) the period that the Licensed Product is being commercially distributed or sold (other than for the purpose of obtaining regulatory approvals) by the LICENSEE or by a sublicensee, affiliate, or agent of the LICENSEE, and (b) a reasonable period thereafter, but in no event less than one (1) year.

19.3 Insurance coverage as required under Article 19.2 above shall:

(a) Provide for thirty (30) days advance written notice to THE REGENTS of cancellation or of any modification.

(b) Indicate that DOE, THE REGENTS and its officers, employees, students, and agents, have been endorsed thereon as additional insureds.

(c) Include a provision that the coverages will be primary and will not participate with, nor will be excess over, any valid and collectible insurance or program or self-insurance carried or maintained by THE REGENTS.

19.4 The provisions of this Article 19 shall survive the term of this Agreement.

20. LATE PAYMENTS

20.1 In the event royalty payments or fees are not received by THE REGENTS when due, LICENSEE shall pay to THE REGENTS interest charges at the rate of five percent (5%) plus the rate of interest that is charged by the San Francisco Federal Reserve Bank to member banks twenty-five (25) days prior to the date the payment was due.

21. NOTICES

21.1 Any royalty payment, royalty report, notice or other communication required or permitted to be given to either party hereto shall be in writing and shall be deemed to have been properly given and to be effective on (a) the date of delivery if delivered in person, or (b) the fifth day after mailing if mailed by first-class certified mail, postage paid, to the respective address given below, or to such other address as shall be designated by written notice given to the other party as follows:

In the case of the LICENSEE: AMERIGON, INCORPORATED
3601 Empire Avenue
Burbank, CA 91505
Attn: President

In the case of THE REGENTS: LAWRENCE LIVERMORE
NATIONAL LABORATORY
Technology Transfer Initiatives Program
P.O. Box 808, L-795
Livermore, CA 94550
Attention: Program Leader, TTIP

22. GOVERNING LAWS

22.1 This Agreement shall be interpreted and construed in accordance with the University of California/DOE Contract No. W-7405-ENG-48 and the laws of the State of California, USA, without regard to the doctrine of the conflict of laws.

23. PATENT MARKING

23.1 When Licensed Product(s) are made, used, and/or sold under Licensed Patent(s), the LICENSEE agrees to mark all Licensed Product(s), and their containers, in accordance with the applicable patent marking laws.

24. GOVERNMENT APPROVAL OR REGISTRATION

24.1 If this Agreement or any associated transaction is required by the law of any nation to be approved or registered with any governmental agency, the LICENSEE shall assume all associated costs and legal obligations to do so.

25. EXPORT CONTROL LAWS

25.1 The LICENSEE shall observe all applicable United States and foreign laws and regulations with respect to the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations.

26. FORCE MAJEURE

26.1 No failure or omission by The Regents or LICENSEE in the performance of any obligation under this agreement shall be deemed a breach of this agreement or create any liability if the same shall arise from any cause or causes beyond the control of The Regents or LICENSEE, including but not limited to the following: Acts of God, acts or omission of any government or agency thereof, compliance with requirements, rules, regulations, or orders of any governmental authority or any office, department, agency, or instrumentality thereof, fire, storm, flood, earthquake, accident, acts of the public enemy, war rebellion, insurrection, riot, sabotage, invasion, quarantine, restriction, transportation embargoes, or failures or delays in transportation if beyond the control of the party in question.

27. MISCELLANEOUS

27.1 The headings of the several sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

27.2 This Agreement will be binding upon the parties when it has been executed by each of the parties hereto as of the date of execution by the last signing party.

27.3 No amendment or modification hereof shall be valid or binding upon the parties unless made in writing and signed on behalf of each party.

27.4 This Agreement embodies the entire understanding of the parties and shall supersede all previous communications, representations, or understandings, either oral or written, between the parties relating to the subject matter hereof.

27.5 In case any of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, but this Agreement shall be construed as if such invalid or illegal or unenforceable provisions had never been contained herein.

27.6 This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, both THE REGENTS and the LICENSEE have executed this Agreement, in duplicate originals, by their respective officers hereunto duly authorized, on the day and year hereinafter written.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	AMERIGON, INCORPORATED
By: /s/ Ronald W. Cochran	By: /s/ Lon E. Bell
(Signature)	(Signature)
Name: Ronald W. Cochran	Name: Lon E. Bell
Title: Laboratory Executive Officer	Title: President
Date: January 20, 1994	Date: 11-January 1994

EXHIBIT A

"THE REGENTS' INTELLECTUAL PROPERTY RIGHTS"

"THE REGENTS' Intellectual Property Rights" shall mean the intellectual property covering technology described by the following invention disclosure(s):

INVENTION DISCLOSURES:

Certain inventions related to the UWB Impulse Radar Technology as described in the following LLNL Invention Disclosures: IL-9092, "Ultra-Wideband Radar Motion Sensor," dated September 3, 1992, (U.S. Patent Application No. 08044717), by Thomas Edward McEwan; IL-9091, "A Differential Receiver for Ultra-Wideband Signals," dated September 1, 1992 (U.S. Patent Application No. 08044745), by Thomas Edward McEwan; and IL-9318, "Two Terminal Micropower Radar Sensor," dated July 16, 1993, by Thomas Edward McEwan.

EXHIBIT B

LICENSE FEES AND ROYALTY RATES

NOTICE

This Exhibit B contains financial and commercial information deemed Business Confidential and the parties hereby agree not to use or to disclose the terms agreed to herein to any third party without the express written consent of the other party hereto except as necessary to enable the parties to perform under this Agreement or as may be required by the Regents' contract with the U.S. Department of Energy under the same restrictions.

A. *

B. *

- ----------

* Confidential portions omitted and filed separately with the Commission.

C. *

- ----------
* Confidential portions omitted and filed separately with the Commission.

LAWRENCE LIVERMORE NATIONAL LABORATORY
INDUSTRIAL PARTNERSHIPS & COMMERCIALIZATION

September 19, 1996
LIC96-319

Josh Newman
Amerigon, Incorporated
404 East Huntington Drive
Monrovia, CA 91016-3600

SUBJECT: Amerigon Micropower Impulse Radar (MIR) License
No. TL-796-94

Dear Mr. Newman:

As you requested, this confirms that in Article 2.2 of the subject license "Field of Use" and "applications" cover Blind Spot Sensing for highway passenger vehicles to provide back up parking assistance.

William J. Grant

/s/ William J. Grant

Business Specialist

University of California - P.O. Box 808, L-795-Livermore, California 94550 - Telephone (510) 422-6416 - Facsimile (510) 423-8988 - An Equal Opportunity Employer

AMENDMENT 1 TO THE LICENSE AGREEMENT
BETWEEN
LERNOUT & HAUSPIE SPEECH PRODUCTS N.V.
AND
AMERIGON INCORPORATED

Whereas Amerigon Incorporated ("LICENSEE") and Lernout & Hauspie Speech Products N.V. ("LICENSOR") have entered into a license agreement, effective on October 19, 1993;

Whereas the parties are bound by the terms of the foresaid license agreement of the parties between the parties as of October 19, 1993 except for terms and conditions contradicted hereto;

Whereas the parties wish to modify foresaid license agreement as set out below,

IT HAS BEEN AGREED AS FOLLOWS:

1. LICENSEE commits to license from and pay to LICENSOR for a non-refundable fee for royalties of $200,000 for the period starting April 1, 1996 to be consumed over a 5 year time frame.
LICENSOR will reduce the royalty price to 3% on hardware selling price for units up to 75,000.

   Payment by LICENSEE of a non-refundable fixed fee for royalties of $200,000, as follows:

   $ 30,000 on or before March 31, 1996
   $ 35,000 on or before June 30, 1996
   $ 40,000 on or before September 30, 1996
   $ 45,000 on or before December 31, 1996
   $ 50,000 on or before March 31, 1997

   $ 200,000

   Royalties shall be computed quarterly, beginning April 1, 1996 through March 31, 2001 and the aggregate amount each quarter shall be compared to the $200,000 non refundable royalty fee. For the first such quarter in which the aggregate fees exceed $200,000, the excess shall be paid to LICENSOR and for each succeeding quarter through March 31, 2001, the calculated quarterly royalties will also be paid to L&H.

2. For all the copies of the Designated Equipment with Software bundled and delivered by LICENSEE to its customers on top of these committed copies or after the 5 year period starting from April 1, 1996, whichever comes first, royalties will be paid at the royalty prices mentioned in the initial license agreement.

3. APPLICABILITY. Covered products include: NRR, ASR 1000 and 1500, text-to-speech and speech compression that are used in any car application. Free improvements to these products are included. Royalty rates for the NRR and the ASR1000/1500 for the navigator will be at the 3% rate. Equitable royalty rates for the text-to-speech and the speech compression will be negotiated. No upfront royalty fees will be charged for the these other technologies.

4. PRICE ADJUSTMENTS.
It is the intent that royalty and NRE prices will be kept competitive to allow LICENSEE's products to be competitive in the market place.

5. PORTING & INTEGRATION.
With reasonable notice, LICENSOR will provide porting & integration services of the NRR200 to the IDT or comparable platform at no charge. Other porting and integration projects will be handled under separate agreements and will not be unreasonably withheld by LICENSOR.

6. RAPID DEPLOYMENT TEAM.
LICENSOR and LICENSEE will set up regular meetings (once per quarter) with both party's engineering teams to discuss new technology features, implementations, etc. Both parties will engage in joint marketing activities, customer presentations and discussions on the integration of new features and technologies for the automotive market. Engineering for these services will be for 2 years from signing this Amendment and will not exceed 20 man days per year.

7. SOFTWARE DEVELOPMENT KIT.
LICENSEE agrees having received the ASR SDK and TTS SDK. As new SDK's become available, they will also be provided.

8. USE OF LOGO.
LICENSEE agrees to use its best effort to include the "L&H Speech Quality" logo to its Designated Equipment using Software or any other logo at the request of LICENSOR. This logo has to appear on the packaging of the Designated Equipment, as well as in the accompanying user documentation.

9. LICENSEE acknowledges that this offer shall only be valid if signed and returned before March 31, 1996.

LICENSOR	LICENSEE
Lernout & Hauspie Speech Products N.V.	Amerigon
BY: /s/ Joe Lernout	BY: /s/ Joshua M. Neuman
NAME: JOE LERNOUT	NAME: JOSHUA M. NEUMAN
TITLE: PRESIDENT	TITLE: VICE PRESIDENT

LICENSE AGREEMENT

This Agreement is made and entered into as of this 19th day of October 1993 (hereinafter the "Effective Date") BY AND BETWEEN

LERNOUT & HAUSPIE SPEECH PRODUCTS N.V., a company organized and existing under the laws of Belgium and having its registered offices at Rozendaalstraat 14, 8900 leper - Belgium, hereinafter referred to as LICENSOR

represented by Jo Lernout, Managing Director

AND

AMERIGON INCORPORATED, a corporation organized and existing under the laws of California, and having an office at 3601 Empire Avenue, Burbank, CA 91505, hereinafter referred to as LICENSEE

represented by Lon Bell, President

WITNESSETH THAT:

WHEREAS, LICENSOR is engaged in developing and licensing computer software programs and related documentation thereto;

WHEREAS, LICENSEE desires to obtain certain rights, as hereinafter described, in said software programs and its related documentation and to purchase certain services relating thereto;

WHEREAS, LICENSOR is willing to grant LICENSEE said rights with respect to said software programs;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties hereby agree as follows:

ARTICLE I : DEFINITIONS

The following terms shall have the meanings ascribed to them herein wherever they are used in this Agreement unless otherwise clearly indicated by the context.

1.1. "Software" shall mean the computer programs in object code form, embodying certain proprietary algorithms, as specified in Addendum A, which will satisfy the Functional Specification. Said Software shall include all Corrections to any portion thereof made by or for LICENSOR.

1.2. "Documentation" shall mean those visually readable materials, in English, developed by or for LICENSOR for use in connection with the Software. Documentation includes operating instructions, input information, format specifications, instructional and other documentation, including all guides and manuals. Documentation also includes all revisions thereto made by or for LICENSOR including, but not limited to, new documents and corrected documents to properly reflect changes made in the Software.

1.3. "Designated Equipment" means the platform of LICENSEE, as identified in Addendum A, and fully incorporated into this Agreement. In addition to the description of "Designated Equipment" contained in Addendum A, this definition includes any improvements, additions or modifications of "Designated Equipment" made by LICENSOR.

1.4. "Functional Specification" shall mean the performance criteria for the Software set forth in Addendum A.

1.5. "Software Performance Test" shall refer to the tests set forth in Addendum C which are required to assure LICENSEE that all or part of the Software to be provided by LICENSOR meets the Functional Specification.

1.6. "Third Party" shall include original equipment manufacturers, system houses, value added resellers, distributors, and other such entities engaged in doing business with LICENSEE, and who acquire the LICENSEE's Navigation Product(s) for manufacture, sale, lease, license or other transfer or whom LICENSEE sublicenses for the manufacture of Navigation Products and/or related Software, including Software and Documentation.

1.7. "End User" shall mean the customers of LICENSEE, or of Third Parties, who are granted a sublicense which includes the right to use the Software and Documentation, incorporated in LICENSEE's Navigation Product(s).

1.8. "Corrections" shall mean changes made in the Software and/or Documentation by LICENSOR to correct errors or defects in the Software and/or Documentation.

1.9. "Integration" shall mean the adaption of a specific Ported algorithm to constraints of an execution environment, for example, to the requirements of an execution unit (processor), if not completely adapted by the Porting of the algorithm, and to the requirements of run-time environments (in the case of hardware, addressing memory limitations and specific interfacing, and in the case of software, addressing operating system constraints, program interface specifications, asynchronous events handling (interrupts), other run-time conventions (e.g. register usage) and other tasks running in the same environment).

1.10. "Porting" shall mean the activity where mathematical operations are transformed to algorithmic procedures for execution on specific execution units (processors), with a standardized interface to the outside of the system.

1.11. "Order" shall mean LICENSEE's form of purchase order or schedule used for the purpose of ordering the license or maintenance of Software and Documentation, provided that the terms and conditions of such purchase order are consistent with the terms of this Agreement.

1.12. "Navigation Products" shall mean all hardware and software comprising LICENSEE's audio navigation system which is manufactured and sold by LICENSEE or under license from LICENSEE.

1.13. "Hardware Unit" shall mean a single unit of LICENSEE's Audio Navigation product hardware.

1.14. "Commercial Sale" shall mean a sale of a Hardware Unit by LICENSEE or its Affiliates or by LICENSEE's or Affiliates' sublicensee's, excluding those units made available for evaluation, testing, promotional or related purposes, provided however that the number of units made available for said purposes shall not exceed one (1) percent of the total units shipped or involved in that sale, and provided further that the customer does not pay for these units separately.

1.15. "Net Hardware Unit Sales" shall mean the amounts actually collected from Commercial Sales of Hardware Units, not taken into account the taxes, duties, insurance premiums or shipping charges, which LICENSEE or its customer pays or has to pay.
Furthermore, Net Hardware Unit Sales shall not include rebates paid to the purchaser as part of such sale, nor refunds or credits issued upon the return of Hardware Units, except to those returns which are substantial and which are not replaced by other Hardware Units to the customer.

1.16. "Global Position Satellite (GPS), Transmitter, Beacon and Sensor based product" means navigation systems which utilize any or all of these technologies to locate the vehicle's position relative to map data.

A navigation system shall not be considered as being with this definition simply because it uses the input of the standard odometer function as the only sensor input.

ARTICLE II : GRANT OF SOFTWARE LICENSE

2.1. LICENSOR hereby grants to LICENSEE and LICENSEE accepts from LICENSOR under LICENSOR's patents, copyrights and trade secrets related to the Software and Documentation, a worldwide non-transferable license subject to all applicable terms and conditions hereof, to:

a. use, copy, have copied, distribute, have distributed and maintain the Software and Documentation for use on or in connection with the Designated Equipment to be integrated in LICENSEE's Navigation Product(s);

b. merge the Software with other programs for use on or in connection with the Designated Equipment to be integrated in LICENSEE's Navigation Product(s);

c. merge the Documentation with other written materials for use on or in connection with the Designated Equipment to be integrated in LICENSEE's Navigation Product(s);

d. advertise the availability of the Software or any portion thereof;

e. grant non-exclusive sublicenses to Third Parties containing the same rights as are granted to LICENSEE in subparagraphs a through d above. This subparagraph shall be construed as authorizing LICENSEE to permit cascaded sublicensing such that, for example, LICENSEE may sublicense a Third Party such as a distributor, which will have the right to sublicense another Third Party such as a dealer, which shall have the right to sublicense an End User, provided that LICENSEE complies with the requirements of article 2.2.

2.2. All sublicensing by LICENSEE shall be pursuant to written agreements that incorporate applicable terms and conditions hereof, including a) the limitations on LICENSOR's warranties and liabilities provided in articles 7 and 9.1.; b) LICENSOR's right to control intellectual property claims as provided in article 14.3.; and c) methods of calculation, reporting and payment of applicable royalties. This should be interpreted to require a payment from LICENSEE for each Hardware Unit ultimately sold to an End User. Each such sublicense shall require separate accounting and provide a right of inspection by LICENSOR of the sublicensee, and shall obligate the sublicensee and its sublicensees to include in all licenses of the Software to End Users the limitations on LICENSOR's warranties and liabilities provided

in article 7 and 9.1. and LICENSOR's right to control intellectual property claims as provided in article 14.3.

2.3. The license shall include future improvements to the Software and Documentation.
"Future improvements" shall include any and all improvements, additions or modifications made by LICENSOR to or in the Software after the acceptance date specified in Article V, which improve the efficiency and effectiveness of the basic Software functions described in Addendum A. Future improvements shall be furnished to LICENSEE at no additional charges, except as provided for in Addendum B.

ARTICLE III : EXCLUSIVITY PROVISIONS

3.1. The grant of license shall be exclusive as to the use of licensed Software and Documentation in conjunction with automotive Navigation systems, excluding Global Positioning Satellite (GPS), Transmitter, Beacon and Sensor based systems, subject to the provisions of article 3.2.

3.2. The grant of license shall be exclusive starting at the Effective Date of this Agreement and shall continue to be exclusive subject to the following cumulative conditions:

A. The license will remain exclusive as long as LICENSEE pays the following royalties within the indicated period of time:

- US$ 800,000 within two(2) years after the first day of the month following the Acceptance Date;

- US$ 2,000,000 each year thereafter.

Royalty payments for each period of time shall include running royalties paid during the period from sales of Hardware Units as well as any additional royalty payments LICENSEE elects to make to bring total payments to the above stated amounts.
LICENSEE shall have thirty (30) days after the end of each period of time (year) during which payments can be made and counted towards the amount paid in that prior year.

Failure to achieve these payments within each indicated time-period, the exclusive license shall immediately revert to a non-exclusive license.

B. In the event LICENSEE should market its products which incorporates software which competes with the Software licensed from LICENSOR, the grants of exclusive license shall automatically revert to a non-exclusive license.

3.3. As long as the abovementioned cumulative conditions are met by LICENSEE, LICENSOR agrees to provide LICENSEE a right of first refusal to the exclusive license of new software for automotive navigation systems, (excluding GPS, Transmitter, Beacon and Sensor based systems).

ARTICLE IV : ROYALTIES/PAYMENTS

4.1. LICENSEE shall make royalty payments to LICENSOR on Net Hardware Unit Sales by LICENSEE or any Third Party. No Hardware Unit however is to be counted more than one time for royalty computation purposes hereunder.

4.2. a) LICENSEE will provide LICENSOR with reports showing the quantity of Hardware Units shipped or otherwise transferred to a Third Party hereunder and of Net Hardware Unit Sales, commencing after the initial sublicense has been granted by LICENSEE or Third Party.

LICENSOR shall issue an invoice to LICENSEE accordingly for royalty payments for Software licenses as defined in Addendum B. Payment shall be made by LICENSEE no later than thirty (30) days following the end of each calendar quarter. Royalties for each quarter will be computed on Net Hardware Unit Sales for the quarter and calculated from the appropriate royalty schedule in Addendum B.

In the event that the Navigation Product is combined directly into other equipment (such as a CD player) or has additional components added not contemplated in the current design (as covered in the allowed patent claims), the Hardware Selling Price can be adjusted to reflect that portion of the total revenues which are attributable to the value of the Navigation Product Hardware Units.
In no event will the resulting royalty per unit be less than the minimum amounts listed in Addendum B.

If parties cannot reach a fair adjustment, LICENSOR shall have the right to select an independent auditing firm to conduct an audit of LICENSEE's cost prices and all other such information reasonably required to decide on a fair adjustment. Both parties agree that its decision shall be final.

b) LICENSOR shall issue an invoice to LICENSEE for maintenance support provided within ten (10) days of the completion of each quarter in which such services are provided by LICENSOR.

All invoices shall be submitted to the address specified in LICENSEE's Order or such address as LICENSEE shall identify to LICENSOR in writing.

4.3. LICENSEE shall keep a separate register in which it shall record the exact number of Hardware Units, as well as the type of the products incorporating the Software and any other information relevant for determining the amounts of royalties payable.

LICENSOR shall have the right to conduct, or to select an independent auditing firm to conduct, an audit of LICENSEE's separate register relative to the performance of this Agreement no more than once yearly. LICENSEE's approval of the time and place for the audit requested by LICENSOR shall not be unreasonably withheld.

Any audit shall be performed during normal business hours. In the event such audit reveals an underpayment to LICENSOR exceeding five(5) percent of the total amount owed for that quarter, LICENSEE shall pay LICENSOR such underpayment within thirty (30) days, as well as the audit costs. Otherwise, LICENSOR shall bear the expenses of audit.

LICENSOR agrees to keep any and all information derived from any audits confidential. This information shall not be used by LICENSOR for any purposes other than to verify or resolve any discrepancy involving the payment of royalties due from LICENSEE under this Agreement.

4.4. At any time that LICENSEE ceases to incorporate Software, as defined herein, in any of LICENSEE's Navigation Products, including hardware or software then being manufactured or sold by LICENSEE, all royalty obligations of LICENSEE shall terminate, except as provided in article 8.3.

Should LICENSEE use Software, as defined herein, in some of the Navigation Products (as currently contemplated, the CD discs) but not in others, the number of Navigation Product Hardware Units counted for purposes of royalty computations for each accounting period will be computed by multiplying the total number of Hardware Units sold during the period times the ratio of Navigation Products software units (e.g. discs) sold by LICENSEE which incorporate LICENSOR's Software, divided by the total Navigation Product software discs sold by LICENSEE (including those that do and do not contain LICENSOR's Software).

For example, if LICENSEE sold 10 Hardware Units in an accounting period and sold 15 CD discs, 10 of which used LICENSOR's Software and 5 used a replacement software, then the Hardware Units counted for royalty payments to LICENSOR would be (10) (10/15) = 6.67

ARTICLE V : ACCEPTANCE

5.1. All Software to be delivered to LICENSEE by LICENSOR under this Agreement shall be subject to LICENSEE's evaluation, testing, and acceptance for conformance to the Functional Specification thereof. In the event that any item is found not to conform to the Functional Specifications during the thirty (30) days following its delivery to LICENSEE, LICENSEE shall notify LICENSOR of the respect(s) in which the item so fails to conform. Upon receipt of such notice, LICENSOR shall use its best efforts to make those corrections or modifications required to achieve such conformance and will deliver to LICENSEE the corrected and modified items for LICENSEE's further evaluation, testing and acceptance.

5.2. LICENSEE will thereafter give written notice to LICENSOR within thirty (30) days after delivery of the corrected items, either

(i) that acceptance tests have been successfully passed (as soon as that has occurred), or
(ii) that acceptance tests have revealed deficiencies in the Software, which shall be described in reasonable detail.

5.3. If LICENSEE gives notice under 4.2. (ii) above, this Agreement shall continue in effect and LICENSOR shall supply revised copies in a reasonable time span. If LICENSEE does not provide such 4.2. (ii) notice, the acceptance tests shall be deemed passed.

5.4. The performance tests applicable to the Software and Documentation shall be the procedures and tests set forth in Addendum C.

ARTICLE VI : PORTING AND INTEGRATION SERVICES

6.1. At the request of LICENSEE, LICENSOR shall perform the Porting and/or Integration of the Software to the Designated Equipment, free of charge.

6.2. LICENSOR shall provide qualified engineers throughout the Porting and Integration processes.

6.3. LICENSEE shall timely make available to LICENSOR a Development Environment. "Development Environment" shall consist of a set of

Designated Equipment and of all hardware and software development tools available and required by LICENSOR to successfully complete the Porting and/or Integration.

6.4. LICENSEE shall assist LICENSOR in giving the necessary information and in resolving problems with respect to the Development Environment.

ARTICLE VII : WARRANTY

7.1. LICENSOR warrants that the Software and Documentation, as supplied, will perform in accordance with the Functional Specification listed in Addendum A, and be free from material programming errors and viruses.

7.2. If at any time during the 12-month period immediately following the Acceptance Date, LICENSOR or LICENSEE shall discover one or more defects or errors in the Software or any other respect in which the Software fails to conform to the provisions of the above warranty, LICENSOR shall, entirely at its own expense, promptly correct such defect, error or non-conformity by, supplying LICENSEE with such corrective codes and making such additions, modifications, or adjustment to the Software as may be necessary to keep the Software in operating order in conformity with the warranties herein.

These free of charge corrections shall not apply to other causes, such as errors due to production or decoding process of the CD-Rom, and any other errors due to the download mechanism of the Software to the Navigation Product, or errors due to changes made by LICENSEE in the source code of the communication software, as provided to LICENSEE.

However, LICENSEE acknowledge that the Software is of such complexity that it may have inherent defects and agrees that if any deviations from the Specification or material programming errors exist, as LICENSEE's exclusive remedy and LICENSOR's sole responsibility LICENSOR shall use its best efforts to eliminate promptly any such deviations or programming errors reported to it by LICENSEE.

7.3. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, LICENSOR MAKES AND LICENSEE RECEIVES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE VIII : TERM

8.1. The term of this Agreement shall commence on the Effective Date herein and shall continue unless terminated or canceled as provided below:

a) This Agreement may be canceled by LICENSEE for cause, upon written notice to LICENSOR in the event that LICENSOR fails to perform any of its material obligations hereunder and said cause is not corrected within a ninety (90) day notice period.

b) Either LICENSOR or LICENSEE may cancel this Agreement upon written notice to the other party in the event the other party:

(i) fails to comply with any material obligation under, or material condition of this Agreement, and any such failure is not remedied within ninety (90) days after receipt by the other party of written notice;

(ii) ceases its business activities as a result of bankruptcy, dissolution, liquidation or other causes.

8.2. Any termination of this Agreement shall terminate LICENSEE's right to advertise and promote the Software and Documentation and to copy the Software and Documentation and to grant additional sublicenses after such termination, provided, however, that such termination shall not terminate or affect sublicenses previously and properly granted to End Users and Third Parties, or required to be granted under binding contracts or purchase orders, and further provided, that LICENSEE and its Sublicenses shall be permitted to continue to use the Software and Documentation to enable LICENSEE to meet its obligations to support Sublicensees existing at the time of such termination.

8.3. No termination or cancellation of this Agreement shall affect the obligation of LICENSEE to collect and distribute to LICENSOR all payments which have become or will be due from sublicenses and any other payments which have become due hereunder.

ARTICLE IX : LIABILITY

9.1. Limitation on Damages :
LICENSOR shall have no liability to LICENSEE for any damages, losses, costs or expenses resulting from the failure of the Software to perform in accordance with its Specifications or from material programming errors or viruses in the Software. Except for Claims arising under Article XIV below, in which LICENSOR's liability is described: (a) LICENSOR's total liability to LICENSEE for damages, losses, costs or expenses arising out of or related to

this Agreement from any and all causes, including negligence, shall be limited to 50% of the total amounts actually paid by LICENSEE to LICENSOR, and (b) IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF EITHER PARTY'S PERFORMANCE OR NONPERFORMANCE HEREUNDER, EVEN WHERE SUCH DAMAGES WERE FORESEEABLE.

ARTICLE X : FORCE MAJEURE

10.1. Neither LICENSEE nor LICENSOR shall be liable to the other for delays in the performance of or completion of this Agreement if such delay is caused by strikes, riots, wars, government regulations, acts of God, fire, flood, or other similar causes beyond its reasonable control; provided, however, if such delay continues for ninety (90) days, the other party shall have the option, exercisable by written notice, to cancel the Agreement without additional charge or liability, except payment of sums due to LICENSOR as provided in Article 8.3. above.

ARTICLE XI : LICENSEE FURNISHED ITEMS

11.1. LICENSEE shall, at no charge to LICENSOR, provide LICENSOR, from time to time, information and copies of LICENSEE's documents, including data which is confidential to LICENSEE and which is reasonably required or reasonably requested by LICENSOR in order to perform any required Porting or Integration of the Software. However, LICENSEE reserves the right not to provide any information and documentation which LICENSEE does not have the right to disclose. Such LICENSEE-provided information and documents shall be subject to the provisions of Article XIV.

11.2. When such documentation and information are no longer required for LICENSOR's performance hereunder, LICENSOR shall, upon LICENSEE's request, promptly return to LICENSEE such documentation, including copies or extracts of any portion thereof, except as may be reasonably required for LICENSOR's recordkeeping requirements.

11.3. It is understood and agreed that title to all items furnished or provided by LICENSEE to LICENSOR shall remain in LICENSEE.

11.4. All such documentation and information shall only be used by LICENSOR for purposes of this Agreement, and all such items if in tangible form shall be clearly labeled "Property of LICENSEE's name".

ARTICLE XII : PERSONNEL AND COMMUNICATIONS

12.1. For LICENSEE

1. General administration and liaison for LICENSEE will be performed by YOSUFI M. TYEBKHAN (referred to herein as "LICENSEE's contract administrator") or a designee or successor.

2. Technical liaison for LICENSEE will be performed by YOSUFI M. TYEBKHAN (referred to herein as "LICENSEE's technical administrator") or a designee or successor.

12.2. For LICENSOR

1. General administration and liaison for LICENSOR will be performed by PATRICK DE SCHRIJVER (referred to herein as "LICENSOR's contract administrator") or a designee or successor.

2. Technical liaison for LICENSOR will be performed by JOHAN THYS (referred to herein as "LICENSOR's technical administrator") or a designee or successor.

12.3. All notices under this Agreement shall be in writing, sent by mail, courier service, telefax or telex, to the respective contract administrator, unless otherwise specified.

12.4. Technical administrators shall be the principal liaisons for LICENSEE and LICENSOR on technical matters and they may clarify, explain and provide further details as required for performance under this Agreement, but shall have no authority to make any agreements between them which change the cost or any of the terms and conditions of this Agreement.

ARTICLE XIII : CONFIDENTIAL INFORMATION

13.1. Both parties agree not to disclose any trade secrets or confidential information transferred to it by the other party which are identified in writing as confidential ("TRADE SECRETS").

Each party shall take the same action and utilize at least the same precautions in preventing unauthorized disclosures of the other party's Trade Secrets as it uses with regard to its own secrets and confidential information of similar nature.

13.2. The obligation of each party not to use or disclose Trade Secrets of the other party shall survive the termination or cancellation of this Agreement.

However, neither party shall be obligated to protect Trade Secrets of the other party under any provision of this Agreement in the event the aforesaid:

a. are known to or developed by the receiving party without restriction independently of the disclosing party,

b. are or become generally known to the public by other than a breach of duty hereunder by the receiving party,

c. which the disclosing party agrees in writing is free of such restrictions, or

d. which at the time of disclosure to the receiving party was known to such party free of restrictions.

The obligation of one party not to use or disclose said Trade Secrets of the other party will remain in effect until one of these exceptions occurs.

13.3. Since unauthorized transfer of one party's Trade Secrets will substantially diminish their value and injure that party in ways that may not be remedied fully by money, either LICENSOR's or LICENSEE's breach of these Article XIII obligations may entitle the other party to equitable relief (including orders for specific performance and injunctions) as well as monetary damages. Notwithstanding any termination of this Agreement, the parties shall continue to be obligated to protect the confidentiality of the Confidential Information as described above for a period of five (5) years, subject to the exception set forth in Paragraph 13.2.

ARTICLE XIV: INFRINGEMENT

14.1. LICENSOR represents and warrants that it knows of no trade secrets misappropriation that has occurred and has no reason to believe that any such misappropriation will occur with regard to any Software and/or Documentation, to be delivered to LICENSEE, and it knows of no claim of patent or copyright infringement, and has no reason to believe any patent or copyright infringement will occur with regard to the above.

14.2. LICENSOR's Obligation to Indemnify.
LICENSOR shall, at its sole expense, indemnify, defend and hold harmless LICENSEE from and against any and all claims, demands, suits, actions, proceedings, judgments, losses, damages, injuries, penalties, liabilities and reasonable costs and expenses, including, without limitation, attorney's fees, brought against, or incurred or suffered by, LICENSEE arising out of allegations that any use of the Software, in whole or in part, as delivered by LICENSOR, infringes any patent, copyright, trade secrets or other intellectual

or industrial property right of any third party (collectively, "Claims"), provided that LICENSEE shall give LICENSOR notice of all suits or threats of patent or copyright or infringement and other claims concerning misappropriation of trade secrets against LICENSEE. LICENSOR shall defend or settle any such Claim through LICENSOR's counsel, provided, however, that if Licensor fails to assume such defense within a reasonable period of time after initiation of such Claim, LICENSEE shall have the right to assume such defense through LICENSEE's counsel. The party assuming such defense shall not settle any such Claim in a manner which would result in substantial liability or damage to the other party without first obtaining such party's prior written consent, which shall not be unreasonable withheld. The parties shall provide each other with all reasonable information and assistance necessary to defend or settle Claims.

14.3. If use of an item furnished by LICENSOR is claimed or held to constitute such an infringement of a patent, copyright, trade secret or similar intellectual property right, or if LICENSOR determines that such a claim or holding is likely to be made, LICENSOR, at its option and expense, may either procure for LICENSEE the right to continue using the allegedly infringing item; modify the item so that it becomes non-infringing; or replace the item with a non-infringing counterpart; or, failing each of the foregoing, if required by court order or the terms of a settlement approved in writing by LICENSEE, terminate the associated license rights, require the return of the applicable item, and refund (or adjust, if less than all of the Software was returned and LICENSEE continues to possess license rights with respect to a usable portion of the Software) payments made or to be made by LICENSEE to LICENSOR.

During the pendency of any Claim, at the request of LICENSOR, LICENSEE and its sublicensees and Third Parties shall refrain from any further promotion, sale or distribution of the allegedly infringing item, provided however that LICENSEE shall be permitted to fill orders for products incorporating the Software which were in existence at the time of LICENSOR's request. LICENSOR shall use all reasonable efforts to eliminate such Claim as soon as possible so that LICENSEE is permitted to resume such promotion, sale or distribution.

14.4. This indemnity shall not apply to the portion of any such Claim of infringement that is based upon use of the allegedly infringing item with an article or process acquired from a source other than LICENSOR which combination was not installed, recommended or expressly approved by LICENSOR, or arises from activities outside the scope of the Article 2.1. license, or arises from uses of the Software in ways that were not intended.

The foregoing constitutes LICENSOR's sole responsibility, and the exclusive remedy of LICENSEE and its sublicensees and Third Parties, in connection with any Claim of infringement or misappropriation of intellectual or industrial property rights.

14.4. Except as otherwise provided, nothing contained in this Agreement shall be construed as licensing LICENSEE to use any other trademark or trade name owned or used by LICENSOR or as licensing LICENSOR to use any trademark or trade name owned or used by LICENSEE.

ARTICLE XV : RESTRICTED USE

15.1. LICENSEE shall not use the Software and Documentation in connection with or on any equipment other than the Designated Equipment.

15.2. LICENSEE shall not recreate, generate or reverse-engineer any portion or version of the Software or attempt any of the foregoing or aid, or abet others to do so.

15.3. LICENSEE acknowledges that unauthorized reproduction or use of the Software as provided in this Article XV is a breach of a material obligation of this Agreement and is subject to any available remedies for such breach.

ARTICLE XVI : TITLE AND RIGHTS TO SOFTWARE AND MODIFICATIONS

16.1. The grant of license and sublicense rights to LICENSEE under Article 2 hereof are LICENSEE's only rights to the Software and Documentation. Title, interests and rights to the Software and Documentation, and any corrections and/or improvements shall always remain in LICENSOR.

Furthermore, the grant of such license and sublicense rights shall not restrict licensing by LICENSOR in any manner, and LICENSOR shall have full rights, use and access to any modifications jointly developed by LICENSEE and LICENSOR as a result of the Porting and/or Integration of the Software to LICENSEE's Designated Equipment.

ARTICLE XVII : ASSIGNMENT

17.1. LICENSEE is not allowed to assign the license rights granted hereunder without LICENSOR's prior written consent, which shall not be unreasonably withheld.

ARTICLE XVIII : AGREEMENT DOCUMENTS

18.1. The addenda referenced in this Agreement, and the specifications and drawings referenced therein, as well as other documentation referenced in this Agreement which define the obligations of the parties, are a part of this Agreement with the same force and effect as if fully set forth herein.

ARTICLE XIX : GENERAL

19.1. This Agreement shall be deemed to have been entered into and shall be construed, governed and interpreted in accordance with the laws of the State of California.

19.2. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be constructed in all respects as if such invalid or unenforceable provisions were omitted.

19.3. The failure of either party to insist, in any one or more instances, upon the performance of any of the terms of this Agreement or to exercise any right hereunder, shall not be construed as a waiver of the future performance of any such term or the future exercise of such right.

19.4. Whenever any occurrence (e.g. an event of Force Majeure) is delaying or threatens to delay a party's timely performance under this Agreement, that party will promptly within seven (7) days or less, give notice thereof in writing, as well as by any expeditious means available. Such notice to the other party shall include all relevant information regarding the cause of the delay and its anticipated duration. The providing of such notice however, does not prejudice the other party's right to object to the nonperformance of any obligation under this Agreement.

ARTICLE XX : TAXES

20.1. The Software licensed hereunder is intended principally for sublicense to End Users and therefore should be exempt from sales, use, excise and other similar taxes. However, if such tax, or any import duty, or export duty, should be imposed on LICENSOR, LICENSEE shall either bear such tax or duty by a direct payment to the taxing authority or shall reimburse LICENSOR for such tax or duty paid by LICENSOR, provided, however, LICENSEE shall have no obligation to pay any income, revenues or gross receipts taxes attributable to LICENSOR's income.

ARTICLE XXI : SURVIVAL OF PROVISION

21.1. It is hereby agreed that the rights and obligations of the parties hereto contained in Article IV, XV, XVIII, XIX and XX shall survive and continue after any termination or cancellation of this Agreement and shall bind the parties and their successors, assigns and legal representatives.

ARTICLE XXII : ENTIRE AGREEMENT

22.1. This Agreement shall constitute the entire agreement between LICENSEE and LICENSOR with respect to the subject matter thereof, and shall supersede any and all prior agreements, understandings, promises and representations made by one party to the other concerning the subject matter herein and the terms and conditions applicable thereto.

This Agreement may not be released, discharged, supplemented, interpreted, amended or modified in any manner except by an instrument in writing signed by a duly authorized officer or representative of each of the parties hereto as is specially provided elsewhere in this Agreement.

22.2. In making and performing this Agreement, the parties have acted and shall act at all times as independent contractors and nothing contained in this Agreement shall be construed or implied to create the relationship of partner or of employer and employee between the parties. At no time shall either party make commitments for or in the name of the other party.

ARTICLE XXIII : ARBITRATION

23.1. All disputes arising in connection with this Agreement shall be finally settled under the then current rules of the American Arbitration Association. Such arbitration shall be conducted in English, and the place of arbitration shall be New York. The parties agree to be bound by the decision of the arbitrator and judgment. The award rendered may be entered in any court having jurisdiction. The prevailing party, in such action shall be entitled

to recover from the other party, reasonable attorney's fees, and its share of the actual cost of the arbitrators, in addition to any relief to which the prevailing party may be entitled.

ARTICLE XXIV : RIGHT TO REPRODUCE

24.1. Nothing in the Agreement shall limit LICENSEE's right to reproduce for internal use all of the Software and Documentation as defined herein, for its internal use, subject to the restrictions on use as set forth herein.

ARTICLE XXV : SUCCESSORS

25.1. This Agreement shall inure to the benefit of and be binding upon the parties, their successors in interest, affiliated entities and administrators.

IN WITNESS WHEREOF, this Agreement has been duly executed in duplicate by the parties hereto, as of the Effective Date.

LICENSOR	LICENSEE
LERNOUT & HAUSPIE SPEECH PRODUCTS N.V.	AMERIGON INC.
BY: /s/ Joe Lernout	BY: /s/ Lon E. Bell
NAME: Joe Lernout (print)	NAME: Lon E. Bell (print)
TITLE: President	TITLE: President

ADDENDUM A
DESIGNATED EQUIPMENT
AND
FUNCTIONAL SPECIFICATIONS
OF THE SOFTWARE

1. Functional Specification

The Software that will be delivered consists of the voice I/O software for speech recognition for in car use, the Noise Robust Recognizer (NRR).

The Software consists of the following parts :
- NRR with alphabet recognition
- NRR with alphabet recognition and word spotting capabilities
- NRR with alphabet recognition and word spotting capabilities + free format digits

Functional Specification of the NRR, the Isolated HMM based in car recognizer for alphabet and command words.

The main functional characteristics of the HMM based in car recognizer for alphabet and command words are the following:

- ISOLATED WORD RECOGNITION : The speech utterances to be recognized are delimited by silence or car noise before and after the spoken utterance.

- SPEAKER INDEPENDENT : The speech recognizer recognizes speech input from any native speaker of a certain language class or dialect group without the user having to train the system beforehand. The specified language in the first stage is American English (see also Addendum B : Specific Development Fees).

- VOCABULARY : The vocabulary of the recognizer consists of the letters of the alphabet, the digits zero to nine and an additional 25 control words. The product includes the vocabulary as specified by LICENSEE for American English. Additional languages or vocabularies are available at conditions as specified in Addendum B, item 4.

- MICROPHONE : The product will be specified for a particular kind of microphone. LICENSOR will specify the recommended position of the microphone.

- ENERGY DETECTION : Both energy detection (vocal trigger) and a push-to-talk button can be used to trigger the speech signal.

- SIGNAL-TO-NOISE RATIO : The signal to noise ratio in the car should not be less than 6DB in order not to degrade the recognition performance.

FUNCTIONAL SPECIFICATION OF THE NRR WITH ALPHABET RECOGNITION AND WORD SPOTTING CAPABILITIES AND THE NRR WITH ALPHABET RECOGNITION AND WORD SPOTTING CAPABILITIES + FREE FORMAT DIGITS.

The main functional characteristics are the same as for the NRR, without free format digits except that the Vocabulary characteristics are changed to:

Vocabulary: The vocabulary of the recognizer consists of the letters of the alphabet, the digits zero to nine pronounced individually or as free format digits or in any format of maximum 4 digits that is of common usage, and an additional 25 control words. The product includes the vocabulary as specified by LICENSEE for American English. Additional languages or vocabularies are available at conditions as specified in Addendum B, item 4.

2. DESIGNATED EQUIPMENT

The designated equipment consists of LICENSEE's Audio Navigator platform. This platform is based on ADSP 2105 (12.5 MHz version) and a M68000 general purpose microprocessor. The configuration has a minimum of 8 KW of fast SRAM for the DSP and a minimum of 1 Mb of DRAM for the microprocessor.

3. TECHNICAL DESCRIPTION OF THE PROJECT

A detailed technical description will be worked out after signing of the agreement.

ADDENDUM B

I. ROYALTIES

A. CALCULATION OF THE NUMBER OF ROYALTY BEARING COPIES

A.1. The number of royalty bearing copies equals the number of Hardware Units shipped by LICENSEE or otherwise transferred to a Third Party hereunder.

B. ROYALTY PRICE LIST

B.1. Based on the target hardware selling price of the Hardware Unit of US$ 130, and furthermore taken into consideration the commitment of LICENSEE to bundle the Software, LICENSOR agrees that the royalties will equal a percentage of the Hardware selling price of the Hardware Unit.

- Royalty per Unit for the Noise Robust Recognizer with alphabet recognition:

From Unit number to Unit number	Royalty per Unit
0-5.000	7%
5.001 - 25.000	4%
25.001 - 100.000	3.5%
100.001 - 1.000.000	3%
1.000.000 +	1.5%

Notes:
1. The abovementioned percentages will also be applicable to the Noise Robust Recognizer with alphabet recognition and word spotting capabilities.

2. In the event that the royalty to be paid to LICENSOR should be less than US$ 0.75, LICENSEE agrees to pay a minimum royalty of US$ 0.75 per sold Hardware Unit, or the lowest price received by LICENSOR from other customers under similar circumstances.

   This commitment will be valid for the first five (5) million units.

- Royalty per Unit for the Noise Robust Recognizer with alphabet recognition, word spotting capabilities and free format digits :

From Unit number to Unit number	Royalty per Unit
0-5.000	7.5%
5.001 - 25.000	4.5%
25.001 - 100.000	4%
100.001 - 1.000.000	3.5%
1.000.000 +	1.75%

Note: 1. In the event that the royalty to be paid to LICENSOR should be less than US$ 0.90, LICENSEE agrees to pay a minimum royalty of US$ 0.90 per sold Hardware Unit, or the lowest price received by LICENSOR from other customers under similar circumstances.
This commitment will be valid for the first five (5) million units.

II. PORTING/INTEGRATION FEES

There will be no fees charged to LICENSEE for the Porting and/or Integration on the Designated Equipment, as defined in Addendum A.

III. SUPPORT FEES

Consultancy services will be provided at the then prevailing rates, provided however that for a period of maximum twelve (12) months starting at Acceptance Date, the support shall be free of charge (excluding travel and lodging).

IV. SPECIFIC DEVELOPMENT

1) Development of a specific language or vocabulary US $ 60K/vocabulary

This covers languages other than the major languages and/or those that are not planned to be developed by LICENSOR within a reasonable time.

2) Development of communication software between processor and DSP.

This software consists of the DSP source code of the communication between processor and DSP.

One-time fee : 6.500 US$ to be paid at delivery of the software.

ADDENDUM C
ACCEPTANCE CRITERIA

REMARK

The criteria, as mentioned hereunder and agreed to upon signature of this Agreement shall be interpreted as minimum criteria for the Performance Tests. Therefore, both parties shall act in good faith to agree to an adopted version of these criteria, within two (2) months after the Effective Date of this Agreement.

CRITERIA:

1. Cluster 1,2,3,4 and 9

- Each cluster is treated independently
- For each situation, the recognition rate will be calculated, for each cluster
- An average recognition rate and a standard deviation of the individual means will be calculated, across all situations Different situations are defined as different people, cars, speeds, etc.
- In all the situations, SNP>6dB
- The test set should be a representative set of the American population

The average recognition rate (Y) is defined by :

A minimum of X% of the situations must have an average recognition rate of greater than Y%. The average recognition rate in the top X% percentile must have a standard deviation of less than S%.

Cs = recognition rate for situation s.
(Ng)s, cl = test utterances spoken in situation s in cluster cl which are correctly recognized
(Nt)s, cl = test utterances spoken in situation s in cluster cl.

Cs = (Ng)s, cl/(Nt)s,cf

Cs = average recognition rate in the top X% percentile
C = number of situations in the top X% percentile.

Cs = (sum(Cs))/C

(sum over the values in top X% percentile)

S = standard deviation of recognition rate over people in the top X% percentile tested.

LICENSE AGREEMENT

between

Amerigon Incorporated

and

Navigation Technologies Corporation

This Agreement is made and entered into between Navigation Technologies Corporation, a Delaware corporation ("NavTech"), and Amerigon Incorporated, a California corporation ("Customer"), as of this 15th day of March, 1995 ("Effective Date").

WHEREAS, NavTech is the owner of the Navigation Database and the intellectual and proprietary rights with respect thereto;

WHEREAS, Customer has an interest in sensor-free audio navigation systems and desires to secure a license for the use of the Navigation Database in connection with such systems; and

WHEREAS, NavTech is willing to grant such a license on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing recitals and the promises and covenants contained herein, the parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

1.1 "Copy" shall mean a reproduction in any form of a Database Section (or Derivative Work thereof) which has been distributed to and is usable by an End-User. In any case where more than one Database Section has been reproduced on a single physical media, each such Database Section reproduced thereon shall constitute a separate and distinct Copy, as and when each such Copy is unlocked, activated or otherwise becomes usable by the End-User (except that duplicate Database Sections with the same coverage area and release date on a single physical media shall constitute a single Copy). Copy shall not include small extracts used for instruction, promotional, or similar purposes.

1.2 "Customer" shall also include its Subsidiaries, collectively and singly, unless the context clearly requires otherwise.

1.3 "Database Section" shall mean (i) each section of the Detailed City Database covering not more than one metropolitan area as specified in Exhibit E, (ii) each section of the Inter-Town Database covering not more than one state, or (iii) the Long-Haul Database.

1.4 "Derivative Work" shall mean a work of authorship fixed in a tangible medium of expression which is based upon one or more pre-existing works, such as a revision, modification, translation, abridgment, condensation, expansion, collection, compilation or any other form in which such pre-existing works may be recast, transformed, or adapted, and which, if prepared without authorization of the owner of the pre-existing work, would constitute a copyright infringement.

1.5 "End-User" shall mean any person or entity to whom Customer or its authorized agent distributes a Copy for use in a Licensed Product.

1.6 "Intellectual Property Rights" shall mean patents, copyrights, trademarks, service marks, and any and all other statutory and legal rights and protections available under applicable laws for the protection of intellectual property with respect to, among other things, software, maps, and databases generally, and the Navigation Database in particular.

1.7 "Licensed Product" shall mean a sensor-free audio navigation system manufactured by or for Customer which meets all of the specifications, terms and limitations set forth in Section 4.2 of this Agreement.

1.8 "Navigation Database" shall mean all or any portion of the street characteristics and other geographic data in North America developed, under development, or to be developed by and for NavTech for use in navigation systems, and the updates, modifications, and changes thereto. The Navigation Database includes the Detailed City Database, the Inter-Town Database, and the Long-Haul Database.

(a) "Detailed City Database" shall mean those portions of the Navigation Database which include the significant driveable roads in a covered area, including those identified by U.S. and Canadian government agencies as Interstate, Federal, U.S., Provincial, State, County, arterial, collector, and residential. The current content of the Detailed City Database is defined in Exhibit A which is attached hereto.

(b) "Inter-Town Database" shall mean those portions of the Navigation Database which include, for both the U.S. and Canada, the center point of: (i) incorporated cities, (ii) selected unincorporated cities, and (iii) national and state/provincial parks (collectively, "Named Places"). For the U.S., roads included are the numbered Interstate, U.S., and State routes, exit and entrance ramps of limited access highways, and any other roads necessary to connect to Named Places that would otherwise be detached, as well as the intersections of the included roadways with one another. For Canada, roads included are the numbered Federal and Provincial routes, exit and entrance ramps of limited access highways, and any other roads necessary to connect to Named Places that would otherwise be detached, as well as the intersections of the included roadways with one another. In both the U.S. and Canada, ferry routes are also included if they are principal mechanisms to connect to a Named Place or part of an included roadway. The current content of the Inter-Town Database is defined in Exhibit A which is attached hereto.

(c) "Long-Haul Database" shall mean those portions of the Navigation Database which include the main roads connecting metropolitan areas of population over 25,000 and classified as limited access, and those roads necessary to connect such metropolitan areas which are not connected by limited access roads.

1.9 "North America" shall mean the area covered by the 50 states of the United States of America and its possessions, the District of Columbia, and the area covered by the provinces and territories of the Dominion of Canada.

1.10 "R&D Period" shall mean the period between the Effective Date and December 31, 1995.

1.11 "Release Date" shall mean the date that a version of the Navigation Database is delivered to Customer in accordance with the provisions of Paragraphs 2.2(a), 2.2(d), or otherwise.

1.12 "Subsidiary" shall mean a company or organization over which a parent company or organization ("Parent") exerts direct or indirect control. Such control shall mean the ownership by the Parent, directly or indirectly, of (a) more than 50% of the stock ownership interest of such company or organization, representing the legal right to elect a majority of the company's or organization's board of directors or other managing authority, or (b), if such

company or organization is a non-stock entity, including, but not limited to a partnership, joint venture, or unincorporated association, the possession of the majority ownership interest and legal right to make decisions for such company or organization.

1.13 "Support Period" shall mean the 12 month period following distribution of a Copy to an End-User, and each extension or renewal thereof, provided that NavTech has been paid all such license fees required hereunder with respect to End-User.

ARTICLE 2. REPRESENTATIONS. WARRANTIES AND OBLIGATIONS

2.1 NAVTECH WARRANTIES. NavTech represents and warrants as follows:

(a) It is a corporation duly organized and existing under the laws of the State of Delaware and is in good standing under such laws. It has a wholly-owned subsidiary, Navigation Technologies U.S., Inc., which is a corporation duly organized and existing under the laws of the State of Delaware and is in good standing under such laws.

(b) It has the requisite corporate power to enter into this Agreement and to perform under this Agreement according to its terms. All actions on its own part and on the part of its directors and stockholders necessary for the authorization, execution, delivery, and performance of this Agreement have been taken as of the Effective Date. Its execution, delivery, and performance of this Agreement will not result in any material violation of any agreement to which it is a party nor any law to which it is subject.

(c) It has all title and ownership interests and all Intellectual Property Rights in the Navigation Database, subject to its granting licenses and similar rights. No encumbrance of any kind exists which would prevent it from granting the rights and licenses granted hereunder.

2.2 NAVTECH OBLIGATIONS. In addition to NavTech's other obligations under this Agreement:

(a) Within 10 days after Customer's request, but no more often than once per quarter, NavTech shall deliver to Customer the then current version of the Navigation Database (or any portion thereof, at Customer's

option), including any updates and modifications made by or for NavTech since the last delivery of the Navigation Database to Customer. NavTech will provide this information in GDF 2.2 (or successor) format or in another format mutually agreed to by NavTech and Customer.

(b) NavTech shall use commercially reasonable efforts to revise and update the Navigation Database in a timely manner. NavTech shall strive for continual improvement in the quality of the Navigation Database. The Navigation Database shall meet the Criteria for Accuracy and Completeness as defined in Exhibit B, which is attached hereto, and compliance therewith shall satisfy all of NavTech's obligations hereunder with respect to the accuracy and completeness of the Navigation Database.

(c) The versions of the Navigation Database delivered to Customer under Paragraph 2.2(a) shall be free of material defects. In the event that Customer notifies NavTech of a material defect, NavTech shall take commercially reasonable steps to correct such defect.

(d) In the event that Customer notifies NavTech of a problem or condition in the Navigation Database that in Customer's reasonable business judgment necessitates the reissuance of Copies of the database to End-Users, then NavTech will provide Customer with a corrected version of the Navigation Database within 20 business days of such notification. NavTech will investigate and correct, if appropriate, any other problems and conditions in the Navigation Database within 45 days of NavTech's receipt of notice thereof.

(e) NavTech will notify Customer of any change to the content definition of the Navigation Database set forth in Exhibit A at least six months before any such change occurs.

(f) NavTech will endeavor to make additions and enhancements to the Navigation Database including, but not limited to, the addition of phonetic street name pronunciation information and any other data mutually beneficial to Customer and NavTech, subject to Section 5.4 and Exhibit D hereof. Proposed additions or enhancements to the Navigation Database will not be considered mutually beneficial unless NavTech is permitted, in its sole discretion, to make such additions and enhancements available to third parties.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NAVTECH MAKES NO REPRESENTATIONS OR WARRANTY WITH RESPECT TO THE NAVIGATION DATABASE OR OTHERWISE. NAVTECH EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF QUALITY, PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

2.3 CUSTOMER WARRANTIES. Customer represents and warrants as follows:

(a) Customer is a corporation duly organized and existing under the laws of California and is in good standing under such laws.

(b) It has the requisite corporate power to enter into this Agreement and to perform under this Agreement according to its terms. All actions on its own part and on the part of its directors and stockholders necessary for the authorization, execution, delivery, and performance of this Agreement have been taken as of the Effective Date. Its execution, delivery, and performance of this Agreement will not result in any material violation of any agreement to which it is a party nor any law to which it is subject.

(c) Customer has, and shall continue to have, the right, license and legal authority: (i) to manufacture the Licensed Product; (ii) to combine the Licensed Product with the Navigation Database; and (iii) to sell and distribute the Licensed Product, combined with the Navigation Database, in accordance with the terms and conditions of this Agreement.

2.4 CUSTOMER OBLIGATIONS. In addition to Customer's other obligations under this Agreement:

(a) Customer shall be responsible for, and shall exercise any and all legally required care and diligence in connection with, the design, manufacturing, workmanship, testing, distribution, operation, and safety of any Licensed Products which incorporate or otherwise utilize the Navigation Database pursuant to the license granted to Customer hereunder.

(b) Any Licensed Products developed by or for Customer which incorporate or otherwise utilize the Navigation Database shall be free of material defects in design, manufacturing, workmanship, or otherwise. In the event that NavTech notifies Customer of a material defect in any Licensed Product, Customer shall take commercially reasonable steps to correct such defect.

(c) Customer shall not make any modifications, adaptations, alterations, or Derivative Works of the Navigation Database which introduce or cause errors or omissions in the Navigation Database not otherwise present.

(d) Customer shall not combine, incorporate, utilize, or distribute Copies with or in connection with any product which, alone or in combination with such Copies, infringes any other person's or entity's Intellectual Property Rights or any other rights.

(e) Customer shall comply with any and all United States and foreign export laws, regulations, and restrictions to the extent applicable to the Navigation Database.

ARTICLE 3. PAYMENTS

3.1 MANNER OF PAYMENT. All payments made by Customer to NavTech hereunder shall be in U.S. currency and paid to NavTech's bank account by means of telegraphic transfer of funds.

3.2 FEES ON PAYMENTS. Customer shall pay any and all fees, currency conversion costs, withholdings, taxes, and other costs or charges on its payments and transfers to NavTech, exclusive of any income taxes on NavTech's net income.

ARTICLE 4. LICENSES

4.1 GRANT OF LICENSE. Subject to Customer's performance of its obligations under this Agreement, NavTech hereby grants Customer a non-exclusive, non-transferable (except to a purchaser of Customer's entire navigation system business), non-sublicensable (except as set forth in Section 4.3) license under NavTech's Intellectual Property Rights for the term of this Agreement to produce, distribute, sell, or transfer Copies of the Navigation Database, solely for use in North America in Licensed Products developed by or for Customer.

4.2 LICENSED PRODUCT. In order to qualify as a Licensed Product under this Agreement, a product must satisfy all of the following specifications, terms, and limitations:

(a) The product shall be comprised of and limited to the sensor-free audio navigation system utilizing a voice input/output interface for routing a driver from a source point to a destination point, which system is more particularly described in U.S. Patent No. 5,274,560 dated December 28, 1993, except that any such product shall not, directly or indirectly, comprise,

incorporate, be coupled with or connected to any device of the type (or which has the capabilities) described in Claim No. 12 of such Patent or described in Paragraphs 4.2(b).

(b) The product shall not, directly or indirectly, comprise, incorporate, be coupled with or connected to any of the following:

(i) sensors or any similar devices, including, but not limited to, distance sensors, wheel rotation sensors, drive shaft rotation sensors, velocity sensors, accelerometers, gyroscopes, odometer feeds, or any other sensors or devices which perform similar functions;

(ii) compasses;

(iii) geo-location devices, including, but not limited to, GPS or satellite positioning devices, radio-based positioning devices, or any other devices which receive, process or provide positioning information, positioning guidance or other positioning instructions;

(iv) devices or software capable of performing map matching, dead reckoning or similar functions;

(v) visual, textual or graphic displays, interfaces or presentations, except the product may display single words or short phrases limited solely to instructions for operating, or the operational status of, the product (no navigation, route guidance, driving direction, positioning, turn, destination, map or geographic information of any kind may be visually provided); and

(vi) any other devices, software or technologies which provide similar functionality or have similar capabilities to any of the devices, matters or other things described in the preceding sub-paragraphs of Paragraph 4.2(b).

(c) Customer shall not, directly or indirectly, itself or through others, offer or provide to End-Users any upgrades, enhancements, parts, components, or accessories which, if incorporated, coupled with, or connected to a Licensed Product, would result in a violation of any of the provisions of Section 4.2.

(d) Customer acknowledges and understands that the license granted under Section 4.1 is restricted to Licensed Products as defined in Section 4.2. Customer shall not produce, use, distribute, sell or transfer the Navigation Database in connection with any product, system, device, or other thing whatsoever which fails in any respect to satisfy all of the specifications, terms, and limitations of Section 4.2.

4.3 END-USER LICENSES. NavTech grants Customer the non-exclusive, non-transferable, non-sublicensable right to grant end-user licenses to its End-Users, but only as set forth in this Article. Customer shall provide each End-User with a copy of an End-User License Agreement which restricts use of Copies to Licensed Products and which contains all of the terms described in Exhibit C ("End-User Terms"). Customer shall not modify any of the End-User Terms without NavTech's prior written consent.

4.4 TERM. The term of this Agreement is the Effective Date through DECEMBER 31, 2001 and any extension thereof pursuant to Section 4.5.

4.5 TERM EXTENSION. The term of this Agreement may, upon Customer's written notice delivered to NavTech at least six months prior to the expiration of the term of this Agreement or any extension thereof, be extended for additional five year periods. NavTech may terminate this right of extension by providing at least five years advance written notice to Customer, but in no event may the effective date of any such termination be prior to December 31, 2011.

4.6 PROHIBITED USES. Customer shall not produce, distribute, sell, or otherwise transfer Copies to End-Users or anyone else, or otherwise provide End-Users or anyone else with information or services derived therefrom, except as expressly authorized under the terms of this Agreement. Without limiting the generality of the foregoing, any and all unauthorized, unlawful, or illegal uses of the Navigation Database are expressly prohibited.

4.7 USE OF TRADEMARKS. During the term of this Agreement, Customer shall have the non-exclusive, non-transferable, non-sublicensable right to use the trademarks and tradenames that NavTech may adopt from time to time ("NavTech Trademarks") in Customer's advertising, promotional and packaging materials; provided, however, that Customer must conspicuously indicate in any and all such materials that NavTech is the owner of the NavTech Trademarks and/or that the NavTech Trademarks are registered trademarks of NavTech, as the case may be. Nothing stated herein shall constitute

a grant or other transfer to Customer of any right, title, or interest in the NavTech Trademarks or any other Intellectual Property Rights of NavTech. Upon termination of this Agreement for any reason, Customer will immediately cease all use of NavTech Trademarks.

4.8 PROPRIETARY RIGHTS LEGENDS AND NOTICES. Customer shall conspicuously display any and all of NavTech's proprietary rights legends, copyright notices, and similar information on Copies of the Navigation Database which Customer or its authorized agent produces, sells, transfers, and/or distributes to End-Users.

4.9 DERIVATIVE WORKS. In the event that Customer develops any Derivative Works which incorporate the Navigation Database, such Derivative Works shall be subject to the terms and conditions of this Agreement (to the same extent as Copies) and Customer agrees that all Intellectual Property rights to the portions of the Navigation Database incorporated in such Derivative Works shall belong exclusively to NavTech, free of any claim or retention of rights thereto on the part of Customer.

4.10 OBLIGATIONS ON TERMINATION. Except for the limited rights set forth in this Section, upon expiration or termination of this Agreement for any reason, Customer shall cease any and all use and distribution of the Navigation Database, undistributed Copies, Derivative Works, related documentation, and all other information and materials provided by NavTech to Customer, and Customer shall return all of the foregoing items and materials to NavTech within ten days of such termination. Notwithstanding the foregoing, in the event that this Agreement expires or is terminated for reasons other than Customer's breach of its payment obligations under Article 5 or breach of Customer's obligations under Paragraphs 2.4(a) or 2.4(b), then Customer shall have the limited rights:

(a) to continue to distribute Copies, for a period of 60 days from such expiration or termination, solely in order to fulfill signed agreements or purchase orders in existence as of the date of such expiration or termination; and

(b) to retain a copy of the Navigation Database and related documentation, information and materials for the purpose of providing ongoing support (excluding any further distribution of Copies) and maintenance to End-Users.

4.11 RIGHTS RESERVED. Customer acknowledges that NavTech owns all Intellectual Property rights in and to the Navigation Database, and that NavTech retains all such rights under this Agreement. Nothing contained in this Agreement shall transfer, assign, or set over to Customer or anyone else any of NavTech's title and ownership rights to the Navigation Database or any of NavTech's Intellectual Property rights with respect thereto. NavTech hereby expressly reserves all rights not expressly granted in this Agreement.

ARTICLE 5. LICENSE FEES

5.1 R&D PERIOD LICENSE FEES. During the R&D Period, Customer shall pay NavTech license fees in the amount of $250,000. Customer shall pay the foregoing amount to NavTech in four equal installments of $62,500, with the first such payment due upon execution of this Agreement; the second payment due on March 31, 1995; the third payment due on June 30, 1995, and the fourth payment due on September 30, 1995.

5.2 PER-COPY LICENSE FEES.

After the R&D Period:

(a) Customer shall pay NavTech per-copy license fees ("Per Copy License Fees") in the amount yielded by multiplying the number of Copies distributed by or for Customer times $4.00 per Copy. (In the event that Customer distributes multiple Copies to an End-User on a single physical media or otherwise, then each such Copy shall be considered distributed, and a separate $4.00 Per Copy License Fee shall become due and payable for each such Copy, as and when each such Copy is unlocked, activated or otherwise becomes usable by the End-User.) Customer shall pay NavTech Per Copy License Fees within 30 days after the end of the calendar month in which such Copies are distributed.

(b) No additional license fee shall be payable by Customer for the distribution of any Copy obtained from another who is licensed by NavTech to make such Copies and who has paid or is contractually obligated to pay NavTech all required license fees under the terms of a license agreement with NavTech.

(c) No additional license fee shall he payable by Customer for a Copy distributed to replace a damaged or otherwise physically non-working Copy, provided, however, that such Copy be (i) replaced within 30 days of the purchase by the End-User at no additional cost to End-User, (ii) replaced with a Copy that covers the

same portion of the Navigation Database, and (iii) has the same Release Date as the originally purchased Copy.

(d) No additional license fee shall be payable by Customer for including the Inter-town Database and/or Long-Haul Database as part of a Copy which also includes the Detailed City Database, provided that Customer does not charge the End-User any fees for the Inter-town Database or Long-Haul Database subsequent to the initial distribution and activation of the Copy.

5.3 LICENSE FEE ADJUSTMENTS. During the term of this Agreement, the initial $4.00 Per Copy License Fee shall be adjusted in each calendar year to reflect the actual increase or decrease in the U.S. Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Averages for All Items, from September 1993 to the September preceding the start of each calendar year.

5.4 ADDITIONAL LICENSE FEES. Subject to further mutual agreement of the parties, Customer shall pay NavTech additional license fees for enhancements to the Navigation Database which provide additional functionality and/or reductions in work for Customer, including, but not limited to, the matters specified in Exhibit D.

5.5 MOST FAVORED PRICING.

(a) Customer shall be entitled to the most favored prices which NavTech provides to any other licensee of the Navigation Database under an agreement executed after the Effective Date of this Agreement, for similar applications and quantities used in in-vehicle navigation systems in North America.

(b) The determination of most favored prices shall take into account the fees for an entire agreement including, without limitation, all license fees, annual minimums, and additional charges over the entire term of an agreement (as opposed to particular fees to the exclusion of others fees, or fees for a specific period of time to the exclusion of other periods).

(c) The determination of most favored prices shall exclude any credits, discounts, abatements, or other similar consideration extended to other NavTech licensees by reason of advance or pre-paid license payments and the like (and imputed interest thereon, provided that the interest rate shall not exceed 15% per annum).

(d) Within 60 days of the execution thereof, NavTech will notify Customer of the license and pricing terms ("New Terms") of each license agreement it executes after the Effective Date of this Agreement with another licensee of the Navigation Database for similar applications and quantities used in in-vehicle navigation systems in North America.

(e) In the event that Customer receives notice pursuant to Paragraph 5.5(d), Customer may elect to pay future license fees in accordance with the New Terms, such New Terms substituting in their entirety for the license and pricing terms otherwise in effect under this Agreement.

(f) Customer's right to make such an election with respect to any particular set of New Terms shall expire if Customer does not notify NavTech of such election in writing within 60 days after NavTech provides notice to Customer of the New Terms.

(g) The New Terms shall become effective as of the effective date of the subsequent agreement which contains the New Terms. All license fees incurred before such date shall be assessed in accordance with the Old Terms. Customer and NavTech shall make equitable adjustment with respect to any license fees already paid under the Old Terms which, based on Customer's election pursuant to Paragraph 5.5(e), become subject to the New Terms.

5.6 LICENSE FEES DURING EXTENSION PERIODS. In the event that the term of this Agreement is extended pursuant to Section 4.5 and a fee schedule for any years in the extension period is not agreed upon, license fees during any such years shall be paid in accordance with the rates, amounts, and charges prevailing under this Agreement for the last year for which license fees were agreed upon, including any and all adjustments thereto, including the continued adjustment provided in Section 5.3.

5.7 LICENSE FEE REPORTS. Within 30 days of the end of each calendar quarter, Customer shall provide NavTech with a written report setting forth the number of all Copies distributed by or for Customer during the prior quarter. Such reports shall also include the Release Date and geographic coverage of each Copy distributed.

5.8 CUSTOMER RIGHT TO INSPECT. Customer shall have the right, at its own expense, on reasonable notice and not more often than once annually, to appoint an independent auditor to

inspect during reasonable business hours, license agreements between NavTech and licensees of the Navigation Database for similar applications and quantities used in in-vehicle navigation systems in North America executed after the Effective Date. Further, such auditor shall have the right to inspect NavTech's files to the extent necessary to assure that such license fees and payments are collected according to the terms of such agreements. Such auditor shall only report back to Customer the fact, if any, that better license and pricing terms are available to a NavTech licensee under the aforesaid agreements and the details of such terms, but only if such terms were not previously disclosed to Customer pursuant to Paragraph 5.5(d). All other information of NavTech shall be kept in confidence by such auditor and not disclosed to Customer or any other party. If the audit demonstrates that NavTech has not disclosed to Customer any more favorable New Terms as required under this Agreement, then the expense of the inspection shall be borne by NavTech and Customer shall have the right for 60 days after completion of the inspection to make an election with respect to such New Terms according to the provisions of Paragraph 5.5(e).

5.9 NAVTECH RIGHT TO AUDIT. NavTech shall have the right, at its own expense, on reasonable notice and not more often than once annually, to inspect and audit during reasonable business hours Customer's records and other relevant information for the purpose of verifying the amount of license fees and other charges due. NavTech shall maintain the confidentiality of such information to the extent required under Section 7.18, and shall put the information and records inspected to no other use than the verification of license fees due. If such an audit determines that payments made during any period audited were 5% or more below the amount actually due, then the expense of the audit shall be borne by Customer. Customer shall pay Navtech any amount shown to be due by the audit within ten days of completion of the audit with interest as specified in Section 7.9 on the amount of the underpayment.

ARTICLE 6. ADDITIONAL PROVISIONS

6.1 TECHNICAL SUPPORT. NavTech will, without further charge to Customer, provide completed portions of the Navigation Database for Customer's internal testing and experimentation, along with basic technical training and support to enable Customer to understand and use the Navigation Database. NavTech will make additional specific technical support available on a mutually convenient basis at its fully burdened cost for time and materials.

6.2 CUSTOMER SUPPORT.

(a) NavTech will provide Customer, free of any additional charge, with reasonable assistance and support, including analysis of problems reported by End-Users through Customer and any necessary corrections thereof, during the respective Support Periods hereunder; provided, however, that NavTech shall not be responsible under this Paragraph for providing any Distribution And End-User Services as defined in Section 6.3.

(b) Customer agrees that any and all information and documentation concerning alleged and/or actual errors, problems, complaints, and related matters concerning the Navigation Database of which Customer is or becomes aware (including, but not limited to, database modification requests, missing information requests, customer complaints, error reports, and any other similar information and documentation) shall be made fully and freely available to NavTech, without charge, for NavTech's unlimited use in its sole discretion, including, but not limited to, NavTech's incorporation of such information and documentation into the Navigation Database. Customer shall promptly notify NavTech in writing of any and all such errors, problems, complaints and related matters concerning the Navigation Database, so that NavTech may have a fair and reasonable opportunity to investigate such matters and make any appropriate revisions, updates, and corrections in accordance in Paragraphs 2.2(b), 2.2(d), and 6.2(a). Customer shall not retain, acquire or assert any right, title or interest in or to the Navigation Database based on the transfer of the foregoing information and documentation to NavTech, NavTech's use or incorporation of such information and documentation (or derivatives thereof) in the Navigation Database or otherwise.

(c) Upon the expiration of the respective Support Periods hereunder, NavTech shall be absolved of any and all updating, support, warranty, and other obligations to Customer, including, but not limited to, those set forth in Paragraphs 2.2(b), 2.2(d), and 6.2(a), with respect to such End-Users whose Support Periods have expired.

(d) In the event that an End-User desires to receive further updates, support, or other assistance from Customer after the expiration of a Support Period, NavTech will extend or renew the Support Period with

respect to such End-User for an additional 12 month period, subject to Customer's payment to NavTech of additional license fees, which shall be calculated and paid in accordance with Section 5.2.

6.3 DATABASE DISTRIBUTION.

(a) In the event that Customer produces, sells, or distributes Copies of the Navigation Database to End-Users or otherwise provides End-Users with information or services contained in or derived from the Navigation Database, Customer shall provide such End-Users with any and all legally required and otherwise necessary training, instruction, warnings, disclaimers, and safety information, including, but not limited to, the End-User Licenses required under Section 4.3 and any other reasonable information and materials which NavTech requests Customer to provide to End-Users.

(b) Customer may utilize the services of Audio Navigation Systems, Inc. ("ANSI") in connection with the production and distribution of Copies for use in Licensed Products provided that ANSI first enters into a separate written agreement with NavTech which, among other things: (i) grants ANSI the right to engage in such production and distribution, and (ii) requires ANSI to comply with all of the terms, conditions, duties and obligations imposed on Customer under this Agreement with respect to production and distribution of Copies, including, but not limited to, payment obligations (the "ANSI Agreement"). In the event that ANSI and NavTech enter into the ANSI Agreement, Customer hereby agrees that Customer shall be jointly and severally responsible to NavTech for ANSI's payment obligations to NavTech. In all events, Customer shall remain directly responsible for all of Customer's duties and obligations under this Agreement regardless of whether they are performed by Customer or ANSI and regardless of any agreements, relationships or divisions of responsibilities between Customer and ANSI.

(c) Customer and NavTech may jointly elect to have NavTech perform the following additional services which NavTech otherwise has no obligation to provide (collectively, "Distribution And End-User Services"):

(i) Formatting the Navigation Database, any software provided by Customer to NavTech for inclusion with the formatted Navigation Database, such software to be provided at no charge to NavTech for this

purpose, and Customer-specific information (including, but not limited to, locations of dealerships, business directories, tourist guides, and other information); provided, however, if any of the above information is in a proprietary data format not belonging to NavTech, Customer shall supply to NavTech at no charge all software necessary to such formatting, engineered to operate in a computer environment acceptable to NavTech;

(ii) Packaging, maintaining inventory, and distributing information and other matters directly to End-Users;

(iii) Providing direct support during Support Periods to End-Users with respect to the Navigation Database, including analysis of any problems that would be reported directly to NavTech by End-Users and any necessary corrections, updates, modifications, and changes to portions of the Navigation Database which NavTech would provide directly to End-Users; and

(iv) Maintaining a help desk for End-Users to reach NavTech directly for problem reporting and resolution.

(d) In the event Customer and NavTech jointly elect to have NavTech perform any Distribution and End-User Services, Customer shall pay NavTech's fully burdened costs, calculated in accordance with generally accepted accounting principles, consistently applied, of such Distribution And End-User Services, plus a 10% service fee. NavTech shall invoice Customer monthly for Distribution Services provided pursuant to this Section 6.3. Payment shall be due within 30 days of invoice date. Customer shall have the right, at its own expense, on reasonable notice and not more than once annually, to inspect and audit NavTech's records and other relevant information for the purpose of verifying the amount of costs charged by NavTech for Distribution Services. Customer shall maintain the confidentiality of all confidential information of NavTech and shall put the information and records inspected to no other use than the verification of costs due. If such an audit determines that costs charged by NavTech during the period were 5% or more above the amount actually due, then the expense of such audit shall be borne by NavTech.

(e) In no event shall any payments for Distribution And End-User Services be credited or otherwise applied against any license fees or any other fees or charges due and owing from Customer to NavTech under this Agreement.

6.4 CUSTOMER EQUIPMENT. At NavTech's request, Customer shall provide NavTech, without charge and as soon as each is available, test and production versions of Licensed Products ("Test Systems") in each area where NavTech has a field office and in which Customer intends to offer Test Systems. NavTech will use such systems solely for purposes of testing and verifying the Navigation Database.

NavTech and Customer will jointly determine if additional Test Systems are required by NavTech in each area. If so, Customer shall promptly deliver any such additional Test Systems without charge to NavTech.

Customer will provide NavTech with the technical assistance necessary for NavTech to properly install, analyze, and use Test Systems.

NavTech shall be absolved of its obligations to Customer under Paragraphs 2.2(b), 2.2(d), 6.1, and 6.2(a) in any and all areas where NavTech has a field office and in which Customer distributes Licensed Products if Customer fails to provide NavTech with Test Systems in such areas.

All Test Systems provided to NavTech pursuant to this Section 6.4 are loaned to NavTech solely for the purpose of facilitating NavTech's support of Customer's operations. All Test Systems will remain the property of Customer and NavTech obtains no rights whatsoever in the same. NavTech may not lend, transfer, sublicense, encumber, pledge or assign Test Systems, and NavTech shall not move any of the foregoing outside the North America without the express written authorization of Customer. NavTech shall, at the written request of Customer, promptly return any and all Test Systems. NavTech shall not permit any third party to examine, access or use any of the Test Systems supplied hereunder. ALL TEST SYSTEMS ARE PROVIDED TO NAVTECH AS-IS, AND EXCEPT FOR CUSTOMER'S OBLIGATION TO PROVIDE TECHNICAL ASSISTANCE TO NAVTECH, CUSTOMER DISCLAIMS ALL WARRANTIES OF ANY KIND WITH RESPECT TO SUCH TEST SYSTEMS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE 7. GENERAL PROVISIONS

7.1 GOVERNING LAW. This Agreement shall be construed and governed by the substantive laws of the State of Delaware without giving effect to the conflict of laws provisions.

7.2 SEVERABILITY. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions hereof shall be nonetheless unaffected thereby and remain valid and enforceable as if such provision had not been set forth herein. The parties agree to substitute for such provision a valid provision which most closely approximates the intent and economic effect of such severed provision.

7.3 CONDITIONS NOT EXPLICITLY COVERED BY THIS AGREEMENT. The parties agree that conditions may occur in the development of the navigation business that may not he precisely covered in this Agreement ("Uncovered Conditions"). If an Uncovered Condition is identified, the parties will attempt in good faith to reach an equitable understanding in the spirit of the provisions of this Agreement. Uncovered Conditions may occur in the packaging of databases, software, and hardware; in the distribution approaches and sales channels used; and in other areas. None of the Uncovered Conditions constitute a condition precedent to the enforceability or effectiveness of this Agreement. In addition, nothing stated in this Section shall alter the interpretation, meaning, or legal effect of any of the other provisions of this Agreement, nor shall the existence or occurrence or any Uncovered Conditions (or the parties' failure to reach an equitable understanding with respect thereto) constitute a breach of this Agreement, a basis for the termination, cancellation, or rescission of this Agreement or otherwise excuse any party's performance hereunder.

7.4 ADVICE OF COUNSEL. The parties acknowledge that prior to executing this Agreement they have been advised by legal counsel and fully understand and agree to all of their rights and obligations under this Agreement, and that this Agreement is the result of informed negotiations between sophisticated parties. The parties further acknowledge and agree that they have not relied on any representation, inducement, or anything else in executing this Agreement that is not set forth expressly herein.

7.5 INDEPENDENT CONTRACTORS. The relationship of NavTech and Customer established by this Agreement is that of independent contractors, and nothing contained in this Agreement will be construed to (a) give either party the power to direct and control the day-to-day activities of the

other, (b) constitute the parties as partners, joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or (c) allow either party to create or assume any obligation on behalf of the other party for any purpose whatsoever. All financial obligations associated with each party's business are the sole responsibility of that party. All sales and other agreements between each party and its customers are each party's exclusive responsibility and will have no effect on that party's obligations under this Agreement.

7.6 FORCE MAJEURE. Neither party shall be liable to the other for a failure to perform any of its obligations under this Agreement, except for payment obligations previously incurred, during any period in which such performance is delayed due to circumstances beyond its reasonable control, provided such party notifies the other of the delay.

7.7 HOLD HARMLESS. Each party shall indemnify and hold harmless the other party, its officers, directors, employees, agents and affiliates from and against any and all liabilities arising out of any cause or event which is attributable to the indemnifying party's failure to perform or comply with any term of this Agreement, including liabilities for personal injury or product liability, but only to the extent to which such liabilities are not covered by the damaged party's insurance. Each party agrees to cooperate fully with the other in defending against such claims.

7.8 LIMIT ON LIABILITY. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES FOR ANY CAUSE OF ACTION ARISING OUT OF OR IN RESPECT OF THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY. THE FOREGOING LIMITATION SHALL APPLY EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7.9 PAYMENT DEFAULT. In the event that Customer is late or otherwise in default with respect to any payment due hereunder, Customer shall pay to NavTech interest at an annual rate of 15% (or the maximum rate permitted by law for any period in which the permitted rate is less than 15%), on the sum due from the due date of the payment until the full payment thereof.

7.10 WAIVER OF BREACH. No waiver of any kind under this Agreement will be deemed effective unless set forth in writing and signed by the party charged with such waiver, and no waiver of any right arising from any breach or failure to perform will be deemed to be a waiver or

authorization of any other breach or failure to perform or of any other right arising under this agreement.

7.11 ENTIRE AGREEMENT. This Agreement together with its Exhibits constitutes the entire agreement between the parties regarding the subject matter hereof.

7.12 MODIFICATION. This Agreement may be modified only by a written instrument duly executed by the parties hereto.

7.13 NOTICES. All notices required or permitted under this Agreement shall be delivered by hand, or sent by express mail or fax addressed as follows:

If to NavTech:

Navigation Technologies Corporation
Attn: Vice President, Administration & Finance
740 East Arques Avenue
Sunnyvale, California 94086-3833
Fax: +1-408-736-3734

If to Customer:

Amerigon Incorporated
Attn: Joshua Newman
404 East Huntington Drive
Monrovia, California 91016-3600
Fax: +1-818-932-1220

or at such other address as either party shall have furnished to the other in writing. All such notices and other written communications shall be effective (1) if sent by express mail, two business days after mailing, and (2) otherwise, upon delivery.

7.14 SUCCESSORS AND ASSIGNS. The rights and obligations of each party under this Agreement may not be transferred or assigned directly or indirectly without the prior written consent of the other party, which consent will not be unreasonably withheld. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. Notwithstanding the foregoing, each party shall have the right to assign or transfer all of its respective rights and obligations under this Agreement to any of its Subsidiaries.

7.15 DERIVED BENEFIT. Only the parties and/or their respective Subsidiaries are intended to derive any direct or indirect benefits from this Agreement. All Subsidiaries shall be

bound by this Agreement and will respect the parties' respective rights hereunder.

7.16 TERMINATION FOR BREACH. If either party materially breaches any of the terms of this Agreement and fails to cure such a breach within 30 days after receiving written notification of such breach from the non-breaching party, the non-breaching party may terminate this Agreement upon further written notification to the breaching party and may protect its interests by any means available to it.

7.17 ARBITRATION.

(a) If a dispute arises between the parties relating to the interpretation or performance of this Agreement or the grounds for the termination hereof, the parties agree to hold a meeting, attended by individuals with decision-making authority, regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute prior to pursuing other available remedies.

(b) If, within 30 days after such meeting, the parties have not succeeded in resolving the dispute, such dispute, on the written request of one party delivered to the other party, shall be submitted to and settled by final and binding arbitration, in accordance with the Licensing Agreement Arbitration Rules of the American Arbitration Association and shall be arbitrated by three arbitrators. The arbitration decision, including the allocation of legal expenses and the expenses of arbitration, shall be final and binding on both parties subject to the foregoing rules. The parties agree that any award granted pursuant to such decision may be entered forthwith in any court of competent jurisdiction. The seat of arbitration will be Wilmington, Delaware, USA, and the official arbitration language will be English.

7.18 CONFIDENTIALITY. All technical, experimental, development, business and/or other information disclosed hereunder by either party to the other shall be considered by the informed party to be confidential. Each party agrees to take all reasonable precautions to prevent disclosure to third parties of any such information that it receives from the disclosing party, except with written consent of the disclosing party, and to return such information to the disclosing party on its request. This provision shall not apply to any information which is or becomes available to the public generally without violation of this Agreement, nor to any information that is already in the possession of the informed party as a matter of right. This provision

applies for the entire term of this Agreement and for two years thereafter.

7.19 SURVIVAL OF TERMS. The rights and obligations which by their nature are intended to survive expiration or termination of this Agreement, including but not limited to the provisions of Section 4.8 (Proprietary Rights Legends And Notices), Section 4.10 (Obligations On Termination), Section 4.11 (Rights Reserved), Section 7.7 (Hold Harmless), Section 7.8 (Limit on Liability), Section 7.9 (Payment Default), Section 7.17 (Arbitration), and Section 7.18 (Confidentiality), shall survive the termination of this Agreement for any reason.

7.20 HEADINGS. The headings and subheadings used in this Agreement and in the exhibits hereto are only used for convenience of reference, and are not to be considered in construing this Agreement.

7.21 COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the date above first written.

NAVIGATION TECHNOLOGIES CORP.	AMERIGON INCORPORATED
/s/ T.A. Cerone	/s/ Joshua M. Newman
Signature	Signature
Thomas A. Cerone	Joshua M. Newman
Name	Name
Chief Financial Officer	Vice President
Title	Title

EXHIBIT A
DATABASE CONTENTS SPECIFICATION

I. DETAILED CITY DATABASE SPECIFICATION

- Road network geometry including:
  - named roads
  - named and addressed walkways
  - ferry connections
  - unnamed roads leading to or within selected cartographic features
- Street names, five digit zip codes (U.S.) or six digit postal codes (Canada), and municipality names for street segments
- Alias/alternate street names and alternate municipality names for street segments
- Connectivity of street segments
- Block-by-block address ranges (both sides of the street)
- Vanity address handling (e.g., IBM Plaza, Town and Country Shopping Center, United Nations Building, etc.)
- Roadway classifications, including toll roads, freeways, expressways, major arteries, main streets, residential streets, and low-access roads (private, gated, unpaved)
- Roadway characteristics, including one-way information, turn restrictions, dividedness, and construction status
- Overpasses and underpasses represented as relative vertical levels
- Sign text at decision points
- Points of Interest and Landmarks, including selected items of:
  - ATMs
  - Gas stations
  - Golf Courses
  - Hospitals
  - Hotels, restaurants, tourist attractions

        - Parks
        - Public transportation terminals, e.g., inter-city bus stations/terminals, rail stations, and airports
        - Schools
        - Shopping centers and malls

    - Cartographic Features including national, state, county and city boundaries, lakes, rivers, coastlines, railroads, and airports

II. INTER-TOWN DATABASE SPECIFICATION

    - Road network geometry including:

        - numbered routes - Interstate, Federal, State, County
        - roads that lead to named areas GREATER THAN 250,000 square meters or a population GREATER THAN 500 people
        - ramps for limited access roads
        - ramps between qualifying roads
        - exits, on and off for a qualifying road, that lead only to qualifying POIs. These exits only allow for a return to the same qualifying road (e.g., rest areas)
        - ferry connections between qualifying roads

    - Administrative area information (state and county names) for each street segment

    - Street names for street segments

    - Alias/alternate street names for street segments

    - Connectivity of street segments

    - Bridges and tunnels

    - Roadway characteristics, including one-way information, turn restrictions with time validity, construction information, toll booths, and dividedness

    - Roadway classifications, including toll roads, freeways, expressways, major arteries, main streets

    - Overpasses and underpasses represented as relative vertical levels

    - Sign text at decision points

- Points of Interest, including selected items of:

  - Airports
  - Automobile Ferries
  - Named Places
  - Petrol stations at rest areas
  - Rest areas on limited access highways with rest rooms
  - Restaurants at rest areas

- Cartographic Features including national, state and county boundaries, lakes, rivers, coastlines, railroads, and airports

EXHIBIT B

CRITERIA FOR ACCURACY AND COMPLETENESS

I. DETAILED CITY PORTION

A. PORTION. These criteria for accuracy and completeness shall be applied to a portion of the Navigation Database covering one or more contiguous areas, certified by NavTech as a completed Detailed City Database area ("Detailed City Portion").

B. CRITERIA FOR ACCURACY. In each Detailed City Portion, the Navigation Database will contain the following data elements, each type of which shall be at least 97% accurate:

For each intersection of included roads ("Intersection"):

- Latitude and longitude of the Intersection (within 15 meters)
- Turn restrictions
- Intersection geometry
- Street segments connected to the Intersection

For each street segment:

- Length (within 15 meters)
- Primary name
- Address range for each side of the street segment
- Aliases
- Street segment type
- Divider information
- Municipality in which the street segment is located
- One-way restrictions
- Ramp signage
- Construction status

C. CRITERIA FOR COMPLETENESS. For each Detailed City Portion, the Navigation Database will contain at least 97% of the valid addresses in the Detailed City Portion identified to their correct street segment.

D. VERIFICATION PROCEDURES. Customer may choose to verify the accuracy and/or completeness of any current release of a Detailed City Portion identified as being complete by NavTech. NavTech is not required to reverify a Detailed City Portion that previously passed such verification, within 24 months after the successful verification.

1. ACCURACY. Customer may test the accuracy of a Detailed City Portion by choosing up to 100 Intersections in the Detailed City Portion (the actual number to be specified by Customer) randomly selected in accordance with standard statistical practice. For each Intersection, NavTech will provide a listing from the Navigation Database of the information specified in Paragraph I.B of this Exhibit for the 100 selected Intersections and for each street segment attached to the selected Intersections ("Detailed City Test Listing").

   Within 30 days after the delivery of the Detailed City Test Listing to Customer, Customer will independently verify the information provided. The Detailed City Portion will be deemed accurate if at least 97% of each type of database element listed in the Detailed City Test Listing is correct (latitude and longitude correct if within 15 meters). If upon proper delivery of a Detailed City Test Listing by NavTech, Customer does not conduct and complete the validation within the time limits prescribed herein, then the Detailed City Portion shall be deemed accurate.

2. COMPLETENESS. Customer may test the completeness of a Detailed City Portion by providing to NavTech, in a mutually agreeable machine readable format, a list containing between 1,000 and 5,000 randomly selected routine mailable addresses within the Detailed City Portion ("Test Mailing List").

   Upon receipt of a Test Mailing List, NavTech shall use its standard software program, reasonably acceptable to Customer, to match addresses from the Test Mailing List against the content of the Detailed City Portion. The Detailed City Portion will be deemed complete if at least 97% of the addresses in the Test Mailing List are matched to the proper street segment in the Navigation Database. NavTech shall promptly provide Customer with a print-out showing the results of the test.

II. INTER-TOWN DATABASES

A. PORTION. This criteria for accuracy and completeness shall be applied to a portion of the Navigation Database covering one or more contiguous areas, certified by NavTech as a complete Inter-Town Database area ("Inter-Town Portion").

B. CRITERIA FOR ACCURACY. In each Inter-Town Portion, the Navigation Database will contain the following data elements, each type of which shall be at least 97% accurate:

For each Named Place: Name

For each Intersection:

- Latitude and longitude of the Intersection (within 100 meters)
- Turn restrictions
- Road segments connected to the Intersection

For each included road segment:

- Length (within 100 meters)
- Primary name
- Aliases
- Road type
- Divider information
- One-way restrictions
- Ramp exit information
- Construction status

C. CRITERIA FOR COMPLETENESS. For each Inter-Town Portion, the Navigation Database will contain at least 97% of the Named Places.

D. VERIFICATION PROCEDURES. Customer may choose to verify the accuracy and/or completeness of any current release of an Inter-Town Portion identified as being complete by NavTech. NavTech is not required to reverify a Inter-Town Portion that previously passed such verification, within 24 months after the successful verification.

1. ACCURACY. Customer may test the accuracy of a Inter-Town Portion by choosing up to 100 Intersections in the Inter-Town Portion (the actual number to be specified by Customer) randomly selected in accordance with standard statistical practice. For each Intersection, NavTech will provide a listing from the Navigation Database of the information specified in Paragraph II.B of this Exhibit for the 100 selected Intersections and for road segment attached to the selected Intersections ("Inter-Town Test Listing").

Within 30 days after the delivery of the Inter-Town Listing to Customer, Customer will independently verify the information provided. The Inter-Town Portion will be deemed accurate if at least 97% of each type of database element listed in the Inter-Town Listing is correct (latitude and longitude correct if within 100 meters). If upon proper delivery of a Inter-Town Listing by NavTech, Customer does not conduct and complete the validation within the time limits prescribed herein, then the Inter-Town Portion shall be deemed accurate.

2. COMPLETENESS. Customer may test the completeness of a Inter-Town Portion by providing to NavTech, in a mutually agreeable machine readable format, a list containing between 100 and 500 randomly selected incorporated cities and national and state/provincial parks within the Inter-Town Portion ("Test Place List").

Upon receipt of a Test Place List, NavTech shall use its standard software program, reasonably acceptable to Customer, to identify the location of the places named in the Test Place List against the content of the Inter-Town Portion. The Inter-Town Portion will be deemed complete if at least 97% of the places in the Test Place List are matched to the proper Named Place in the Navigation Database. NavTech shall promptly provide Customer with a print-out showing the results of the test.

EXHIBIT C

END-USER TERMS

Customer (for purposes of End-User License Agreements "Licensor") shall include the following terms in its End-User license agreements:

1. LICENSE GRANT. Copies of the NavTech Database and related documentation shall be licensed to End-Users under a non-exclusive, nontransferable license which restricts the use of such copies and documentation to Licensed Products. The license granted to End-Users shall not include the right to grant sublicenses.

2. FURTHER LIMITATIONS ON USE. End-Users shall be licensed to use copies of the NavTech Database only for internal purposes, and not for service bureau, time-sharing or other similar purposes. End-Users shall agree not to, and not to permit others to, modify, decompile, disassemble, or reverse engineer any portion of the NavTech Database. End-Users will be allowed to make one copy of the NavTech Database for archival or backup purposes only. End-Users shall agree that all copies of the NavTech Database must display the copyright notice and information relating to proprietary rights as they appear on the NavTech Database, including, without limitation, any "limited rights" legend. End-Users shall agree not to copy the documentation provided with the NavTech Database.

3. OWNERSHIP. End-Users shall be informed that the NavTech Database and related documentation and the copyrights and other proprietary rights therein are owned by Navigation Technologies Corporation and that Licensor has obtained the right to license End-Users to use such components on the terms and conditions contained in the End-User License Agreement. All rights not expressly granted in the End-User License Agreement shall be expressly retained by and for Navigation Technologies Corporation.

4. GOVERNMENT END-USERS. If the NavTech Database is being acquired by or on behalf of the United States government or any other entity seeking or applying rights similar to those customarily claimed by the United States government, the End-User License Agreement shall provide that the NavTech Database and related documentation are licensed with "limited rights." Utilization of the NavTech Database shall be subject to the restrictions specified in the "Rights in Technical Data and Computer Software" clause at DFARS 252.227-7013, or the equivalent clause for non-defense agencies. Manufacturers are Navigation Technologies Corporation, 740 East Arques Avenue, Sunnyvale, California 94086-3833, USA and [FILL IN LICENSOR'S NAME AND ADDRESS.]

5. INDEMNITY. End-Users shall agree to indemnify, defend and hold NavTech, including its licensors, assignees, subsidiaries and affiliated companies, officers, directors, employees, shareholders, agents and representatives of each of them, free and harmless from and against any loss, injury, demand, cost, expense, or claim of any kind or character, including but not limited to attorney's fees, arising out of (a) any use of the NavTech Database, or (b) any breach of any warranties or representations made by End-User in the End-User License Agreement or of End-User's obligations under the End-User License Agreement.

6. LIMITED WARRANTY. End-Users shall be informed that the only warranty made by NavTech with respect to the NavTech Database is that for a period of time of 12 months after each End-User's purchase of its Copy of the NavTech Database, it will conform substantially to NavTech's Criteria for Accuracy and Completeness existing as of the date of the End-User's purchase. End-Users shall be informed that their sole remedy if the NavTech Database does not perform as described is that NavTech [or Licensor] will use all reasonable efforts to repair or replace the nonconforming units of the NavTech Database or, in NavTech's discretion, will refund the license fees paid by the End-Users for the nonconforming units of the NavTech Database. End-Users shall be advised that, except as expressly provided in the limited warranty described in this Paragraph: neither NavTech nor Licensor warrants or makes any representations regarding the use or results of the use of the NavTech Database or related documentation in terms of its correctness, accuracy, reliability, or otherwise; no oral or written information or advice given by Licensor or any other person shall create a warranty or in any way increase the scope of the warranty described above, and NavTech does not warrant the NavTech Database to be error free.

7. END-USER SIGNATURE. [NOTE: THIS PARAGRAPH SHALL APPLY ONLY WITH RESPECT TO THE SIMULTANEOUS DISTRIBUTION OF COPIES OF THE NAVTECH DATABASE WITH LICENSED PRODUCTS.] End-Users shall be informed that the limited warranty set forth in Paragraph 6 shall become effective only upon Licensor's or its authorized agent's receipt of a warranty registration card which must be fully completed and signed by each End-User. End-Users shall also be informed that, by signing and returning the warranty registration card, End-Users thereby acknowledge that they have read and understand the End-User License Agreement and intend to be legally bound by it.

8. DISCLAIMER OF WARRANTY. End-Users shall be informed that except as expressly provided in the limited warranty described in Paragraph 6, NEITHER NAVTECH NOR LICENSOR MAKES ANY WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY ITEM OR SERVICE TO BE PROVIDED TO END-USER. WITHOUT LIMITING THE FOREGOING, NAVTECH EXPRESSLY DISCLAIMS ANY WARRANTIES OF QUALITY, PERFORMANCE, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. The foregoing disclaimer shall appear in all uppercase

letters, in bold-type face, or shall otherwise be conspicuously set off from the surrounding text ("Conspicuous Type"). The End-User Agreement shall also contain, in Conspicuous Type, the following notice: SOME STATES DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, SO THE ABOVE EXCLUSION MAY NOT APPLY TO YOU.

9. LIMITATION OF LIABILITY. End-Users shall acknowledge and agree that the fees charged for the NavTech Database do not include any consideration for assumption of the risk of consequential or incidental damages or unlimited direct damages which may arise in connection with End-Users' use of the NavTech Database. Accordingly, End-Users shall agree that neither NavTech nor Licensor shall he responsible for any loss of profit or indirect, incidental, special, or consequential damages, including, without limitation, loss of revenue, data, or use, incurred by End-Users or any third party arising out of the licensing or use of the NavTech Database, whether in an action in contract or tort or based on a warranty, even if NavTech or Licensor has been advised of the possibility of such damages.

End-Users shall agree that NavTech's and Licensor's maximum liability to an End-User with respect to all claims arising out of the End-User Agreement or the use of the NavTech Database shall be limited to the license fee paid by the End-User for the NavTech Database, depreciated on a straight line basis over a specific period.

10. WARNING. End-Users shall be warned that:

A. Copies of the NavTech Database reflect conditions as they existed at various points in time before end users' purchase of copies of the NavTech Database. Accordingly, copies of the NavTech Database may contain inaccurate or incomplete data or information due to the passage of time, road construction, changing conditions, and otherwise.

B. Copies of the NavTech Database are comprised of compilations of data and information from government and other sources which may contain errors and omissions. Accordingly, copies of the NavTech Database may contain inaccurate or incomplete data and information due to the nature and processing of such sources.

C. Copies of the NavTech Database do not include, analyze, process, consider or reflect any of the following categories of information, I.E., neighborhood quality or safety; population density; availability or proximity of law enforcement, emergency, rescue, medical, or other assistance; construction work, zones, or hazards; road and lane closures; legal restrictions (such as vehicular type, weight, load, height and speed restrictions); road slope or grade; bridge height, width, weight or other limits; road, traffic or traffic facilities safety or conditions; weather conditions; pavement characteristics or conditions; special events; traffic congestion; or travel time.

11. DEFAULT AND TERMINATION. The End-User License Agreement shall be terminable by Licensor or NavTech upon ten (10) days written notice to End-User for any material failure to comply with any provisions of the End-User License Agreement; provided, however, that Licensor or NavTech may terminate such Agreement upon forty-eight (48) hours written notice if End-User fails in any respect to comply with the requirements described in Paragraphs 1, 2, or 3 above. Upon termination of the End-User Agreement, the license granted under it shall cease and End-User shall immediately return the NavTech Database (including all copies) and related documentation to Licensor.

12. EQUITABLE REMEDIES. End-Users shall agree that because of the unique nature of the NavTech Database and the proprietary rights of NavTech therein, breach of the End-User License Agreement by End-Users would irreparably harm NavTech, and monetary damages would be inadequate compensation. End-Users shall further agree that NavTech shall be entitled to preliminary and permanent injunctive relief to enforce the provisions of the End-User License Agreement.

13. TRANSFER. End-Users shall agree that neither copies of the NavTech Database nor their rights under the End-User License Agreement may be transferred to third parties, unless the transferee is bound by all of the provisions of the End-User License Agreement.

14. THIRD PARTY BENEFICIARY. NavTech shall be expressly named as a third party beneficiary of the End-User License Agreement entitled to the same rights and protections as Licensor, and entitled to enforce the End-User License Agreement directly against End-Users.

15. SURVIVAL AFTER TERMINATION. The End-User License Agreement shall provide that at least the provisions dealing with indemnification by End-Users, limitation of liability, return of all copies of the NavTech Database after termination of the license and NavTech's third party beneficiary status shall survive termination of the End-User License Agreement.

16. GOVERNING LAW. This Agreement shall be construed and governed by the substantive laws of Delaware without giving effect to the conflict of laws provisions.

SAMPLE END-USER LICENSE AGREEMENT

IMPORTANT--PLEASE READ THIS END-USER LICENSE AGREEMENT CAREFULLY BEFORE USING THE NAVTECH DATABASE. THIS AGREEMENT CONTAINS IMPORTANT WARRANTY AND OTHER INFORMATION.

This is a legal agreement between you, the end user, and Amerigon, Incorporated ("Licensor"), the terms and conditions of which are set forth below. By using your copy of the NavTech Database, you agree to the terms and conditions of this License Agreement, so you should read the following terms and conditions carefully BEFORE you use your copy of the NavTech Database. [If the NavTech Database is being distributed simultaneously with a Licensed Product, also include the following sentence: You also must sign and return the accompanying warranty registration card to Licensor in order to activate your warranty rights and to further acknowledge your acceptance of the License Agreement.] If you do not agree with the terms and conditions of this License Agreement, do not use your copy of the NavTech Database, but rather return it, along with all other accompanying items, to your supplier for a refund.

1. LICENSE GRANT. Licensor grants you a non-exclusive, nontransferable license to use your copy of the NavTech Database and related documentation for your personal use or, if the end user is a business, for use only in your business' internal operations, solely as a component part of your Amerigon AudioNav System. This license does not include the right to grant sublicenses.

2. FURTHER LIMITATIONS ON USE. You are permitted to use your copy of the NavTech Database only for your own internal purposes, and not for service bureau, time-sharing or other similar purposes. You shall not modify, decompile, disassemble, or reverse engineer any portion of the NavTech Database. You may make one copy of the NavTech Database for archival or backup purposes only. Any such copy of the NavTech Database must display the copyright notice and information relating to proprietary rights as they appear on your original copy of the NavTech Database, including, without limitation, any "limited rights" legend. You shall not copy the documentation provided with the NavTech Database.

3. OWNERSHIP. You acknowledge that the NavTech Database, related documentation and the copyrights and other proprietary rights therein are owned by Navigation Technologies Corporation ("NavTech") and that Licensor has obtained the right to grant you a license to use such components on the terms and conditions contained in this End-User License Agreement. All rights not expressly granted in this End-User License Agreement are expressly retained by and for NavTech.

4. GOVERNMENT END-USERS. If the NavTech Database is being acquired by or on behalf of the United States government or any other entity seeking or applying rights similar to those customarily claimed by the United States government, the NavTech Database and related documentation are licensed with "limited rights." Utilization of the NavTech Database is subject to the restrictions specified in the "Rights in Technical Data and Computer Software" clause at DFARS 252.227-7013, or the equivalent clause for non-defense agencies. Manufacturers are Navigation Technologies Corporation, 740 East Arques Avenue, Sunnyvale, California 94086-3833, USA and [FILL IN LICENSOR'S NAME AND ADDRESS.]

5. INDEMNITY. You agree to indemnify, defend and hold NavTech, including its licensors, assignees, subsidiaries, affiliated companies, and the respective officers, directors, employees, shareholders, agents and representatives of each of them, free and harmless from and against any liability, loss, injury, demand, cost, expense, or claim of any kind or character, including but not limited to attorney's fees, arising out of (a) any use of the NavTech Database, or (b) any breach of any warranties or representations made by you in this End-User License Agreement or of your obligations under this End-User License Agreement.

6. LIMITED WARRANTY. NavTech warrants that, for a period of time of 12 months after your purchase of your copy of the NavTech Database, it will conform substantially to NavTech's Criteria for Accuracy and Completeness existing as of the date you purchased your copy of the NavTech Database. Your sole remedy if the NavTech Database does not perform in accordance with this limited warranty is that NavTech will use all reasonable efforts to repair or replace your nonconforming copy of the NavTech Database or, in NavTech's discretion, NavTech will refund the license fees paid by or for you for your nonconforming copy of the NavTech Database. Except as expressly provided in this section, neither NavTech nor Licensor warrants or makes any representations regarding the use or results of the use of the NavTech Database or related documentation in terms of its correctness, accuracy, reliability, or otherwise. NavTech does not warrant that the NavTech Database is or will be error free. No oral or written information or advice provided by Licensor or any other person shall create a warranty or in any way increase the scope of the limited warranty described above.

7. END-USER SIGNATURE. [NOTE: INCLUDE THIS SECTION ONLY IF THE NAVTECH DATABASE IS BEING DISTRIBUTED SIMULTANEOUSLY WITH A LICENSED PRODUCT.] The limited warranty set forth in Section 6 shall become effective only upon Licensor's receipt of the attached warranty registration card which must be fully completed and signed by you. By signing and returning the warranty registration card to Licensor, you acknowledge that you have read and understand this End-User License Agreement and that you

intend to be legally bound by all of the terms and conditions of this End-User License Agreement.

8. DISCLAIMER OF WARRANTY. Except as expressly provided in the limited warranty set forth in Section 6, NEITHER NAVTECH NOR LICENSOR MAKES ANY WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY ITEM OR SERVICE TO BE PROVIDED TO YOU. WITHOUT LIMITING THE FOREGOING, NAVTECH EXPRESSLY DISCLAIMS ANY WARRANTIES OF QUALITY, PERFORMANCE, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. SOME STATES DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, S0 THE ABOVE EXCLUSION MAY NOT APPLY TO YOU.

9. LIMITATION OF LIABILITY. The fees charged for your copy of the NavTech Database do not include any consideration for assumption of the risk of consequential or incidental damages or unlimited direct damages which may arise in connection with your use of the NavTech Database. Accordingly, NEITHER NAVTECH NOR LICENSOR SHALL BE RESPONSIBLE FOR ANY LOSS OF PROFIT OR INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE, DATA, OR USE, INCURRED BY YOU OR ANY THIRD PARTY ARISING OUT OF YOUR USE OF THE NAVTECH DATABASE, WHETHER IN AN ACTION IN CONTRACT OR TORT OR BASED ON A WARRANTY, EVEN IF NAVTECH OR LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NavTech's and Licensor's maximum liability to you with respect to all claims arising out of this End-User Agreement or your use of the NavTech Database shall be limited to the license fee paid by you for your copy of the NavTech Database, depreciated on a straight line basis over a specific period.

10. WARNINGS.

A. Copies of the NavTech Database reflect conditions as they existed at various points in time before end users' purchase of copies of the NavTech Database. Accordingly, copies of the NavTech Database may contain inaccurate or incomplete data or information due to the passage of time, road construction, changing conditions, and otherwise.

B. Copies of the NavTech Database are comprised of compilations of data and information from government and other sources which may contain errors and omissions. Accordingly, copies of the NavTech Database may contain inaccurate or incomplete data and information due to the nature and processing of such sources.

C. Copies of the NavTech Database do not include, analyze, process, consider or reflect any of the following categories of information, I.E., neighborhood quality or safety; population density; availability or proximity of law enforcement, emergency, rescue, medical, or other assistance; construction work, zones, or hazards; road and lane closures; legal restrictions (such as

vehicular type, weight, load, height and speed restrictions); road slope or grade; bridge height, width, weight or other limits; road, traffic or traffic facilities safety or conditions; weather conditions; pavement characteristics or conditions; special events; traffic congestion; or travel time.

11. DEFAULT AND TERMINATION. This End-User License Agreement is terminable by Licensor or NavTech upon ten (10) days written notice to you for any material failure to comply with any provisions of this End-User License Agreement; provided, however, that Licensor or NavTech may terminate such Agreement upon forty-eight (48) hours written notice if you fail in any respect to comply with the requirements described in Sections 1, 2, or 3 above. Upon termination of this End-User License Agreement, the license granted under it shall cease and you shall immediately return your copies of the NavTech Database and related documentation to Licensor or NavTech.

12. EQUITABLE REMEDIES. You acknowledge that because of the unique nature of the NavTech Database and the proprietary rights of NavTech therein, breach of this End-User License Agreement by you would irreparably harm NavTech, and monetary damages would be inadequate compensation. You agree that NavTech shall be entitled to preliminary and permanent injunctive relief to enforce the provisions of this End-User License Agreement.

13. TRANSFER. You agree that neither your copies of the NavTech Database nor your rights under this End-User License Agreement may be transferred to third parties, unless the transferee is bound by all of the provisions of this End-User License Agreement.

14. THIRD PARTY BENEFICIARY. NavTech is hereby expressly named as a third party beneficiary of this End-User License Agreement. Accordingly, you agree that NavTech is entitled to the same rights and protections under this End-User License Agreement as Licensor, and NavTech is entitled to enforce this End-User License Agreement directly against you.

15. SURVIVAL AFTER TERMINATION. The provisions of this End-User License Agreement contained in Section 5 (Indemnity), Section 9 (Limitation of Liability), Section 11 (regarding Return of All Copies of the NavTech Database After Termination), and Section 14 (NavTech's Third Party Beneficiary Status) shall survive termination of this End-User License Agreement.

16. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Delaware, without giving effect to its conflict of laws provisions.

EXHIBIT D

OPPORTUNITIES FOR ADDITIONAL LICENSE FEES

Subject to further discussion and mutual agreement, Customer will pay additional license fees to NavTech for enhancements to the Navigation Database which add functionality and/or reduce the work required to be performed by Customer with respect to the Navigation Database. Potential items for Customer and NavTech to discuss in this regard include the following:

ADDITIONAL FUNCTIONALITY:

- Predicted road speed by time of day and day of week

- Locations of traffic lights or stop signs

- Yellow pages data including complete business listings with comprehensive data such as phone number, short descriptions of offerings, business type classifications, restaurant reviews and the like

- Ranking of priorities of multiple location occurrences (e.g., if there are 10 addresses called "100 Main" street in a database, which locations are most likely to be used versus least likely

REDUCTIONS IN WORK:

- Identifying Road "Pathologies" (i.e., intersection configurations that cause routing ambiguity)

- Phonetic street pronunciation

- Simplified egress and ingress instruction set for major landmarks (e.g., airports, Disneyland, etc.)

- Recorded street names

- Field testing of AudioNav units in a particular metro area

- Map editing, including off-ramp signage, quality checking and uniform naming of points of interest

- Identification of "Preferred" names for roadways and points of interest

EXHIBIT E

SPECIFICATION OF METROPOLITAN AREAS

A "Metropolitan Area" shall mean and include NavTech's Detailed City Database coverage for each of the following cities and their respective metropolitan areas:

Albuquerque, NM
Atlanta, GA
Austin/San Antonio, TX
Baltimore, MD
Boston, MA
Buffalo/Niagara Falls, NY
Central Valley Area, CA
Charlotte, NC
Chicago, IL
Cincinnati/Dayton, OH
Cleveland, OH
Columbus, OH
Dallas/Ft. Worth, TX
Daytona Beach, FL
Denver/Boulder, CO
Detroit, MI
Flint, MI
Grand Rapids, MI
Greensboro/Winston/Salem, NC
Hartford, CT/Springfield, MA
Houston, TX
Indianapolis/Kokomo, IN
Jacksonville, FL
Kansas City, MO
Lansing, MI
Las Vegas, NV
Los Angeles, CA
Memphis, TN
Miami/Ft. Lauderdale/West Palm Beach, FL
Milwaukee, WI
Minneapolis/St. Paul, MN
Nashville, TN
New Jersey (northern)
New Orleans, LA
New York, NY
Oklahoma City, OK
Omaha/Lincoln, NE
Orlando, FL
Philadelphia, PA
Phoenix, AZ
Pittsburgh, PA
Portland, OR
Raleigh/Durham, NC
Richmond, VA
Sacramento, CA
Salt Lake City, UT
San Diego,CA
San Francisco Bay Area, CA
Santa Barbara, CA
Seattle, WA
St. Louis, MO
Toledo, OH
Toronto, Canada
Tulsa, OK
Washington, D.C.

EXHIBIT 10.22.3

MODIFICATION TO SECURITY AND LOAN AGREEMENT ("Security and Loan Agreement") DATED NOVEMBER 20, 1995, BETWEEN AMERIGON, INC. (BORROWER) AND IMPERIAL BANK AND THE ADDENDUM THERETO (Collectively, THE SECURITY AND LOAN AGREEMENT AND THE ADDENDUM ARE REFERRED TO AS THE "AGREEMENT").

Effective June 26, 1996, the Agreement is hereby amended to include the following:

- - Late Charges. If any installment payment, interest payment, principal payment or principal balance due hereunder is delinquent ten (10) or more days, Borrower agrees to pay Bank a late charge in the amount of 5% of the payment so due and unpaid, in addition to the payment; but nothing in this paragraph is to be construed as any obligation on the part of the Bank to accept payment of any payment past due or less than the total unpaid principal balance after maturity. All payments shall be applied first to any late charges owing, then to interest and the remainder, if any, to principal.

- - The Maturity of the Agreement shall be extended through September 30, 1996.

- - Except as provided above, the Agreement remains unchanged.

- - This Modification is effective as of June 26, 1996, and the parties hereby confirm that the Agreement as modified is in full force and effect.

AMERIGON, INC. "BORROWER"

By: /s/ R. John Hamman, Jr.

R. John Hamman, Jr., Vice President

IMPERIAL BANK

By: /s/ Julie Yen

Julie Yen, Senior Vice President

Exhibit 10.22.4

[LETTERHEAD OF IMPERIAL BANK]

December 4, 1996

Mr. John Hamman, Jr.
Amerigon, Inc.
404 E. Huntington Drive
Monrovia, CA 91106

Re: Loan #00709056728-3

Dear Mr. Hamman:

Imperial Bank has approved an extension of your credit facility shown above as evidenced by that Security and Loan Agreement and related Credit Terms and Condition Agreement both dated November 20, 1995, as amended on June 26, 1996, from its current maturity of November 30, 1996 to December 31, 1996. Also, Imperial Bank will forbear in exercising any rights under the loan documents in respect to the company's current and anticipated non-compliance with any of the financial covenants contained therein until December 31, 1996.

Except as modified and extended hereby, the existing documentation as amended concerning your obligation remains in full force and effect.

Sincerely,

/s/ Valerie C. Brosset

Valerie C. Brosset
Commercial Loan Officer

AMERIGON
CLIENT CONTRACT

As of April 1, 1996, Technology Strategies & Alliances, a California corporation ("TS&A"), hereby agrees with Amerigon, a California corporation ("Amerigon") as follows:

1. ENGAGEMENT

1.1 SERVICES Amerigon engages TS&A as an independent consultant to establish corporate partnerships to exploit technology underlying Amerigon's Interactive Voice System (IVS-TM-) in new vertical markets. The tasks and timeframe over which this project will be completed is outlined in Schedule B.

1.2 EXCLUSIVITY Amerigon will use TS&A on an exclusive basis to establish the subject corporate partnerships during the term of this contract.

1.3 STAFFING The services under this contract will be performed by TS&A working as a team with Amerigon. The TS&A team members will consist of Lawrence W. Roberts, as Project Manager, assisted by colleagues Eliott D. James, L. Owen Brown and Grant A. Dove. TS&A will be assisted by independent consultant, Robert S. winter. TS&A partner Bob O. Evans, who currently resides in Taiwan, may provide assistance on a targeted basis.

2. FEES AND EXPENSES Amerigon shall pay TS&A a retainer fee and a transaction fee as follows. The retainer is owed independent of the successful completion of a transaction. The transaction fee is owed only to the extent that a successful transaction is consummated with the BONE FIDE assistance of TS&A for the IVS technology between Amerigon and a corporate partner that is identified in the mutually agreed to list set forth in Schedule A. Amerigon and TS&A shall use good faith to distinguish between divisions, subsidiaries, etc. of large companies where TS&A has made a BONE FIDE contact from other divisions, etc. that are part of these same large companies but were not involved in TS&A's efforts.

2.1 RETAINER FEE Amerigon shall pay TS&A a cash fee of twelve thousand dollars ($12,000) per month for five months.

2.2 TRANSACTION FEES

Amerigon shall pay TS&A a transaction fee for each type of relationship as follows:

2.2.1 CONSTRUCTED ALLIANCE PERCENTAGE TRANSACTION FEES
For consummating constructed alliance agreements for each candidate, Amerigon constructed alliance agreement as indicated:

a. Ten percent (10%) of net licensing fees and royalties paid to Amerigon or accrued over a four year period from the date of inception of a strategic alliance.

b. Five percent (5%) of development revenues received, accrued or contracted over a two year period.

c. Three percent (3%) of sales made directly to an alliance partner or distribution commission paid to Amerigon from an alliance partner over two years, where such fees accrue on product sales defined at inception of the alliance or from products that are a direct technological derivative therefrom.

The payments may be staged to TS&A as the financial benefit is received by Amerigon. The parties may elect, at any time, to negotiate in good faith a single payment per partner.

2.2.2 EQUITY INVESTMENT TRANSACTION FEES

Although an equity investment is not sought within the scope of this engagement, should such an investment occur as part of the corporate partnering activities, Amerigon shall pay TS&A a transaction fee equal to five percent (5%) of the first $5 million in total value of the equity transaction plus a transaction fee equal to two percent (2%) of the total value of the equity transaction that exceeds $5 million. The total value of the transaction shall include: the amount of cash, the fair market value of any securities, indebtedness assumed or other consideration paid at the closing of the transaction, plus the net present value of any future payments, as mutually agreed in good faith by Amerigon and TS&A. Alternatively, payment to TS&A for future payment values may be made concurrently as value is received by Amerigon.

2.3 EXPENSES
Travel, meals, lodging, legal and other specific out-of-pocket expenses incurred by TS&A in support of this Contract, approved in advance by Amerigon, will be reimbursed by Amerigon and will be billed to Amerigon on a regular basis. Such expenses are expected to average less than $3,000 per month.

3. TERMS AND CONDITIONS

All expenses are payable within thirty (30) days of billing. Retainer fees are due on the first day of each month in advance, and transaction fees are due on the closing of the transaction.

3.1 TERMINATION

The initial term of this Contract will be one (1) year from the date of execution. Thereafter, the term shall be extended automatically on a month-to-month basis, unless earlier terminated. Notwithstanding the foregoing, after four (4) months either party may terminate this Contract at any time upon thirty (30) days prior written notice. In any event, the provisions of Section 3.3 shall survive pursuant to the details of Section 3.3. The provisions of Section 2.2 shall survive any termination of this Contract by Amerigon for a period of one (1) year from the date of termination for those potential partners mutually agreed to in Schedule A where TS&A has initiated bone fide contacts.

3.2 INDEMNIFICATION

Amerigon hereby agrees to indemnify and hold harmless TS&A and its officers, directors, employees and agents against any losses, claims, damages or liabilities (including legal fees and expenses) arising from this Contract or TS&A's relationship with Amerigon, unless and to the extent such losses, claims, damages or liabilities are proven to be the result of the gross negligence or willful misconduct of TS&A or its officers, directors, employees or agents.

3.3 CONFIDENTIAL INFORMATION

All confidential or proprietary information furnished or disclosed under this engagement shall be governed by the Confidentiality Agreement, executed separately as part of Schedule C.

3.4 RELATIONSHIP BETWEEN PARTIES

In performing its services under this Contract. TS&A shall operate as an independent contractor and shall not act as or be an agent or employee of Amerigon. TS&A shall in no way have authority to bind or obligate Amerigon in any respect.

3.5 COMPLIANCE WITH LAWS

TS&A and Amerigon agree to conduct their business in accordance with the laws of the State of California and the United States.

3.6 ENTIRE AGREEMENT

This Contract constitutes the entire agreement between Amerigon and TS&A relating to the subject matter set forth herein. It supersedes all prior agreements between the parties, whether oral or written, and may only be amended in writing, signed by both parties.

3.7 GOVERNING LAW
This Contract shall be governed in all respects by the laws of the State of California, without regard to conflict of laws principles.

Accepted and effective this First day of April, 1996.

TECHNOLOGY STRATEGIES & ALLIANCES	AMERIGON
By: /s/ Lawrence W. Roberts	By: /s/ Joshua M. Newman
Title: President	Title: Vice President

SCHEDULE A

CORPORATE PARTNERS SOLICITED

SCHEDULE B

IVS PROJECT SCOPE AND PROCESS OUTLINE

TS&A proposes to act as an investment banker in the project, taking primary responsibility for making contacts, follow-up and pursuit of agreements. We also will be actively engaged in negotiations on a team basis with Amerigon. Our objective is to achieve one or more partnerships with substantial and lasting benefit to Amerigon.

While all TS&A principals will be involved, Larry Roberts will be the project leader, with active assistance from Robert Winter. Messrs. Roberts, James and Brown already have spent time together in preliminary brainstorming.

We expect that Joshua Newman will be the primary interface at Amerigon, and that Lon Bell will be available at key selling and negotiating points. We do not envisage that Josh's time commitment would exceed one day per week. We anticipate calling on Amerigon for some support in preparing presentations.

You asked for a view of process and timelines:

- - We believe there is a fair amount of front-end effort required to establish a matrix of products and markets, identify potential partners on a more formalized basis than what you and I created during our meeting, understand competitive advantages and review competing technologies, and establish a semi-custom presentation that reflects the foregoing and the strategic opportunity we wish to present to candidate partners. These activities should consume a month, at which time we will be well positioned to initiate contacts with a prioritized list of firms.

- - Commencing - mid-May, we would initiate company contacts on a concentrated basis using all the participants. Our practice is to attempt to target the most relevant executive rather than a generic CFO, COO or the like. Our preference is to have direct contact via the phone if possible, followed by a letter or fax.

- - By early June we should be in initial meetings with targets, a process that probably stretches over the summer. Goal of the meetings will be to get them sufficiently interested to undertake an internal review of the opportunity and to review the technology in detail.

- - By Labor Day, we expect to be in negotiations with several firms, leading to a mou by early October, definitive agreements by early to mid-November and a close before year end.

SCHEDULE C

SECRECY AGREEMENT

AGREEMENT made and entered into as of 01 April 1996 by and between Technology Strategies & Alliances, a California corporation, acting for and on behalf of itself and all of its subsidiaries and having offices at 3000 Sand Hill Road, Building 2, Suite 235, Menlo Park, CA 94025 ("TS&A"), and AMERIGON INCORPORATED, a California corporation with offices at 404 E. Huntington Drive, Monrovia, California 91016 ("AMERIGON").

WHEREAS, AMERIGON wishes to disclose to TS&A details of its Interactive Voice System (IVS-TM) technology and general business plans, in order that TS&A may be able to develop a strategic partner for AMERIGON's IVS technology; and

WHEREAS, TS&A wishes to disclose to AMERIGON the details of TS&A's potential strategic partners for Amerigon's IVS technology, in order that AMERIGON may be able to work with TS&A in developing a strategic partner for AMERIGON's IVS technology; and

WHEREAS, AMERIGON considers the details of its Interactive Voice System technology and general business plans to be trade secrets of and proprietary to AMERIGON; and

WHEREAS, TS&A considers the details of its potential strategic partners for Amerigon's IVS technology to be trade secrets of and proprietary to TS&A;

NOW THEREFORE, in view of the foregoing premises and in consideration of the mutual promises and covenants contained in this Agreement, AMERIGON and TS&A agree as follows:

1. PROPRIETARY INFORMATION. "Proprietary Information" means:

(a) all samples, models, and prototypes of AMERIGON's Interactive Voice System technology and general business plans delivered to TS&A by AMERIGON; and all samples, models, and prototypes of TS&A's potential strategic partners for Amerigon's IVS technology delivered to AMERIGON by TS&A; and

(b) any other information disclosed to TS&A by AMERIGON relating to AMERIGON's Interactive Voice System technology and general business plans or to AMERIGON by TS&A relating to TS&A's potential strategic partners for Amerigon's IVS technology, provided such other information is disclosed either (i) in writing or other tangible form, bearing a label or stamp identifying the information as secret, confidential, or proprietary or (ii) orally with a designation of such information as secret, confidential, or proprietary prior to or during oral disclosure and with a subsequent reduction of such information to writing, the writing being labeled as set out in Section 1(b)(i) above and sent to recipient within thirty (30) days after the oral disclosure.

2. USE AND OBLIGATION OF CONFIDENCE. In consideration of receiving any Proprietary Information from discloser and for a period of 5 years after recipient

receives each item of Proprietary Information from discloser, recipient (including all of its subsidiaries) shall:

(a) use such item of Proprietary Information only to make technical and economic evaluations pertinent to the purposes above stated and for no other purpose; that is, recipient will not use the Proprietary Information to design, make or sell any product;

(b) hold the Proprietary Information in confidence and disclose it only to recipient's employees (including employees of recipient's subsidiaries) who will use the Proprietary Information only in accordance with Section 2(a) above, unless otherwise agreed in writing by discloser; and

(c) not remove any item of Proprietary Information from the United States of America.

Recipient's obligations under this Section 2 will survive the termination of this agreement.

3. EXCEPTIONS. Notwithstanding Sections 1 and 2, this Agreement shall impose no obligation upon recipient with respect to any Proprietary Information which (a) is now or subsequently becomes publicly known or available by publication, commercial use or otherwise without breach of this Agreement by recipient; (b) is known to recipient at the time of receipt; (c) is subsequently rightfully furnished to recipient by a third person without a restriction on disclosure; (d) is independently developed by employees of recipient who have not had access to Proprietary Information; or (e) is delivered to recipient after the expiration of this Agreement.

4. NO LICENSE. Neither the execution of this Agreement nor the furnishing of any Proprietary Information hereunder shall be construed as granting, either expressly or by implication, estoppel; or otherwise, any license under or title to any invention or patent now or hereafter owned or controlled by either party.

5. NO COMMITMENT TO FURTHER AGREEMENTS; NO CLAIMS. This Agreement is not, and shall not be construed to be, an obligation to enter into any other agreement or contract or to result in any claim whatsoever by either party against the other party for reimbursement of cost for any effort expended.

6. NO OWNERSHIP OR COPYING. All samples, models, prototypes, photographs, drawings, information, and data submitted to recipient under this Agreement will remain the property of discloser, shall not be copied or reproduced by recipient without discloser's written consent, and may be recalled by discloser at any time. Upon receipt of a written request from discloser for return of such samples, models, prototypes, photographs, drawings, information, and data, recipient will immediately deliver to discloser all such samples, models, prototypes, photographs, drawings, information, and data, including all copies, reproductions and facsimiles.

7. WORKING WITH OTHERS. This Agreement will not preclude either party from working with others in any connection, so long as the obligations of Section 2 are respected.

8. TERM. This agreement shall be effective on the date written in the first paragraph (unnumbered) of this Agreement, upon execution by both parties. Except for the rights and obligations of Section 2 above with respect to Proprietary Information disclosed prior to expiration, this Agreement shall expire 1 year after the date written above, unless earlier terminated upon written notice by one party to the other. Early termination upon written notice shall be effective 30 days after mailing said notice. Each party's rights and obligations under Section 2 above shall terminate as to particular items of Proprietary Information in accordance with the time limitation of Section 2 or one or more of the exceptions of Section 3.

9. NO ASSIGNMENT. Neither party shall assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other party, except to a successor in ownership of substantially all of party's assets, which successor in ownership shall expressly assume in writing the performance of the terms and conditions of this Agreement.

10. RELATIONSHIP OF THE PARTIES. The relationship of the parties shall be that of independent contractors, and nothing contained herein shall be deemed to create any relationship of agency, joint venture, or partnership. Neither party hereto shall have any power to commit, contract for or otherwise obligate the other party to any third person.

11. ENTIRE AGREEMENT; CHOICE OF LAW. This Agreement is the entire Agreement between the parties and supersedes all other agreements and understandings relating to the subject matter hereof. This Agreement (a) may be amended only by a written amendment duly executed by the parties and (b) will be governed by and construed in accordance with the law of the State of California. Each of the parties submits to the exclusive jurisdiction of the courts located in the State of California in connection with any action brought under this Agreement. Further, the terms of the Agreement are in lieu of and override any contrary terms or conditions, preprinted or otherwise, that may appear on any form used by either party to purchase or offer to purchase samples, models, or prototypes from the other party or (b) by either party to acknowledge such a purchase or accept such an offer.

IN WITNESS WHEREOF, the parties have caused this Secrecy Agreement to be executed by their duly authorized representatives.

AMERIGON INCORPORATED	Technology Strategies & Alliances
By /s/ JOSHUA NEWMAN	By /s/ LAWRENCE W. ROBERTS
Joshua Newman	
Vice President	

TABLE OF CONTENTS

PREAMBLE

This Agreement is made and entered into this FIRST day of June, 1996 by and between AMERIGON, INCORPORATED, whose office is currently located at 404 East Huntington Drive, Monrovia, California 91016-3600, hereinafter referred to as AMERIGON, and the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, DISTRICT LODGE 725, hereinafter referred to as the IAM.

PURPOSE OF AGREEMENT

The purpose of this Agreement is to promote continuity of friendly relations between Amerigon and the IAM and to define wage, hours and conditions of employment for employees covered by the Agreement, and to jointly develop a partnership that will accomplish goals of mutual benefit to all employees, customers, suppliers, the Union and the communities in which we function while at the same time retaining and creating more good and decent jobs with Amerigon.

RECOGNITION

AMERIGON recognizes the IAM, its designated agents and representatives, its successors, as the sole and exclusive collective bargaining agent on behalf of all of the employees of the company at the facilities in Alameda County and elsewhere (excluding the corporate facilities currently located at 404 East Huntington Drive, Monrovia, California) within the bargaining unit defined below, with respect to wages, hours and all other terms or conditions of employment.

a. All vehicle technicians, machinists, welders, planners, operators, shipping and receiving, reproduction and development production and maintenance employees employed in the manufacture of vehicles; and

b. excluding all professionals, office clerical, and other employees employed in the production of electronic sensors, controls and vehicle guidance systems and supervisors, as defined in the act.

From time to time, it may be necessary for engineers and supervisory personnel to work with bargaining unit employees. However, it is understood that non-bargaining unit employees shall not perform bargaining unit work while those who normally perform such work are on layoff or where such performance would create a reduction in force of the bargaining unit employees.

RESPONSIBILITIES

AMERIGON MANAGEMENT WILL BE RESPONSIBLE FOR:

- - Discharge decisions;
- - Assigning jobs;
- - Providing company tools:
- - Promotion decisions;
- - Disciplinary decisions;
- - Equipment and property;
- - Necessary workforce reduction.

Amerigon management has approval authority for these decisions unless otherwise covered by the labor agreement. Information will be provided to the IAM either voluntarily or by request.

JOINTLY DEVELOP/IMPLEMENT WITH JOINT APPROVAL

It is the full intent of the parties to work together to insure the success in this endeavor of partnering of responsibilities. To that end the parties will try a new approach to working together.

Each party may present an idea or a concept to the other. We will then jointly review and, if acceptable, develop the idea with a plan for implementation for the following topics:

- - Screening of applicants and making recommendations for hiring;
- - Contracting in or contracting out of components and sub-components that relate to the production plan;
- - Responding to the production schedule such as, overtime hours of work and
- - need for additional resources including equipment, material and personnel;
- - Skill requirements; training needs in order to create a multi skill environment;
- - Reasonable rules and regulations.

Intentions to do the above will be communicated in a timely manner with the Union. Both parties will attempt to reach consensus agreement prior to implementation. Any decisions concerning the above matters enacted without consensus may be subject to the grievance procedure.

However, if the procedure for joint development and joint approval does not work to the satisfaction of either the Union or the Company, one party shall notify the other in writing and the practice of joint development and joint approval shall be discontinued .

SHARED RESPONSIBILITIES

Amerigon management and the IAM share responsibility for all or part of the following topics:

- - Safety and health of employees;
- - Investigations;
- - Represent employees and their work;
- - Payment of dues;
- - Community involvement (i.e., United Way, Blood Drives, Community Services Committee);
- - Support teaming/team/work;
- - Require employees to follow rules;
- - Involve the right people in decision-making;
- - Protect the environment (i.e., recycling, pollution control, conservation of energy);
- - Leadership for a successful company;
- - High quality of work;
- - Solve problems at the lowest level;

- - Preservation of jobs;
- - Promote maximum efficiency.

Where information is developed, it will be provided either voluntarily or by request.

EMPLOYEES' RESPONSIBILITIES (AMERIGON AND IAM MEMBERS)

In addition to the roles and responsibilities for the IAM and Amerigon, all of us have to be responsible and accountable for our following actions:

- - Work safely;
- - Provide personal tools (when required);
- - Notice for family and medical leave;
- - Do high quality work;
- - Follow rules and regulations;
- - Work efficiently
- - Offer suggestions for improvement where you can;
- - Resolve problems at the lowest level;
- - Be responsible for your actions;
- - Work within the labor agreement
- - Change of address to Personnel Records.

Through shared responsibility we will ensure our success in the future.

UNION SECURITY AND CHECK-OFF

All present employees covered by this Agreement shall, as a condition of continued employment, become members of the IAM by the thirty-first (31) day following the execution of this agreement, and shall remain members of the IAM during the term of the agreement, to the fullest extent permissible by law.

All new employees covered by this agreement shall, as a condition of employment, become members of the IAM by the thirty-first (31) day following the beginning of employment, and shall remain members during the term of this agreement, to the fullest extent permissible by law.

Amerigon will, within three (3) working days after receipt of notice from the Union, discharge any employee who has failed to comply with the provisions of the preceding paragraphs.

The IAM shall indemnify and save Amerigon harmless against any and all claims, demands, lawsuits or other forms of liability that may arise out of or by reason of action taken by the company at the direction of the union in making payroll deductions of membership dues, reinstatement, initiation fees, or discharge of an employee at the IAM's request in accordance with the paragraph above.

Upon receipt of authorization signed by the employee, Amerigon shall deduct from the employee's pay the initiation fee, or reinstatement fee and monthly dues or fees payable to the IAM, in an amount directed by the Union for the period specified, so long as the employee remains in the bargaining unit.

HOURS OF EMPLOYMENT

Forty hours shall constitute a work week, eight hours per day, five days per week, Monday through Friday.

The regularly established starting time of the Day Shift shall be recognized as the beginning of the twenty-four hour work day period. When irregular or broken shifts are worked, overtime rates shall apply before the regular starting time and after the regular quitting time of the shift on which the employee is regularly employed.

First, or regular day shift: A consecutive eight and one-half hours period, between the hours of 6:00 a.m. and 5:30 p.m., less thirty minutes for meals on the employee's time. Pay for a full shift period shall be a sum equivalent to eight times the regular hourly rate with no premium. By mutual agreement between the Employer and the Union the lunch period may be extended to one hour, provided, however, that it does not change the hours of the second shift.

Second shift: A consecutive eight and one-half hour period, between the hours of 2:30 p.m. and 2:00 a.m., less thirty minutes for meals on the employee's time. Pay for the swing shift period shall be a sum equivalent to eight (8) times the employee's regular rate including a fifty cent (50-cent) per hour shift differential.

Three Shift Operation: The hours worked, should a three shift operation be established, will be a consecutive eight hour period, less thirty minutes for meals, between the hours of 10:00 p.m. and 8:00 a.m. Pay for the grave shift shall be a sum equivalent to eight (8) times the employee's regular rate including a fifty cent ($.50) per hour shift differential.

For work on any shift less than the full shift period, pay shall be for the number of hours worked, provided such amount not be less than the specified minimum pay.

REPORTING, MINIMUM & CALL BACK PAY

1. Any employee reporting for work at the regular starting time on any day at the request of Amerigon and not permitted to work on such day shall receive four hours pay at appropriate rate.

   Any employee shall be deemed as requested to report on his regular shift unless notified by any authorized Amerigon representative to the contrary prior to the close of the previous day's work or notified by telephone or written message at least four hours before his regular start time.

2. Employees who start work, at the regular starting time, shall received a minimum of four hours work or pay, at the appropriate regular rate, or pay for the number of hours worked, whichever is greater, except that any employee who voluntarily leaves his work shall be paid only for actual time worked.

3. Any employee who is called back to work by the employer, before or after, but not in continuation with his regular shift, shall receive not less than four hours pay at the overtime rate. This provision shall not apply

in case of overtime work which is continuous with the hours of the employee's shift exclusive of his meal period.

4. The provisions of this section "shall not apply if work is unavailable as a result of causes beyond the control of Amerigon.

SHIFT TRANSFER

Employees transferred from one shift to another shift by direction of Amerigon shall be given five working days notice. Otherwise they shall be paid at the overtime rate for the first shift worked. Such changes shall not result in any loss of time to the employee. Whenever such transfer is for three days or less, the applicable overtime rate and shift differential shall be paid. In all cases, the transfer of employees shall be by seniority within a job classification and the affected employee shall have a minimum rest period of eight hours between shifts.

REST PERIODS

It is the intent of the parties to establish reasonable rest periods. The running break will be recognized as dictated by efficient work force and operational requirements. In the event it is deemed necessary by management to change an established rest period within a work department or organization, seven (7) calendar days' notification will be given prior to implementing such change.

The length of rest periods will be ten (10) minutes during the first half of an employee's shift and ten (10) minutes during the last half of an employee's shift.

Wash up time of five (5) minutes shall be provided for before lunch breaks and at the end of the shift.

An uninterrupted thirty (30) minute period, beginning and ending within five (5) hours of the start time shall be provided as a lunch break.

OVERTIME

Overtime will be paid at the rate of one and one half times the employees base rate for all hours worked, at Amerigon's request or instruction, in excess of eight hours per day or forty hours in a work week. Double time will be paid for hours worked in excess of twelve in a workday, or in excess of eight on the seventh day of work within a work week. For the purposes of computing overtime, holidays and paid personal leave time will be counted as hours worked.

Upon request, employees shall be excused from working overtime for reasonable causes.

Employees performing work on a job shall be given preference to all overtime on that job. Otherwise, overtime shall be assigned to employees sequentially down the seniority list. On subsequent occasions that overtime is required to be worked, it shall be assigned to employees sequentially down the seniority list commencing with the employee next in line from the previous occasion. In this respect, employees means those employees who have previously satisfactorily performed the assigned work.

Amerigon is under no obligation for errors in overtime assignment except for making provisions for overtime to be worked by the aggrieved employee at the first reasonable opportunity.

The Human Resources Manager and the District Lodge Business Representative will meet within thirty (30) days of the anniversary of this agreement to review the overtime distribution and premium rates.

PERSONAL LEAVE TIME

Amerigon will provide personal leave time to employees which can be used for vacation, sick leave and personal time off from work.

Personal leave time is accrued each pay period (every two weeks) at the following rate:

0 to 5 years of employment	5.10 hours
5 plus years of employment	6.15 hours

Leave time may be requested after an employee completes sixty (60) days of employment.

Employees may request to be paid those accumulated hours over forty (40), at any time. Upon termination of employment all accrued hours are to paid to the employee.

HOLIDAYS

The following shall be recognized as paid holidays:

New Years Day	Thanksgiving Day
Memorial Day	The Day after Thanksgiving Day
Independence Day	Christmas Day
The Day after Independence Day	One Floating Holiday*
Labor Day	

*Amerigon shall designate by January 15 of each year

BEREAVEMENT PAY

Any employee who has completed his/her probationary period will be paid for three days time off for death in the immediate family, i.e., spouse, child, mother, father, brother or sister, mother-in-law, father-in-law, grandparents or spouse's grandparents, and parents in absentia or spouse's parents in absentia. The names of the parents in absentia shall be on tile with Amerigon. When attending a funeral out of State, any eligible employee will be provided one additional day off without pay. All bereavement time must be taken within ten days following the day of the funeral.

WAGE RATES

Effective June 1, 1996, AMERIGON will pay the following per hour wage rates for the Labor Grades listed below:

	RATE RANGE	
	Entry	Top
Labor Grade 7	$19.00	$20.00
Labor Grade 5	$17.00	$18.00
Labor Grade 3	$15.OO	$16.00
Labor Grade 1	$13.00	$14.00

Effective June 1, 1997, AMERIGON will pay a 3% (three percent) General Wage Increase, which shall be applied to the individual base rate of each employee and to maximum of each rate range in the following procedure:

Labor Grade 7	$19.60	$20.60
Labor Grade 5	$17.54	$18.54
Labor Grade 3	$15.48	$16.48
Labor Grade 1	$13.42	$14.42

Effective June 1, 1998, AMERIGON will pay a 3% (three percent) General Wage Increase, which shall be applied to the individual base rate of each employee and to maximum of each rate range in the following procedure:

Labor Grade 7	$20.22	$21.22
Labor Grade 5	$18.10	$19.10
Labor Grade 3	$15.97	$16.97
Labor Grade 1	$13.85	$14.85

All employees hired prior to June 1, 1996 shall be paid at the top of the rate of their classification.

Employees hired or promoted after June 1, 1996, shall start at the entry rate for respective classification and shall receive automatic progressional increases of fifty ($.50) per hour on December 1 and June 1 of each calendar year. It shall take no longer than twelve (12) months or two (2) automatic progressions to reach the top of their labor grades.

An applicant for employment may be hired at any rate within the above ranges which is determined by AMERIGON to be in accordance with the applicant's qualifications and experience.

LEAD PERSON PAY

Employees assigned to lead status will be paid a lead bonus of the highest rate of either 10% (ten percent) of their current rate of pay, or $.25 (twenty-five cents) per hour above the highest classification lead.

JOB CLASSIFICATIONS/PROMOTIONAL LADDERS

The following job classifications and ladders are covered by this Agreement:

Vehicle Assembly Technician - Machinist, Senior	LG 7
Vehicle Assembly Technician - Weldor, Senior	LG 7
Vehicle Assembly Technician - Machinist	LG 5
Vehicle Assembly Technician - Weldor	LG 5
Vehicle Assembly Fabricator	LG 3
Shipping/Receiving Clerk	LG 3
Vehicle Assembler	LG 1

Ladder 1

Vehicle Assembly Technician - Machinist, Senior	LG 7
Vehicle Assembly Technician - Machinist	LG 5
*Vehicle Assembly Fabricator	LG 3
*Vehicle Assembler	LG 1

Ladder 2

Vehicle Assembly Technician - Weldor, Senior	LG 7
Vehicle Assembly Technician - Weldor	LG 5
*Vehicle Assembly Fabricator	LG 3
*Vehicle Assembler	LG 1

Ladder 3

Shipping/Receiving Clerk	LG 3

*The Vehicle Assembly Fabricator/Vehicle Assembler classification shall be in each of these ladders for promotional consideration.

NEW OR REVISED JOB CLASSIFICATION

It is recognized that the establishment of new or revised job classifications within the collective bargaining unit heretofore defined may be warranted because of changes in job content growing out of the introduction of new products, changes in equipment, tooling, or in methods of processing or in materials processed, etc. Under each circumstance, Amerigon shall prepare and submit to the IAM for negotiation the descriptions and appropriate wage rates for such job classifications as will have been determined within the collective bargaining unit. If agreement can not be reached within fifteen (15) working days, Amerigon may place the job classification into effect. The IAM shall have the right within fifteen (15) working days thereafter to file a grievance over any alleged improper job description and/or wage rate for such classification. If the IAM does not file a grievance within the time limit specified above, the job classification and wage rate established by Amerigon shall be considered to fair and equitable and shall remain in effect.

SENIORITY

For purpose of this Agreement, seniority shall be defined as the period of continuous employment which the employee has accumulated with Amerigon. Employees shall not attain seniority until they have completed a probationary period of thirty (30) calendar days after which time their seniority shall date from date of hire. Any employee who takes a salaried position shall not accrue seniority for the time he/she is out of the bargaining unit.

In the event that work becomes slack and the Employer deems it necessary to reduce the working force, the last employee hired into the classification affected by such reduction, shall be the first employee laid off, and in rehiring, the last employee laid off in the classification shall be the first to be rehired. Persons retained or rehired because of seniority must be willing and able to perform the work remaining to be done. When layoffs are necessary due to lack of work, the employees selected for layoff shall be given five (5) working days notice whenever practicable. Employees laid off and re-employed within twenty-four (24) months shall not suffer loss of seniority. If not re-employed within twenty-four (24) months, such seniority rights shall cease. If an employee is recalled to work and fails to report for work within five (5) working days, his seniority rights shall cease, except in cases where the employee did not receive the notice. Under this condition he shall not lose his seniority rights. If an employee is discharged or voluntarily quits his job, his seniority rights shall cease.

Failure to report for work for a period of three (3) working days without giving satisfactory explanation will be cause for termination.

UNION REPRESENTATION

a. STEWARD PROVIDED FOR - the purpose of representation within a plant the union shall be entitled to a reasonable and adequate number of Stewards, who shall restrict their activities to the handling of grievances and/or concerns involving wages, hours and all other terms or conditions of employment. The company will provide a reasonable amount of time each

day, not to exceed 1 (one) hour (unless mutually agreed), for this purpose. A steward should not leave their work assignments for the foregoing without notifying their supervisor.

b. BUSINESS REPRESENTATIVE TO ACT FOR STEWARD - Where for any reason a plant does not have a Steward, union members may be represented by a Business Representative of the union who may process a grievance in place of a Steward. The union will make every reasonable effort to maintain an active Steward with credentials and authority to act as such.

c. UNION MAY USE BULLETIN BOARD - The company shall provide bulletin board space to the union for the posting of notices concerning meetings, election of officers, notice of union recreational or social events, and other matters, dealing with the affairs of the union. All such notices shall be submitted to a designated company representative prior to posting. Any question over appropriateness of material will be resolved prior to posting.

d. The union will supply the company with a list of Stewards showing the area of their jurisdiction and shift they represent.

ACCESS TO FACILITY

It is agreed by both parties hereto that for the purpose of carrying out and enforcing the terms of this agreement, the duly authorized representative of the IAM will have full access to the facility. It is further agreed that said representative(s) will not unduly interfere with the production and/or operation of said facility and whenever possible, prior notice of intent to visit will be given to the company.

GRIEVANCE ADJUSTMENT & ARBITRATION

A. GRIEVANCE DEFINED

A grievance is defined to be any difference or issue raised by an employee or the Union regarding the application or interpretation of any provision of this Agreement.

B. TIME LIMITS

Any grievance involving discharge or layoff must be filed within five (5) working days after the occurrence of the event upon which the grievance is based. Other grievances must be filed within fifteen (15) working days after the occurrence of the event upon which the grievance is based. Awards for settlements of grievances may or may not be retroactive as the equities of each case may demand, but in no event shall any arbitration award to retroactive beyond thirty (30) calendar days prior to the date on which the grievance was first presented to the Employer.

C. GRIEVANCE PROCEDURE

If a grievance arises, it shall be taken up by the employee involved with his immediate supervisor, with the presence of the shop steward, or may be

taken up by the shop steward alone. The supervisor should give an answer within two (2) work days.

If the above efforts fail to settle the grievance, or if the Union has a grievance, the grievance shall be presented to the Employer's authorized representative by the steward.

The Employer's authorized representative should give an answer within a reasonable time. If the shop steward is dissatisfied with the Employer's answer, the grievance shall be taken up by the Business Representative and a representative of the Employer who is empowered to act.

If the Union is dissatisfied with the Employer's answer it may appeal the case to arbitration by giving the Employer written notice of the Union's intent to appeal the case to arbitration. The period following the Employer's answer during which such appeal must be filed is extended from thirty (30) to sixty (60) days with the understanding that the Employer is relieved of any additional liability associated with the thirty (30) day extension. Grievances not appealed to arbitration within sixty (60) days following the Employer's answer shall be considered settled.

For disciplinary suspension and termination cases only, the parties may establish a Board of Adjustment for such cases if mutually agreed upon. Each party will be represented by two (2) persons who have had no direct interaction in the issue(s) previously, nor have any vested interest in the outcome and it is understood that the assigned Business Representative will not be eligible to participate on such Board.

Prior to such grievances being appealed to arbitration, either party may, within ten (10) working days of the company's answer, request a Board of Adjustment meeting. Should both parties agree, the Board will meet within ten (10) working days of receipt of notification. The Board must decide the grievance within three (3) working days of the completion of the hearing.

The Board of Adjustment is hereby authorized to reach a final and binding decision on the grievance provided. However, the Board's decision must be within the scope and terms of this Contract. A majority vote by the Board constitutes a final and binding issue. However, the Board has no authority to add to, subtract from, alter or amend any of the terms of this contract.

D. ARBITRATION

Upon receipt of a written appeal by the Union of a case to arbitration, the employer and the union will attempt to agree on an arbitrator to decide the cease. If no agreement is reached, the American Arbitration Association or State Mediation and Conciliation Service will be asked by either the employer or the union to furnish a list of five (5) established local arbitrators (those within one day's drive) and the union and the employer will select an arbitrator from this list by alternately striking names. The arbitrator is hereby authorized to reach a final and binding decision on the grievance, provided, however, that the arbitrator's decision must be within the scope and terms of this contract, the arbitrator has no authority to add to, detract from, alter or amend any

of the terms of this contract. The fee to the arbitrator, and the court reporter if one is used, will be paid one-half by the employer and one-half by the union.

E. All time limits set forth in this Section may be extended by mutual agreement between the employer and the union.

TEMPORARY OFF-PLANT AND TRAVEL ASSIGNMENTS

All authorized company travel related expenses i.e., air fare, hotel accommodations, per diem, vehicle rental, will be paid in accordance with company policy.

Employees who travel on company business during their regular work hours will be paid at their normal rate of pay. Employees who travel on company business outside of their work hours will be paid in accordance with company policy.

NON-DISCRIMINATION

The company and the union agree not to discriminate in any way against any employee because of race, color, creed, religion, national origin, sex, age or disability (reasonably accommodated by Amerigon) and agrees to comply with all state and federal anti-discrimination laws.

The company agrees not to discriminate against any employee for union activity.

As used in this Agreement, it is understood that the designation of the masculine gender shall apply equally to the feminine gender.

SAVING CLAUSE

Should any provision of this Agreement, including amendments, if any, be declared invalid by any competent court or governmental agency due to existing or subsequent legislation or through failure to receive necessary government and/or agency approval, shall not affect the remaining provisions of this Agreement, which shall remain in full force and effect.

It is the intent of the parties that this agreement shall remain in force and in its entirety even if there is a change of any kind in the legal status, ownership and management of either party hereto.

HEALTH AND WELFARE/ LONG TERM DISABILITY

Amerigon shall provide to the bargaining unit employees, medical/dental, prescription drugs, life insurance coverage, and long term disability insurance, at the same cost if any, provided to non-bargaining unit employees.

MEDICAL PREMIUM CO-PAYMENT SCHEDULE

	EMPLOYEE	EMPLOYEE + ONE DEPENDENT	EMPLOYEE & TWO + DEPENDENTS
6/96-5/97	$.00	$83.00/Mo.	$112.43/Mo.
6/97-5/98	$.00	$83.00-$87.15/Mo.	$112.43-$118.05/Mo.
6/98-5/99	$.00	$83.00-$91.51/Mo.	$112.43-$123.95/Mo.

These employee premium co-payment rate ranges are based on a maximum allowable increase of 5% (five percent) over the established entry rate in any one coverage year. Any increase will be fully explained to the Union prior to implementation.

FLEX PLAN 125

Amerigon will automatically deduct your medical insurance co-payment through the Flex Plan 125, unless you elect to waive your right to participate. The Flex Plan 125 uses your pre-tax income to minimize your out-of-pocket expense by deducting the insurance cost before taxes and increasing your net pay.

Amerigon will provide the Safeguard Dental Plan, or a comparable dental plan, at no cost to the employees.

A $10,000 (ten thousand dollar) term life insurance policy is provided, at no additional cost, to any employee enrolled in the medical plan. This policy includes accidental death and dismemberment provisions.

A Long Term Disability Insurance Plan designed to cover loss of income when an employee becomes totally disabled will be available at no cost. This benefit is integrated with any other income benefits, such as state disability, to a total benefit amount of 60% (sixty percent) or a maximum of $5,000 (five thousand dollars) per month of an employees monthly wages. Payments start 90 (ninety) days after the employee becomes disabled.

The parties agree to continue to explore avenues to provide the most comprehensive health care coverage at the least expense to the company and its employees.

PENSION PLAN

Effective June 1, 1996, Amerigon Incorporated, agrees to participate and contribute to the IAM National Pension Fund at the rate of forty (40) hours per week, the amounts listed below for all bargaining unit employees.

Amerigon agrees to be bound to the conditions set forth by Trustees of the IAM Pension Fund.

Amerigon shall, effective June 1, 1996, agree to participate on behalf of the current bargaining unit employees in the IAM National Pension Fund, at the rate

of $.30 (thirty cents) per hour, and will automatically include all new employees of the bargaining unit henceforth.

Amerigon shall, effective June 1, 1997, increase the participation contribution to $.60 (sixty cents) per hour for each said employee.

Amerigon shall, effective June 1, 1998, increase the participation contribution to $.90 (ninety cents) per hour for each said employee.

DURATION

This agreement, entered into on June 1, 1996, shall remain in full force and effect through May 31, 1999, and shall be automatically renewed from year to year thereafter unless either party gives written notice of a desire to modify, amend, or terminate same at least sixty (60) days prior to the termination date of this agreement.

AMERIGON, INCORPORATED	INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS, AFL-CIO, DISTRICT LODGE 725
BY /s/ Carol Caraway	BY /s/ Charles Toby
Carol Caraway, HR	Charles Toby, BR
BY	BY
BY	BY

LETTER OF UNDERSTANDING

The parties agree that for purposes of seniority all employees currently working in the seat assembly department and identified below, shall have bumping rights to the Vehicle Assembler classification. Their original dates of hire, or date of assignment into the Alameda facility, shall be used for purposes of their classification seniority.

Those exercising their bumping rights into the bargaining unit shall be `red circled' and maintained at their current rate of pay.

Per this Agreement, no general wage increases shall be automatically applied to their rate until the maximum of the rate range within their job classification, surpasses their current rate of pay.

Tyrone Scott
Stephanie Robinson
Sammie Debose
Stacy Fox

MAY 1, 1996

/s/ Carol Caraway
Carol Caraway
Manager, Human Resources
Amerigon

/s/ Charles Toby
Charles Toby
Business Representative
IAM&AW DL 725

Appendix II

EXHIBIT 21.1

LIST OF SUBSIDIARIES

1. Amerigon Mauritius Incorporated - incorporated in the Republic of Mauritius.

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in the Prospectus constituting part of this Registration Statement on Form S-2 of our report dated February 26, 1996, except as to Note 14 which is as of December 4, 1996, relating to the financial statements of Amerigon Incorporated, which appears in such Prospectus. We also consent to the application of such report to the Financial Statement Schedule for the three years ended December 31, 1995 listed under Item 14(a) of Amerigon Incorporated's Annual Report on Form 10-K for the year ended December 31, 1995 when such schedule is reead in connection with the financial statements referred to in our report. The audits referred to in such report also included this Financial Statement Schedule. We also consent to the reference to us under the heading "Experts" in such Prospectus.

PRICE WATERHOUSE LLP

Costa Mesa, California
December 4, 1996