

Document Number Only

P97000077672

C T Corporation System

Requestor's Name

660 East Jefferson Street

Address

Tallahassee, FL 32301

City

State

Zip

Phone

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CORPORATION(S) NAME

Softmagic Corp.

merging into:

Pacifictech Acquisition Corporation

FILED
98 JUL 30 PM 4:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

- Profit
- NonProfit
- Limited Liability Company
- Foreign
- Limited Partnership
- Reinstatement
- Limited Liability Partnership
- Certified Copy
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- Walk In
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- Change of R.A.
- Fictitious Name
- CUS
- After 4:30
- Pick Up

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Availability
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Verifier
Acknowledgment
W.P. Verifier

7/30 7/31/98
 Merger
 PLEASE RETURN EXTRA COPY(S)
 FILE STAMPED
 THANKS
 JOEY
 Must have filing date of:
 July 30th !

ARTICLES OF MERGER
Merger Sheet

MERGING:

SOFTMAGIC CORP., a Florida corporation, P97000077672

INTO

PACIFICTECH ACQUISITION CORPORATION. a Delaware corporation not
qualified in Florida

File date: July 30, 1998

Corporate Specialist: Darlene Connell



July 30, 1998

6413 CONGRESS AVENUE
SUITE 230
BOCA RATON, FL 33487
TEL (561) 995-8920
FAX (561) 995-8921
EMAIL info@softmagic.com

*Amendment Section
Pastore Connell
Obtain cc*

July 30, 1998

BY FEDERAL EXPRESS

CT Corp System
660 East Jefferson Street
Tallahassee, FL 32301
Attention: Connie Bryan

RE: ORDER NO. 1371792
Articles of Merger (Florida) – SoftMagic Corp. and PacificTech Acquisition Corporation

Dear Connie:

As instructed by Attorney Susan Rayne of Bowditch & Dewey LLP, Worcester, Massachusetts, we enclose herewith original Articles of Merger above described, signed on behalf of SoftMagic Corp. and to which is attached as Exhibit I a copy of the Agreement and Plan of Reorganization (with original signature pages) among SoftMagic Corp. PacificTech Acquisition Corporation, and Puma Technology, Inc.

We understand that you will be receiving today counterpart original Articles of Merger from PacificTech Acquisition Corporation.

Please arrange to have the counterpart Articles of Merger, containing all original signatures, together with the attached Exhibit I, filed **tomorrow, July 31, 1998**, with the Florida Secretary of State. The Florida Secretary of State's office has promised us a filing date of July 30, 1998 if the originals are filed tomorrow.

If you have any questions, please contact Susan Rayne at (508) 791-3511 immediately.
Thank you for your assistance.

Very truly yours,

André L. Sant'Anna
President

cc: Susan Rayne, Esq. (with enclosures)

*Bowditch & Dewey
311 Main St.
Worcester, MA 01608*

Gray Cary Ware ▲ Freidenrich LLP

400 Hamilton Avenue, Palo Alto, CA 94301-1825
Phone 650-328-6561 Fax 650-327-3699 www.gcwf.com

JULIE FABIAN HANIGER

Writer's Direct Dial: 650-833-2332
Internet: jhaniger@gcwf.com

Our File No:
1160601-900000

July 30, 1998

VIA FEDERAL EXPRESS

CT Corp. Systems
660 East Jefferson Street
Tallahassee, FL 32301
Attention: Connie Bryan
Order # 1371792

Re: Articles of Merger

Dear Ms. Bryan:

At the request of Susan Rayne, Esq. of Bowditch & Dewey LLP and on behalf of PacificTech Acquisition Corporation ("PacificTech"), I have enclosed (i) the originally executed Articles of Merger of SoftMagic Corp. ("SoftMagic") with and into PacificTech and (ii) the original signature page to the Agreement and Plan of Reorganization dated as of July 27, 1998 by and among Puma Technology, Inc., PacificTech and SoftMagic.

Please feel free to call me at 650/833-2332 if you have any questions or comments.

Very Truly Yours,

GRAY CARY WARE & FREIDENRICH LLP

By: 

Julie Fabian Haniger

Enclosures

PA\804628.1
1160601-900000

ARTICLES OF MERGER
of
SOFTMAGIC CORP.
(a Florida corporation)
with and into
PACIFICTECH ACQUISITION CORPORATION.
(a Delaware corporation)

FILED
98 JUL 30 PM 4:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

IN COMPLIANCE WITH SECTION 607.1105, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO MERGE A DOMESTIC CORPORATION WITH AND INTO A FOREIGN CORPORATION.

ARTICLE I

AGREEMENT AND PLAN OF REORGANIZATION

Please refer to Exhibit I, attached hereto and made a part hereof.

ARTICLE II

EFFECTIVE DATE OF MERGER

As set forth in Article I, Section 1.1 of the Agreement and Plan of Reorganization, attached hereto as Exhibit I, the merger shall become effective on the filing of the Certificate of Merger with the Secretary of State of Delaware.

ARTICLE III

APPROVAL OF SHAREHOLDERS AND/OR DIRECTORS

The Agreement and Plan of Reorganization, in the form attached hereto as Exhibit I, was duly adopted and approved by the stockholders and board directors of SoftMagic Corp. by unanimous written consent dated July 27, 1998.

The Agreement and Plan of Reorganization, in the form attached hereto as Exhibit I, was duly adopted and approved by the board of directors of PacificTech Acquisition Corporation by unanimous written consent dated July 18, 1998 and by the sole stockholder of PacificTech Acquisition Corporation dated July 18, 1998.

[THIS SPACE INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF, the undersigned have executed these Articles of Merger this 30th day of July, 1998.

SOFTMAGIC CORP.

Name: André L. Sant'Anna
Title: President

Attest: _____
Name: Jennifer Creek
Title: Clerk and Secretary

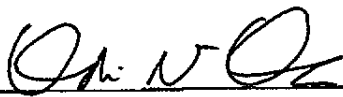
PACIFICTECH ACQUISITION CORPORATION



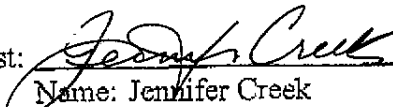
Name: M. Bruce Nakao
Title: President and Secretary

IN WITNESS WHEREOF, the undersigned have executed these Articles of Merger this 30th day of July, 1998.

SOFTMAGIC CORP.



Name: André L. Sant'Anna
Title: President

Attest: 

Name: Jennifer Creek
Title: Clerk and Secretary

PACIFICTECH ACQUISITION CORPORATION

Name: M. Bruce Nakao
Title: President and Secretary

IN WITNESS WHEREOF, Puma, Sub and SoftMagic have caused this Agreement to be signed by their respective officers thereunto duly authorized, and the Shareholder Representative has signed this Agreement, as of the date first written above.

PUMA TECHNOLOGY, INC.

PACIFICTECH ACQUISITION CORPORATION

By: M. Bruehaker

By: M. Bruehaker

Title: Sr. VP, CFO

Title: President

SHAREHOLDER REPRESENTATIVE

SOFTMAGIC CORP.

Jennifer Creek Sant'Anna

By: _____

Title: _____

Exhibit 1

AGREEMENT AND PLAN OF REORGANIZATION

by and among

PUMA TECHNOLOGY, INC.
a Delaware corporation
("Puma")

PACIFICTECH ACQUISITION CORPORATION,
a Delaware corporation and wholly-owned
subsidiary of Puma,

and

SOFTMAGIC CORP.,
a Florida corporation

Dated July 27, 1998

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION (the "Agreement") is made and entered into as of July 27, 1998, by and among Puma Technology, Inc., a Delaware corporation ("Puma"), PacificTech Acquisition Corporation, a Delaware corporation and wholly-owned subsidiary of Puma ("Sub") and SoftMagic Corp., a Florida corporation ("SoftMagic").

RECITALS

WHEREAS, the Boards of Directors of Puma, Sub and SoftMagic deem it advisable and in the best interests of each corporation and its respective stockholders that Puma and SoftMagic combine in order to advance the long-term business interests of Puma and SoftMagic;

WHEREAS, the combination of Puma and SoftMagic shall be effected by the terms of this Agreement through a transaction (the "Merger") in which SoftMagic will merge with and into Sub, SoftMagic will become a wholly-owned subsidiary of Puma and the shareholders of SoftMagic will become stockholders of Puma;

WHEREAS, for federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, for accounting purposes, it is intended that the Merger shall be accounted for as a purchase.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth below, the parties agree as follows:

ARTICLE I

THE MERGER

Section 1.1 Effective Time of the Merger. Subject to the provisions of this Agreement and the applicable provisions of the laws of the state of Delaware and the state of Florida, a Certificate of Merger (the "Certificate of Merger") in such form as is required by the relevant provisions of the Delaware General Corporation Law (the "GCL") shall be duly prepared and executed and shall be delivered to the Secretary of State of the State of Delaware for filing as soon as practicable on or after the Closing Date (as defined in Section 1.2) and Articles of Merger in such form as is required by the relevant provisions of the Florida Business Corporation Act (the "FBCA") shall be duly prepared and executed and shall be delivered to the Secretary of State of the State of Florida for filing as soon as practicable on or after the Closing Date. The Merger

shall become effective upon the filing of the Certificate of Merger with the Secretary of State of the State of Delaware (the "Effective Time").

Section 1.2 Closing. The closing of the Merger (the "Closing") will take place at 10:00 a.m., Puma Time, no later than July 31, 1998, or, if all of the conditions to the obligations of Puma and SoftMagic to consummate the Merger have not been satisfied or waived by such date or such consummation is administratively infeasible on such date, on such later date mutually agreeable to Puma and SoftMagic as soon as practical after the satisfaction or waiver as provided in Article VII of all conditions to the obligations of Puma and SoftMagic to consummate the Merger or as such consummation becomes administratively feasible (the "Closing Date"), at the offices of Gray Cary Ware & Freidenrich LLP, 400 Hamilton Avenue, Palo Alto, CA 94301 unless another date or place is agreed to in writing by Puma and SoftMagic.

Section 1.3 Effects of the Merger.

(a) At the Effective Time (i) the separate existence of SoftMagic shall cease, and SoftMagic shall be merged with and into Sub (the "Surviving Corporation"), (ii) the Certificate of Incorporation of Sub shall be the Certificate of Incorporation of the Surviving Corporation, and (iii) the Bylaws of Sub as in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation. (Sub and SoftMagic are sometimes referred to herein as the "Constituent Corporations.")

(b) At and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, powers and franchises of a public as well as of a private nature, and be subject to all the restrictions, disabilities and duties of each of the Constituent Corporations; and all and singular rights, privileges, powers and franchises of each of the Constituent Corporations, and property, real, personal and mixed, and all debts due to either of the Constituent Corporations on whatever account, as well as for stock subscriptions and all other things in action or belonging to each of the Constituent Corporations, shall be vested in the Surviving Corporation, and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the Constituent Corporations, and the title to any real estate vested by deed or otherwise, in either of the Constituent Corporations, shall not revert or be in any way impaired but all rights of creditors and all liens upon any property of either of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities and duties of the Constituent Corporations shall thereafter attach to the Surviving Corporation, and may be enforced against it to the same extent as if such debts and liabilities had been incurred by it.

Section 1.4 Directors and Officers. The directors and officers of Sub immediately prior to the Effective Time shall be the initial directors and officers of the Surviving Corporation, each of whom will hold office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporation, in each case until their respective successors are duly elected or appointed.

ARTICLE II

MERGER CONSIDERATIONS

Section 2.1 Conversion of Capital Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of capital stock of SoftMagic or capital stock of Sub:

(a) Capital Stock of Sub. Each issued and outstanding share of the capital stock of Sub shall be converted into and become one (1) fully paid and nonassessable share of Common Stock, \$.01 par value, of the Surviving Corporation.

(b) Exchange Ratio for SoftMagic Common Stock. Subject to Section 2.2, each issued and outstanding share of Common Stock, \$.01 par value, of SoftMagic ("SoftMagic Common Stock"), other than Dissenting Shares (as defined in Section 2.5), shall be converted into the right to receive 2.342 (the "Exchange Ratio") fully paid and nonassessable shares of Common Stock, \$.001 par value, of Puma ("Puma Common Stock"), which amounts shall be subject to adjustment pursuant to Section 2.1(c) below and to reflect any stock split or stock dividend effected between the date of this Agreement and the Effective Time. All such shares of SoftMagic Common Stock when so converted, shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate representing any such shares shall cease to have any rights with respect thereto, except the right to receive the shares of Puma Common Stock and any cash in lieu of fractional shares of Puma Common Stock to be issued or paid in consideration therefor upon the surrender of such certificate in accordance with this Article II.

(c) Adjustment of Exchange Ratio. On the Closing Date, if the Fair Market Value (as defined below) of Puma Common Stock (i) is equal to or greater than seven dollars (\$7.00) per share, the Exchange Ratio shall be adjusted to equal 2.221; or (ii) is equal to or less than four dollars and eighty cents (\$4.80) per share, the Exchange Ratio shall be adjusted to equal 2.688. The term "Fair Market Value" as used herein shall mean the average of the closing prices of Puma Common Stock for the ten (10) trading days preceding the Closing Date as reported on the Nasdaq National Market ("NNM").

Section 2.2 Exchange of Certificates. The procedures for exchanging outstanding shares of SoftMagic Common Stock for Puma Common Stock pursuant to the Merger are as follows:

(a) Exchange Agent. Promptly after the Effective Time, Puma shall deposit with an exchange agent designated by Puma (the "Exchange Agent"), for the benefit of the holders of shares of SoftMagic Common Stock, for exchange in accordance with this Section 2.2 through the Exchange Agent, certificates representing the shares of Puma Common Stock issuable pursuant to Section 2.1 less the Escrow Shares, as defined in Section 2.4 (such shares of Puma Common Stock deposited with the Exchange Agent, together with any dividends or distributions with respect thereto, being hereinafter referred to as the "Exchange Fund"), in exchange for outstanding shares of SoftMagic Common Stock.

(b) Exchange Procedures. As soon as reasonably practicable after the Effective Time, the Exchange Agent shall mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of SoftMagic Common Stock (each a "Certificate," and collectively, the "Certificates") whose shares were converted pursuant to Section 2.1 into the right to receive shares of Puma Common Stock (i) a letter of transmittal, which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as Puma and SoftMagic may reasonably specify, and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of Puma Common Stock. Upon surrender of a Certificate for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by Puma, together with a duly executed letter of transmittal, the holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of Puma Common Stock which such holder has the right to receive pursuant to the provisions of Section 2.1(b) less such holder's pro rata portion of the Escrow Shares, and the Certificate so surrendered shall immediately be canceled. In the event of a transfer of ownership of SoftMagic Common Stock which is not registered in the transfer records of SoftMagic, a certificate representing the proper number of shares of Puma Common Stock may be issued to a transferee if the Certificate representing such SoftMagic Common Stock is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 2.2, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the certificate representing shares of Puma Common Stock and cash in lieu of any fractional shares of Puma Common Stock as contemplated by this Section 2.2.

(c) Distributions with Respect to Unexchanged Shares. No dividends or other distributions declared or made after the Effective Time with respect to Puma Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of Puma Common Stock represented thereby and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to subsection (e) below until the holder of record of such Certificate shall surrender such Certificate. Subject to the effect of applicable laws, following surrender of any such Certificate, there shall be paid to the record holder of the certificates representing whole shares of Puma Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of any cash payable in lieu of a fractional share of Puma Common Stock to which such holder is entitled pursuant to subsection (e) below and the amount of dividends or other distributions with a record date after the Effective Time previously paid with respect to such whole shares of Puma Common Stock, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole shares of Puma Common Stock.

(d) No Further Ownership Rights in SoftMagic Common Stock. All shares of Puma Common Stock issued upon the surrender for exchange of shares of SoftMagic Common Stock in accordance with the terms hereof (including any cash paid pursuant to subsection (c) or (e) of this Section 2.2 and the Escrow Shares) shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of SoftMagic Common Stock, and there shall be

no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of SoftMagic Common Stock which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be canceled and exchanged as provided in this Section 2.2.

(e) No Fractional Shares. No certificate or scrip representing fractional shares of Puma Common Stock shall be issued upon the surrender for exchange of Certificates, and such fractional share interests will not entitle the owner thereof to vote or to any rights of a stockholder of Puma. Notwithstanding any other provision of this Agreement, each holder of shares of SoftMagic Common Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of Puma Common Stock (after taking into account all Certificates delivered by such holder) shall receive, in lieu thereof, cash (without interest) in an amount equal to such fractional part of a share of Puma Common Stock multiplied by the average of the last reported sale prices of Puma Common Stock, as reported on NNMM, on each of the ten (10) trading days immediately preceding the date of this Agreement.

(f) Termination of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to the shareholders of SoftMagic for one (1) year after the Effective Time shall be delivered to Puma, upon demand, and any shareholders of SoftMagic who have not previously complied with this Section 2.2 shall thereafter look only to Puma for payment of their claim for Puma Common Stock, any cash in lieu of fractional shares of Puma Common Stock, and any dividends or distributions with respect to Puma Common Stock.

(g) No Liability. Neither Puma nor SoftMagic shall be liable to any holder of shares of SoftMagic Common Stock or Puma Common Stock, as the case may be, for such shares (or dividends or distributions with respect thereto) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(h) Lost Certificates. In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed, Puma shall issue in exchange for such lost, stolen or destroyed Certificate the shares of Puma Common Stock issuable in exchange therefor pursuant to the provisions of Article II of this Agreement, together with cash, if any, in lieu of fractional shares in accordance with Section 2.2(e) hereof. The Board of Directors of Puma may in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed Certificate to provide to Puma an indemnity agreement against any claim that may be made against Puma with respect to the Certificate alleged to have been lost, stolen or destroyed.

Section 2.3 Cash Consideration. At the Effective Time, Puma shall to deliver to the holders of SoftMagic Common Stock an aggregate of One Million Dollars (\$1,000,000) (the "Cash Consideration"), less the Cash Escrow, as defined in Section 2.4, as set forth in Schedule 2.3 hereto ("Cash Consideration Schedule"). The Cash Consideration will be paid pro rata to the holders of SoftMagic Common Stock based on the number of shares held.

Section 2.4 Escrow. At the Closing, Puma will deduct from the Cash Consideration deliverable to the shareholders of SoftMagic pursuant to Section 2.3 and from the number of

shares of Puma Common Stock deliverable to the shareholders of SoftMagic pursuant to Section 2.1(b) and will deposit into escrow (the "Escrow") (i) an amount of cash equal to ten percent (10%) of Cash Consideration (the "Cash Escrow") to be delivered to the shareholders of SoftMagic pursuant to Section 2.3 and (ii) certificates representing ten percent (10%) of the shares of Puma Common Stock issuable to the shareholders of SoftMagic pursuant to Section 2.1(b) in the Merger on a pro rata basis (the "Escrow Shares"). The "Cash Escrow" and the "Escrow Shares" shall collectively be referred to herein as the "Escrow Fund." The Escrow Fund shall be held by U.S. Bank Trust National Association or such other party as Puma and SoftMagic shall mutually determine (the "Escrow Agent") in accordance with and subject to the provisions of an Escrow Agreement substantially in the form of Exhibit A hereto (the "Escrow Agreement"). The Escrow Fund shall be held as collateral for the indemnification obligations of the persons who were shareholders of SoftMagic immediately prior to the Effective Time under Article IX of this Agreement.

Section 2.5 Appraisal Rights. Any shares of SoftMagic Common Stock held by shareholders of SoftMagic who properly exercise and perfect the dissenters' appraisal rights ("Dissenting Shares") set forth in Sections 607.1301, 607.1302 and 607.1320 of the FBCA shall not be converted pursuant to Section 2.1 but shall instead be converted into the right to receive such consideration as may be determined to be due with respect to such Dissenting Shares pursuant to the provisions of the FBCA. SoftMagic shall give Puma prompt notice of any demand received by SoftMagic for appraisal of SoftMagic Common Stock, and Puma shall have the right to control all negotiations and proceedings with respect to such demand. SoftMagic agrees that, except with the prior written consent of Puma or as required under the FBCA, it will not voluntarily make any payment with respect to, or settle or offer to settle, any such demand for appraisal. Each holder of Dissenting Shares (a "Dissenting Shareholder") who, pursuant to the provisions of the FBCA, becomes entitled to payment of the value of shares of SoftMagic Common Stock shall receive payment therefor (but only after the value therefor shall have been agreed upon or finally determined pursuant to the provisions of the FBCA). In the event that any holder of shares of SoftMagic Common Stock fails to make an effective demand for payment or otherwise loses his or her status as a Dissenting Shareholder, Puma shall, as of the later of the Effective Time or the occurrence of such event, issue and deliver, upon surrender by such Dissenting Shareholder of its Certificate or Certificates, the shares of Puma Common Stock and any cash payment in lieu of fractional shares, in each case without interest thereon, to which such Dissenting Shareholder would have been entitled under Section 2.1 (less such Dissenting Shareholder's pro rata portion of the Escrow Shares) and the Cash Escrow.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SOFTMAGIC

In this Agreement, any reference to a "Material Adverse Effect" with respect to any entity or group of entities means a material adverse effect on the business, assets (including intangible assets), financial condition, prospects, or results of operations of such entity and its subsidiaries, taken as a whole.

In this Agreement, any reference to a party's "knowledge" means such party's actual knowledge after reasonable inquiry of its directors, officers, and other management level employees reasonably believed to have knowledge of such matters.

In this Agreement, any reference to the "prospects" of SoftMagic or its business, or to SoftMagic's business "as proposed to be conducted," means such prospects or business without taking into account the effects of the Merger or any changes to SoftMagic's business that are initiated by Puma thereafter.

As used in this Agreement, the word "Subsidiary" means, with respect to any party, any corporation or other organization, whether incorporated or unincorporated, of which (i) such party or any other Subsidiary of such party is a general partner (excluding partnerships, the general partnership interests of which held by such party or any Subsidiary of such party do not have a majority of the voting interest in such partnership) or (ii) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the Board of Directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such party or by any one or more of its Subsidiaries, or by such party and one or more of its Subsidiaries.

Except as disclosed in the disclosure schedule provided to Puma on or before the date of this Agreement (the "SoftMagic Disclosure Schedule"), SoftMagic represents and warrants to Puma as follows:

Section 3.1 Organization, Standing and Power. Each of SoftMagic and its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has all requisite corporate power to own, lease and operate its properties and to carry on its business as currently being conducted and as currently proposed to be conducted, and is duly qualified to transact business and is in good standing in each jurisdiction in which the nature of its operations requires such qualification, except where the failure to so qualify has not and will not have a Material Adverse Effect on SoftMagic. SoftMagic has delivered true and correct copies of the Articles of Incorporation and Bylaws of SoftMagic and each of its Subsidiaries, each as amended to date, to Puma. Neither SoftMagic nor any of its Subsidiaries is in violation of any of the provisions of its Articles of Incorporation, Bylaws or other charter documents. Except as set forth on the SoftMagic Disclosure Schedule, SoftMagic does not directly or indirectly own any equity or similar interest in, or any interest convertible or exchangeable or exercisable for any equity or similar interest in, any corporation, partnership, joint venture or other business association or entity.

Section 3.2 SoftMagic Capital Structure.

(a) The authorized capital stock of SoftMagic consists of 200,000 shares of SoftMagic Common Stock and no shares of SoftMagic Preferred Stock. As of the date hereof, 145,919 shares of SoftMagic Common Stock and no shares of Preferred Stock are issued and outstanding and held of record by those persons set forth in Section 3.2 of the SoftMagic Disclosure Schedule. All such outstanding shares of SoftMagic Common Stock have been duly authorized, validly issued, fully paid and are nonassessable, have been issued in compliance with

all applicable federal and state securities laws, and, except as set forth on the SoftMagic Disclosure Schedule, are subject to no preemptive rights or rights of first refusal created by statute, the charter documents of SoftMagic or any agreement to which SoftMagic is a party or by which it is bound.

(b) Except as set forth in this Section 3.2 or the SoftMagic Disclosure Schedule, there are (i) no equity securities of any class of SoftMagic, or any securities exchangeable into or exercisable for such equity securities, issued, reserved for issuance, or outstanding and (ii) no outstanding subscriptions, options, warrants, puts, calls, rights, or other commitments or agreements of any character to which SoftMagic is a party or by which it is bound obligating SoftMagic to issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any equity securities of SoftMagic or obligating SoftMagic to grant, extend, accelerate the vesting of, change the exercise price of, or otherwise amend or enter into any such option, warrant, call, right, commitment or agreement. Except as set forth on the SoftMagic Disclosure Schedule, there are no contracts, commitments or agreements relating to voting, purchase or sale of SoftMagic's capital stock (i) between or among SoftMagic and any of its shareholders or (ii) to SoftMagic's knowledge, between or among any of SoftMagic's shareholders.

Section 3.3 Authority; Required Filings and Consents.

(a) SoftMagic has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of SoftMagic, subject only to the approval of the Merger by SoftMagic's shareholders under the FBCA. This Agreement and all other documents expressly required to be executed and delivered by SoftMagic hereunder, including the Certificate of Merger (collectively, the "Transaction Documents"), have been or will be duly executed and delivered by SoftMagic and constitute or will constitute the valid and binding obligations of SoftMagic, enforceable against SoftMagic in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to creditors' rights generally, and general principles of equity.

(b) The execution and delivery by SoftMagic of this Agreement and the other Transaction Documents to which it is or will be a party do not, and the consummation of the transactions contemplated hereby and thereby will not, (i) conflict with, or result in any violation or breach of any provision of, the Articles of Incorporation or Bylaws of SoftMagic, (ii) result in any violation or breach of or constitute (with or without notice or lapse of time, or both) a default under, or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any benefit under, any note, mortgage, indenture, lease, contract or other agreement or obligation to which SoftMagic is a party or by which SoftMagic or any of its properties or assets may be bound, or (iii) conflict with or violate any permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to SoftMagic or any of its properties or assets.

(c) No consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality ("Governmental Entity") is required by or with respect to SoftMagic in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for (i) the filing of the Certificate of Merger with the Delaware Secretary of State in accordance with the GCL and the filing of the Articles of Merger with the Florida Secretary of State in accordance with the FBCA, (ii) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable federal and state securities laws, and (iii) such other consents, authorizations, filings, approvals and registrations which, if not obtained or made, would not prevent or materially alter or delay any of the transactions contemplated by this Agreement or has or will have a Material Adverse Effect on SoftMagic.

Section 3.4 Financial Statements. SoftMagic has delivered to Puma (i) its compiled balance sheets and statements of operations filed with SoftMagic's federal and state tax returns for each of the years ended December 31, 1995, 1996, and 1997, and (ii) its unaudited balance sheet, for the six-month period ended June 30, 1998 (collectively, the "SoftMagic Financial Statements"). The SoftMagic Financial Statements, and all other financial statements of SoftMagic, whether or not submitted to Puma and except as otherwise disclosed to Puma, are correct in all material respects. The SoftMagic Financial Statements present fairly the financial position of SoftMagic as of the respective dates and the results of its operations and cash flows for the periods indicated.

Section 3.5 Absence of Undisclosed Liabilities. SoftMagic does not have any liabilities, either accrued or contingent (whether or not required to be reflected in financial statements in accordance with GAAP), and whether due or to become due, other than (i) liabilities reflected or provided for on the balance sheet as of June 30, 1998 (the "SoftMagic Balance Sheet"), (ii) liabilities specifically described in this Agreement or the SoftMagic Disclosure Schedule, and (iii) normal or recurring liabilities incurred since June 30, 1998 in the ordinary course of business consistent with past practices.

Section 3.6 Accounts Receivable. The accounts receivable shown on the SoftMagic Balance Sheet arose in the ordinary course of business and have been collected or are collectible in the book amounts thereof, less an amount not in excess of the allowance for doubtful accounts and returns provided for in the SoftMagic Balance Sheet. The accounts receivable of SoftMagic arising after the date of the SoftMagic Balance Sheet and prior to the Closing Date arose, or will arise, in the ordinary course of business and have been collected or will be collectible in the book amounts thereof, less allowances for doubtful accounts and returns determined in accordance with the past practices of SoftMagic. None of such accounts receivables is subject to any claim of offset or recoupment or counterclaim, and SoftMagic has no knowledge of any specific facts that would be likely to give rise to any such claim. No amount of such accounts receivable are contingent upon the performance by SoftMagic of any obligation and no agreement for deduction or discount has been made with respect to any such accounts receivable. The amount carried for doubtful accounts and allowances disclosed in the SoftMagic Balance Sheet is sufficient to provide for any losses which may be sustained on revaluation of the accounts receivable.

Section 3.7 Absence of Certain Changes or Events. Except as disclosed in the SoftMagic Disclosure Schedule, since June 30, 1998, SoftMagic has conducted its business in the ordinary course and in a manner consistent with past practices and, since such date, SoftMagic has not:

- (a) suffered any event or occurrence that has had a Material Adverse Effect on SoftMagic;
- (b) suffered any damage, destruction or loss, whether covered by insurance or not, which in the aggregate has had a Material Adverse Effect on SoftMagic;
- (c) granted any material increase in the compensation payable or to become payable by SoftMagic to its officers or employees;
- (d) declared, set aside or paid any dividend or made any other distribution on or in respect of the shares of its capital stock or declared any direct or indirect redemption, retirement, purchase or other acquisition of such shares;
- (e) issued any shares of its capital stock or any warrants, rights, or options for, or entered into any commitment relating to such capital stock;
- (f) made any change in the accounting methods or practices it follows, whether for general financial or tax purposes, or any change in depreciation or amortization policies or rates;
- (g) sold, leased, abandoned or otherwise disposed of any real property, machinery, equipment or other operating property other than in the ordinary course of business;
- (h) sold, assigned, transferred, licensed or otherwise disposed of any patent, trademark, trade name, brand name, copyright (or pending application for any patent, trademark or copyright), invention, work of authorship, process, know-how, formula or trade secret (including any license or disclosure of source code) or interest thereunder or other material intangible asset except for end-user license transactions entered into in the ordinary course of its business pursuant to SoftMagic's standard forms of license agreement;
- (i) entered into any material commitment or transaction (including without limitation any borrowing) other than commitments or transactions entered into in the ordinary course of business that are not reasonably likely to have a Material Adverse Effect on SoftMagic;
- (j) permitted or allowed any of its property or assets to be subjected to any mortgage, deed of trust, pledge, lien, security interest or other encumbrance of any kind, except for liens for current taxes not yet due and purchase money security interests incurred in the ordinary course of business;
- (k) made any capital expenditure or commitment for additions to property, plant or equipment individually in excess of \$10,000, or, in the aggregate, in excess of \$25,000;

(l) paid, loaned or advanced any amount to, or sold, transferred or leased any properties or assets to, or entered into any agreement or arrangement with, any of its officers, directors or shareholders or any affiliate of any of the foregoing, other than employee compensation and benefits and reimbursement of employment related business expenses incurred in the ordinary course of business;

(m) agreed to take any action described in this Section 3.7 or which would constitute a breach of any of the representations or warranties of SoftMagic contained in this Agreement; or

(n) except as disclosed in the SoftMagic Disclosure Schedule, taken any other action that would have required the consent of Puma pursuant to Section 5.1 of this Agreement (and which has not been obtained) had such action occurred after the date of this Agreement.

Section 3.8 Taxes.

(a) For purposes of this Agreement, a "Tax" or, collectively, "Taxes," means any and all material federal, state and local taxes of any country, assessments and other governmental charges, duties, impositions and liabilities, including taxes based upon or measured by gross receipts, income, profits, sales, use and occupation, and value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, excise and property taxes, together with all interest, penalties and additions imposed with respect to such amounts and any obligations under any agreements or arrangements with any other person with respect to such amounts and including any liability for taxes of a predecessor entity.

(b) SoftMagic has accurately prepared and timely filed all returns, estimates, information statements and reports required to be filed with any taxing authority ("Returns") relating to any and all Taxes concerning or attributable to SoftMagic or its operations and such Returns are true and correct in all respects and have been completed in all respects in accordance with applicable law.

(c) SoftMagic, as of the Closing Date, (i) will have paid all Taxes it is required to pay prior to the Closing Date and (ii) will have withheld with respect to its employees all Taxes required to be withheld.

(d) There is no Tax deficiency outstanding or assessed or, to the knowledge of SoftMagic, proposed against SoftMagic that is not reflected as a liability on the SoftMagic Balance Sheet or set forth on the SoftMagic Disclosure Schedule, nor has SoftMagic executed any agreements or waivers extending any statute of limitations on or extending the period for the assessment or collection of any Tax.

(e) SoftMagic has no liabilities for unpaid Taxes that have not been accrued for or reserved on the SoftMagic Balance Sheet, whether asserted or unasserted, contingent or otherwise.

(f) SoftMagic is not a party to any tax-sharing agreement or similar arrangement with any other party, or any contractual obligation to pay any Tax obligations of, or

with respect to any transaction relating to, any other person or to indemnify any other person with respect to any Tax.

Section 3.9 Tangible Assets and Real Property.

(a) SoftMagic owns or leases all tangible assets and properties which are necessary for the conduct of its business as currently conducted or which are reflected on the SoftMagic Balance Sheet or acquired since the date of the SoftMagic Balance Sheet (the "Material Tangible Assets"). The Material Tangible Assets are in good operating condition and repair. SoftMagic has good and marketable title to all Material Tangible Assets that it owns (except properties, interests in properties and assets sold or otherwise disposed of since the date of the SoftMagic Balance Sheet in the ordinary course of business), free and clear of all mortgages, liens, pledges, charges or encumbrances of any kind or character, except as reflected in the SoftMagic Financial Statements and except for liens for current taxes not yet due and payable. Assuming the due execution and delivery thereof by the other parties thereto, all leases of Material Tangible Assets to which SoftMagic is a party are in full force and effect and valid, binding and enforceable in accordance with their respective terms except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to creditors' rights generally, and general principles of equity. The SoftMagic Disclosure Schedule sets forth a true and correct list of all such leases, and true and correct copies of all such leases have been provided to Puma.

(b) SoftMagic owns no real property. The SoftMagic Disclosure Schedule sets forth a true and complete list of all real property leased by SoftMagic. Assuming the due execution and delivery thereof by the other parties thereto, all such real property leases are in full force and effect and valid, binding and enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to creditors' rights generally, and general principles of equity. True and correct copies all such of real property leases have been provided to Puma.

Section 3.10 Intellectual Property.

(a) SoftMagic owns, or is licensed or otherwise possesses legally enforceable rights to use, all patents, trademarks, trade names, service marks and copyrights, and any applications for and registrations of such patents, trademarks, trade names, service marks, and copyrights and all processes, formulas, methods, schematics, technology, know-how, computer software programs or applications and tangible or intangible proprietary information or material that are necessary to conduct the business of SoftMagic as currently conducted, or as currently proposed to be conducted, free and clear of all liens, claims or encumbrances (all of which are referred to as the "SoftMagic Intellectual Property Rights"). The foregoing representation as it relates to Licensed Intellectual Property (as defined below) is limited to SoftMagic's interest pursuant to licenses from third parties, each of which is in full force and effect, is valid, binding and enforceable and grants SoftMagic such rights to such intellectual property as are necessary to the business of SoftMagic as currently conducted or currently proposed to be conducted.

(b) The SoftMagic Disclosure Schedule contains an accurate and complete description of (i) all patents and patent applications and all trademarks, trade names, service marks and registered copyrights included in the SoftMagic Intellectual Property Rights, including the jurisdictions in which each such SoftMagic Intellectual Property Right has been issued or registered or in which any such application for such issuance and registration has been filed, (ii) all licenses and sublicenses, distribution agreements and other agreements to which SoftMagic is a party and pursuant to which any person is authorized to use any SoftMagic Intellectual Property Rights or has the right to manufacture, reproduce, market or exploit any product of SoftMagic (a "SoftMagic Product") or any adaptation, translation or derivative work based on any SoftMagic Product or any portion thereof, (iii) all licenses, sublicenses and other agreements to which SoftMagic is a party and pursuant to which SoftMagic is authorized to use any third party technology, trade secret, know-how, process, patent, trademark or copyright, including software ("Licensed Intellectual Property"), which is used in the manufacture of, incorporated in or forms a part of any SoftMagic Product (other than licenses for off-the-shelf software used in the conduct of SoftMagic's business), (iv) all joint development agreements to which SoftMagic is a party, and (v) all agreements with Governmental Entities or other third parties pursuant to which SoftMagic has obtained funding for research and development activities.

(c) SoftMagic is not, nor will it be as a result of the execution and delivery of this Agreement or the performance of its obligations under this Agreement, in breach of any material license, sublicense or other agreement relating to the SoftMagic Intellectual Property Rights or Licensed Intellectual Property.

(d) All patents and registered trademarks, service marks and copyrights claimed by or issued to SoftMagic which relate to any SoftMagic Product are valid and subsisting. The manufacturing, marketing, licensing or sale of any SoftMagic Product does not, to the knowledge of SoftMagic, infringe any patent of any third party and does not infringe any trademark, service mark, copyright, trade secret or other proprietary right of any third party. SoftMagic (i) has not received notice that it has been sued in any suit, action or proceeding which involves a claim of infringement of any patent, trademark, service mark, copyright, trade secret or other proprietary right of any third party and (ii) has no knowledge of any claim challenging or questioning the validity or effectiveness of any license or agreement relating to any SoftMagic Intellectual Property Rights or Licensed Intellectual Property.

(e) All designs, drawings, specifications, source code, object code, documentation, flow charts and diagrams incorporating, embodying or reflecting any SoftMagic Product at any stage of its development (the "SoftMagic Components") were written, developed and created solely and exclusively by (i) employees of SoftMagic without the assistance of any third party or (ii) third parties who assigned ownership of their rights with respect thereto to SoftMagic by means of valid and enforceable agreements, which are listed and described in the SoftMagic Disclosure Schedule and copies of which have been provided to Puma. SoftMagic has at all times used commercially reasonable efforts to protect its trade secrets and has not acted in such a manner as to cause the loss of such trade secrets by their release into the public domain.

(f) Each person currently or formerly employed by SoftMagic (including independent contractors, if any) that has or had access to confidential information of SoftMagic

has executed and delivered to SoftMagic a confidentiality and non-disclosure agreement in one of the forms previously provided to Puma. Neither the execution or delivery of any such agreement by any such person, nor the carrying on of SoftMagic's business as currently conducted and as currently proposed to be conducted, has or will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a material default under, any contract, covenant or instrument under which any of such persons is obligated.

Section 3.11 Bank Accounts. The SoftMagic Disclosure Schedule sets forth the names and locations of all banks and other financial institutions at which SoftMagic maintains accounts of any nature, the type of accounts maintained at each such institution and the names of all persons authorized to draw thereon or make withdrawals therefrom.

Section 3.12 Contracts.

(a) Except as set forth in the SoftMagic Disclosure Schedule, SoftMagic is not a party or subject to any agreement, obligation or commitment, written or oral:

(i) that calls for any fixed or contingent payment or expenditure or any related series of fixed or contingent payments or expenditures by or to SoftMagic totaling more than \$10,000 in any twelve (12) month period;

(ii) with agents, advisors, salesmen, sales representatives, independent contractors or consultants other than those that are not cancelable by it on no more than thirty (30) days' notice and without liability, penalty or premium;

(iii) that restricts SoftMagic from carrying on anywhere in the world its business or any portion thereof as currently conducted;

(iv) to provide funds to or to make any investment in any other person or entity (in the form of a loan, capital contribution or otherwise);

(v) with respect to obligations as guarantor, surety, co-signer, endorser, co-maker, indemnitor or otherwise in respect of the obligation of any other person or entity;

(vi) for any line of credit, standby financing, revolving credit or other similar financing arrangement; or

(vii) with any distributor, original equipment manufacturer, value added remarketer or other person for the distribution of any of the SoftMagic Products.

(b) No party to any such contract, agreement or instrument has expressed its intention to any officer of SoftMagic to cancel, withdraw, modify or amend such contract, agreement or instrument, nor does SoftMagic otherwise know of such an intention.

(c) SoftMagic is not in default under or in breach or violation of, nor is there any valid basis for any claim of default by SoftMagic under, or breach or violation by SoftMagic

of, any material contract, commitment or restriction to which SoftMagic is a party or by which SoftMagic or any of its properties or assets is bound or affected. To SoftMagic's knowledge, no other party is in default under or in breach or violation of, nor is there any valid basis for any claim of default by any other party under, or any breach or violation by any other party of, any material contract, commitment or restriction to which SoftMagic is a party or by which SoftMagic or any of its properties or assets is bound or affected. SoftMagic has no reason to believe that it will not be able to comply with the terms or conditions of any material contract to which it is a party without a material increase in its technical or personnel resources allocated to such contract compared to the resources budgeted by SoftMagic as of the date of this Agreement or any other material increase in the cost of satisfying any covenants or conditions under such contract compared to the costs budgeted by SoftMagic as of the date of this Agreement.

Section 3.13 Labor Difficulties. SoftMagic is not engaged in any unfair labor practice or in violation of any applicable laws respecting employment, employment practices or terms and conditions of employment. There is no unfair labor practice complaint against SoftMagic pending or threatened before any Governmental Entity. There is no strike, labor dispute, slowdown or stoppage pending or threatened against SoftMagic. SoftMagic is not now and has never been subject to any union organizing activities. SoftMagic has not experienced any work stoppage or other labor difficulty. To SoftMagic's knowledge, (i) the consummation of the transactions contemplated by this Agreement will not have a Material Adverse Effect on its relations with SoftMagic employees and (ii) none of the SoftMagic employees intend to leave their employment, whether as a result of the transactions contemplated by this Agreement or otherwise.

Section 3.14 Trade Regulation. Except as set forth in the SoftMagic Disclosure Schedule, SoftMagic has not terminated its relationship with or refused to ship SoftMagic Products to any dealer, distributor, third party marketing entity or customer which had theretofore paid or been obligated to pay SoftMagic in excess of \$10,000 over any consecutive twelve (12) month period. All of the prices charged by SoftMagic in connection with the marketing or sale of any of its products or services have been in compliance with all applicable laws and regulations. No claims have been asserted or, to SoftMagic's knowledge, threatened against SoftMagic with respect to the wrongful termination of any dealer, distributor or any other marketing entity, discriminatory pricing, price fixing, unfair competition, false advertising or any other material violation of any laws or regulations relating to anti-competitive practices or unfair trade practices of any kind, and, to SoftMagic's knowledge, no specific situation, set of facts, or occurrence provides any basis for any such claim.

Section 3.15 Environmental Matters.

(a) As of the date hereof, except as set forth in the SoftMagic Disclosure Schedule, no material amount of any substance that has been designated by applicable law or regulation to be radioactive, toxic, hazardous or otherwise a danger to health or the environment, excluding office, janitorial and similar substances (a "Hazardous Material"), is present as a result of the actions of SoftMagic or, to SoftMagic's knowledge, as a result of any actions of any third party or otherwise, in, on or under any property, including the land and the improvements, ground water and surface water, that SoftMagic has at any time owned, operated, occupied or leased. To

the knowledge of SoftMagic, no underground storage tanks are present under any property that SoftMagic has at any time owned, operated, occupied or leased.

(b) At no time has SoftMagic transported, stored, used, manufactured, disposed of, released or exposed its employees or others to Hazardous Materials (collectively, "Hazardous Materials Activities") in violation of any law, rule, regulation or treaty promulgated by any Governmental Entity which has had or is likely to have a Material Adverse Effect on SoftMagic.

(c) SoftMagic currently holds all environmental approvals, permits, licenses, clearances and consents (the "Environmental Permits") necessary for the conduct of its business as such businesses is currently being conducted, the absence of which would have a Material Adverse Effect on SoftMagic.

(d) No action, proceeding, writ, injunction or claim is pending or, To the knowledge of SoftMagic, threatened concerning any Environmental Permit or any Hazardous Materials Activity of SoftMagic. SoftMagic is not aware of any fact or circumstance which could reasonably be expected to involve SoftMagic in any environmental litigation or impose upon SoftMagic any liability concerning Hazardous Materials Activities which would have a Material Adverse Effect on SoftMagic.

Section 3.16 Employee Benefit Plans.

(a) SoftMagic has set forth in the SoftMagic Disclosure Schedule (i) all employee benefit plans, (ii) all bonus, stock option, stock purchase, incentive, deferred compensation, supplemental retirement, severance and other similar employee benefit plans, and (iii) all unexpired severance agreements, written or otherwise, for the benefit of, or relating to, any current or former employee of SoftMagic (individually, a "SoftMagic Employee Plan," and collectively, the "SoftMagic Employee Plans").

(b) With respect to each SoftMagic Employee Plan, SoftMagic has made available to Puma a true and correct copy of (i) such SoftMagic Employee Plan and (ii) each trust agreement and group annuity contract, if any, relating to such SoftMagic Employee Plan.

(c) With respect to the SoftMagic Employee Plans, individually and in the aggregate, no event has occurred, and there exists no condition or set of circumstances in connection with which SoftMagic could be subject to any liability which would have a Material Adverse Effect on SoftMagic.

(d) With respect to the SoftMagic Employee Plans, individually and in the aggregate, there are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations which have not been accounted for by reserves, or otherwise properly footnoted in accordance with GAAP, on the financial statements or books of SoftMagic which would have a Material Adverse Effect on SoftMagic .

(e) SoftMagic is not a party to any oral or written (i) union or collective bargaining agreement, (ii) agreement with any officer or other key employee of SoftMagic, the

benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction involving SoftMagic of the nature contemplated by this Agreement, (iii) agreement with any officer of SoftMagic providing any term of employment or compensation guarantee or for the payment of compensation in excess of \$100,000 per annum, or (iv) agreement or plan, including any stock option plan, stock appreciation right plan, restricted stock plan or stock purchase plan, any of the benefits of which will be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement.

Section 3.17 Compliance with Laws. SoftMagic has complied with, is not in violation of, and has not received any notices of violation with respect to, any statute, law or regulation applicable to the ownership or operation of its business.

Section 3.18 Employees and Consultants. The SoftMagic Disclosure Schedule contains a list of the names of all employees and consultants of SoftMagic as of the date of this Agreement and their salaries or wages, other compensation, dates of employment and positions.

Section 3.19 Litigation. Except as set forth on the SoftMagic Disclosure Schedule, there is no action, suit, proceeding, claim, arbitration or investigation pending before any agency, court or tribunal or, to SoftMagic's knowledge, threatened against SoftMagic or any of its properties or officers or directors (in their capacities as such). There is no judgment, decree or order against SoftMagic or, to its knowledge, any of its directors or officers (in their capacities as such) that could prevent, enjoin or materially alter or delay any of the transactions contemplated by this Agreement, or that could reasonably be expected to have a Material Adverse Effect on SoftMagic. All litigation to which SoftMagic is a party (or, to its knowledge, threatened to become a party) is disclosed in the SoftMagic Disclosure Schedule.

Section 3.20 Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon SoftMagic which has or could reasonably be expected to have the effect of prohibiting or materially impairing any current or future business practice of SoftMagic or the conduct of business by SoftMagic as currently conducted or as currently proposed to be conducted.

Section 3.21 Governmental Authorization. SoftMagic has obtained each governmental consent, license, permit, grant or other authorization of a Governmental Entity that is required for the operation of the business of SoftMagic (collectively, the "SoftMagic Authorizations"), and all of such SoftMagic Authorizations are in full force and effect.

Section 3.22 Insurance. SoftMagic has insurance policies of the type and in amounts customarily carried by persons conducting businesses or owning assets similar to those of SoftMagic. The SoftMagic Disclosure Schedule contains a list and description of all such policies. There is no material claim pending under any of such policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies. All premiums due and payable under all such policies have been paid, and SoftMagic is otherwise in compliance with the terms

of such policies. SoftMagic has no knowledge of any threatened termination of, or material premium increase with respect to, any of such policies.

Section 3.23 Interested Party Transactions.

(a) Except as set forth on the SoftMagic Disclosure Schedule, no director, officer or shareholder of SoftMagic has any interest in (i) any equipment or other material property or asset, real or personal, tangible or intangible, including, without limitation, any of the SoftMagic Intellectual Property Rights, used in connection with or pertaining to the business of SoftMagic, (ii) any creditor, supplier, customer, manufacturer, agent, representative, or distributor of any of the SoftMagic Products, (iii) any entity that competes with SoftMagic, or with which SoftMagic is affiliated or has a business relationship, or (iv) any agreement, obligation or commitment, written or oral, to which SoftMagic is a party; *provided, however*, that no such person shall be deemed to have such an interest solely by virtue of ownership of less than five percent (5%) of the outstanding stock or debt securities of any company whose stock or debt securities are traded on a recognized stock exchange or on the NNM.

(b) Except as contemplated by the Transaction Documents, SoftMagic is not a party to any (i) agreement with any officer or other employee of SoftMagic the benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction involving SoftMagic in the nature of any of the transactions contemplated by this Agreement, or (ii) agreement or plan, including, without limitation, any stock option plan, stock appreciation right plan or stock purchase plan, any of the benefits of which will be increased, or the vesting of benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement.

Section 3.24 No Existing Discussions. As of the date hereof, SoftMagic is not engaged, directly or indirectly, in any discussions or negotiations with any party other than Puma with respect to an Acquisition Proposal (as defined in Section 6.1).

Section 3.25 Real Property Holding Corporation. SoftMagic is not a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code.

Section 3.26 Corporate Documents. SoftMagic has furnished to Puma, or its representatives, for its examination (i) its minute book containing all records required to be set forth of all proceedings, consents, actions and meetings of the shareholders, the Board of Directors and any committees thereof and (ii) all permits, orders and consents issued by any Governmental Entity with respect to SoftMagic. The corporate minute books and other corporate records of SoftMagic are complete and accurate in all material respects, and the signatures appearing on all documents contained therein are the true signatures of the persons purporting to have signed the same. All actions reflected in such books and records were duly and validly taken in compliance with the laws of the applicable jurisdiction. SoftMagic has delivered to Puma or its representatives true and complete copies of all documents which are referred to in this Article III or in the SoftMagic Disclosure Schedule.

Section 3.27 Information Statement. The information supplied by SoftMagic for inclusion in the information statement to be sent to the shareholders of SoftMagic in connection with their approval of the Merger (the "Information Statement") shall not, on the date the Information Statement is first mailed to SoftMagic shareholders, and at the Effective Time, contain any statement which is false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they are made, not false or misleading. If any at time prior to the Effective Time any event of information should be discovered by SoftMagic which should be set forth in an amendment to the Information Statement, SoftMagic shall promptly inform Puma and Sub and shall communicate such information to the SoftMagic shareholders in an appropriate manner. Notwithstanding the foregoing, SoftMagic makes no representation, warranty or covenant with respect to any information supplied by Puma which is contained in any of the foregoing documents.

Section 3.28 No Misrepresentation. No representation or warranty by SoftMagic in this Agreement, or any written statement, certificate or schedule furnished or to be furnished by or on behalf of SoftMagic pursuant to this Agreement, when taken together, contains or shall contain any untrue statement of a material fact or omits or shall omit to state a material fact required to be stated therein or necessary in order to make such statements, in light of the circumstances under which they were made, not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PACIFIC AND SUB

Except as set forth in the disclosure schedule delivered by Puma to SoftMagic on or before the date of this Agreement (the "Puma Disclosure Schedule"), Puma and Sub represent and warrant to SoftMagic as follows:

Section 4.1 Organization. Each of Puma, Sub and Pacific's Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has all requisite corporate power to own, lease and operate its property and to carry on its business as now being conducted and as proposed to be conducted, and is duly qualified to transact business and is in good standing as a foreign corporation in each jurisdiction in which the failure to be so qualified would have a Material Adverse Effect on Puma. Except as set forth in the Puma SEC Reports (as defined in Section 4.4) or the Puma Disclosure Schedule, neither Puma nor any of its Subsidiaries directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for, any corporation, partnership, joint venture or other business association or entity.

Section 4.2 Puma Capital Structure.

(a) The authorized capital stock of Puma consists of 40,000,000 shares of Puma Common Stock and 2,000,000 shares of Preferred Stock, \$.01 par value ("Puma Preferred Stock"). As of June 30, 1998: (i) 12,130,560 shares of Puma Common Stock were issued and

outstanding, all of which are validly issued, fully paid and nonassessable; (ii) no shares of Puma Common Stock were held in the treasury of Puma or by Subsidiaries of Puma; (iii) 4,750,000 shares of Puma Common Stock were reserved for issuance pursuant to stock options granted and outstanding under Pacific's stock option plans (the "Puma Option Plans"), and rights outstanding under Pacific's Employee Stock Purchase Plan (the "Puma Purchase Plan"). No material change in such capitalization has occurred between June 30, 1998 and the date of this Agreement. As of the date of this Agreement, none of the shares of Puma Preferred Stock are issued and outstanding. All shares of Puma Common Stock subject to issuance as specified above, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and nonassessable. All of the outstanding shares of capital stock of Sub are duly authorized, validly issued, fully paid and nonassessable, and all such shares are owned by Puma free and clear of all security interests, liens, claims, pledges, agreements, limitations on Pacific's voting rights, charges or other encumbrances of any nature.

(b) Except as set forth in this Section 4.2 or as reserved for future grants of options under the Puma Option Plans or the Puma Purchase Plan (as more fully described in the Puma SEC Reports), there are (i) no equity securities of any class of Puma, or any security exchangeable into or exercisable for such equity securities, issued, reserved for issuance or outstanding and (ii) no outstanding subscriptions, options, warrants, puts, calls, rights or other commitments or agreements of any character to which Puma is a party or by which it is bound obligating Puma to issue, deliver, sell, repurchase or redeem or cause to be issued, delivered, sold, repurchased or redeemed any equity securities of Puma or obligating Puma to grant, extend, accelerate the vesting of, change the exercise price of or otherwise amend or enter into any such option, warrant, call, right, commitment or agreement.

(c) The shares of Puma Common Stock to be issued pursuant to the Merger, when issued in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid, and nonassessable.

Section 4.3 Authority; No Conflict; Required Filings and Consents.

(a) Puma and Sub have all requisite corporate power and authority to enter into this Agreement and the other Transaction Documents to which they are or will be parties and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the other Transaction Documents to which Puma or Sub is or will be a party and the consummation of the transactions contemplated hereby and thereby will, as of the Effective Time, have been duly authorized by all necessary corporate action on the part of Puma and Sub, respectively. This Agreement and the other Transaction Documents to which Puma and/or Sub are parties have been or will be duly executed and delivered by Puma and/or Sub and constitute or will constitute the valid and binding obligations of Puma and/or Sub, enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy laws and other similar laws affecting creditors' rights generally and general principles of equity.

(b) The execution and delivery by Puma and Sub of this Agreement and the other Transaction Documents to which they are or will be parties do not, and the consummation

of the transactions contemplated hereby and thereby will not, (i) conflict with, or result in any violation or breach of any provision of the Certificate of Incorporation or Bylaws of Puma or Sub, (ii) result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default under, or give rise to a right of termination, cancellation or acceleration of any material obligation or loss of any material benefit under, any note, mortgage, indenture, lease, contract or other agreement, instrument or obligation to which Puma or Sub is a party or by which either of them or any of their properties or assets may be bound, or (iii) conflict with or violate any permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Puma or Sub or any of its or their properties or assets, except in the case of (ii) and (iii) for any such conflicts, violations, defaults, terminations, cancellations or accelerations which would not be reasonably likely to have a Material Adverse Effect on Puma.

(c) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Puma or any of its Subsidiaries in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for (i) the filing of the Certificate of Merger with the Delaware Secretary of State in accordance with the GCL and the filing of the Articles of Merger with the Florida Secretary of State in accordance with the FBCA, (ii) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable federal and state securities laws and the laws of any foreign country and (iii) such other consents, authorizations, filings, approvals and registrations which, if not be reasonably likely to have a Material Adverse Effect on Puma.

Section 4.4 SEC Filings; Financial Statements.

(a) Puma has timely filed and made available to SoftMagic all forms, reports and documents required to be filed by Puma with the Securities and Exchange Commission (the "SEC") since December 4, 1996 other than registration statements on Form S-8 (collectively, the "Puma SEC Reports"). The Puma SEC Reports (i) at the time filed, complied in all material respects with the applicable requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as the case may be, and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contain any untrue statement of a material fact or omit to state a material fact required to be stated in such Puma SEC Reports or necessary in order to make the statements in such Puma SEC Reports, in the light of the circumstances under which they were made, not misleading. None of Pacific's Subsidiaries is required to file any forms, reports or other documents with the SEC.

(b) Each of the consolidated financial statements (including, in each case, any related notes) contained in the Puma SEC Reports, including any Puma SEC Reports filed after the date of this Agreement until the Closing, complied or will comply as to form in all material respects with the applicable published rules and regulations of the SEC with respect thereto, was or will be prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes to such financial statements or, in the case of unaudited statements, as permitted by Form 10-Q promulgated by the SEC) and presented fairly or will present fairly, in all material respects, the consolidated financial position of Puma and its

Subsidiaries as at the respective dates and the consolidated results of its operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount. The unaudited consolidated balance sheet of Puma as of April 30, 1998 is referred to herein as the "Puma Balance Sheet."

Section 4.5 Absence of Certain Changes or Events. Since April 30, 1998, there has been no material adverse change in the business, assets, financial condition or results of operations of Puma, and Puma has conducted its business in the ordinary course and in a manner consistent with past practices. Since April 30, 1998, Puma has not agreed to take any action outside the ordinary course of business or that would constitute a breach of any of the representations or warranties of Puma contained in this Agreement.

Section 4.6 Interim Operations of Sub. Sub was formed solely for the purpose of engaging in the transactions contemplated by this Agreement, has engaged in no other business activities and has conducted its operations only as contemplated by this Agreement.

ARTICLE V

CONDUCT OF BUSINESS

Section 5.1 Covenants of SoftMagic. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, SoftMagic agrees (except to the extent that Puma shall otherwise consent in writing), to carry on its business in the usual, regular and ordinary course in substantially the same manner as previously conducted, to pay its debts and taxes when due, subject to good faith disputes over such debts or taxes, to pay or perform its other obligations when due (subject to good faith disputes with respect to such obligations), and, to the extent consistent with such business, to use all commercially reasonable efforts consistent with past practices and policies to (i) preserve intact its present business organization, (ii) keep available the services of its present officers and key employees (except in the case of pending terminations of officers or key employees as to which Puma has been notified by SoftMagic as of the date hereof, or as to which Puma has notified SoftMagic prior to the Closing Date as to its intention to terminate such person) and (iii) preserve its relationships with customers, suppliers, distributors, licensors, licensees and others having business dealings with it. SoftMagic shall promptly notify Puma of any event or occurrence not in the ordinary course of business of SoftMagic where such event or occurrence would result in a breach of any covenant of SoftMagic set forth in this Agreement or cause any representation or warranty of SoftMagic set forth in this Agreement to be untrue as of the date of, or giving effect to, such event or occurrence. Except as expressly contemplated by this Agreement, SoftMagic shall not, without the prior written consent of Puma:

(a) Grant or accelerate, amend or change the period of exercisability of options or restricted stock granted under any employee stock plan of SoftMagic or authorize cash payments in exchange for any options granted under any of such plans except as required by the terms of such plans or any related agreements in effect as of the date of this Agreement;

(b) Transfer or license to any person or entity or otherwise extend, amend or modify any rights to the SoftMagic Intellectual Property Rights other than end-user license agreements entered into pursuant to SoftMagic's standard form of end-user license agreement;

(c) Declare or pay any dividends on or make any other distributions (whether in cash, stock or property) in respect of any of its capital stock, or split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or purchase or otherwise acquire, directly or indirectly, any shares of its capital stock except from former employees, directors and consultants in accordance with agreements providing for the repurchase of shares in connection with any termination of service by such party;

(d) Issue, deliver or sell or authorize or propose the issuance, delivery or sale of, any shares of its capital stock or securities convertible into shares of its capital stock, or subscriptions, rights, warrants or options to acquire, or other agreements or commitments of any character obligating it to issue any such shares or other convertible securities, other than the issuance of shares of SoftMagic Common Stock to Jay Cohan pursuant to a written agreement with SoftMagic that has been approved by Puma, which approval shall not be unreasonably withheld;

(e) Acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in or substantial portion of the assets of, or by any other manner, any business or any corporation, partnership or other business organization or division, or otherwise acquire or agree to acquire any assets;

(f) Sell, lease, license or otherwise dispose of any of its properties or assets which are material, individually or in the aggregate, to the business of SoftMagic, except for transactions entered into in the ordinary course of business;

(g) Take any action to (i) increase or agree to increase the compensation payable or to become payable to its officers or employees, (ii) grant any additional severance or termination pay to, or enter into any employment or severance agreements with, officers, (iii) grant any severance or termination pay to, or enter into any employment or severance agreement, with any non-officer employee, except in accordance with past practices, (iv) enter into any collective bargaining agreement, or (v) establish, adopt, enter into or amend in any material respect any bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, trust, fund, policy or arrangement for the benefit of any directors, officers or employees;

(h) Revalue any of its assets, including writing down the value of inventory or writing off notes or accounts receivable, other than in the ordinary course of business;

(i) Incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any debt securities or warrants or rights to acquire any debt securities or guarantee any debt securities of others, other than indebtedness incurred under outstanding lines of credit consistent with past practice;

(j) Amend or propose to amend its Certificate of Incorporation or Bylaws, except as contemplated by this Agreement;

(k) Incur or commit to incur any individual capital expenditure in excess of \$10,000 or aggregate capital expenditures in excess of \$25,000, in addition to the existing commitments set forth in the SoftMagic Disclosure Schedule;

(l) Enter into any agreements or amendments to existing agreements pursuant to which any third party is granted exclusive marketing or distribution rights with respect to any SoftMagic Product;

(m) Amend or terminate any contract, agreement or license to which it is a party, except in the ordinary course of business;

(n) Waive or release any material right or claim, except in the ordinary course of business;

(o) Initiate any litigation or arbitration proceeding; or

(p) Take or agree to take, in writing or otherwise, any of the actions described in paragraphs (a) through (p) above, or any action which is reasonably likely to make any of SoftMagic's representations or warranties contained in this Agreement untrue or incorrect in any material respect on the date made (to the extent so limited) or as of the Effective Time.

Section 5.2 Covenants of Puma. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, Puma agrees (except to the extent that SoftMagic shall otherwise consent in writing), to carry on its business in the usual, regular and ordinary course in substantially the same manner as previously conducted, to pay its debts and Taxes when due, subject to good faith disputes over such debts or Taxes, to pay or perform its other obligations when due, and, to the extent consistent with such business, use all commercially reasonable efforts consistent with past practices and policies to (i) preserve intact its present business organization, (ii) keep available the services of its present officers and key employees and (iii) preserve its relationships with customers, suppliers, distributors, licensors, licensees and others having business dealings with it. Puma shall promptly notify SoftMagic of any event or occurrence not in the ordinary course of business of Puma where such event or occurrence would result in a breach of any covenant of Puma set forth in this Agreement or cause any representation or warranty of Puma set forth in this Agreement to be untrue as of the date of, or giving effect to, such event or occurrence.

Section 5.3 Cooperation. Subject to compliance with applicable law, from the date hereof until the Effective Time, each of Puma and SoftMagic shall confer on a regular and frequent basis with one or more representatives of the other party to report operational matters of materiality and the general status of ongoing operations and shall promptly provide the other party or its counsel with copies of all filings made by such party with any Governmental Entity in connection with this Agreement, the Merger and the transactions contemplated hereby.

ARTICLE VI

ADDITIONAL AGREEMENTS

Section 6.1 No Solicitation.

(a) During the period from the date of this Agreement until the earlier of the termination of this Agreement or the Effective Time, SoftMagic shall not, directly or indirectly, through any officer, director, employee, representative or agent, (i) solicit, initiate, or encourage any inquiries or proposals that constitute, or could reasonably be expected to lead to, a proposal or offer for a merger, consolidation, business combination, sale of substantial assets, sale of shares of capital stock (including without limitation by way of a tender offer) or similar transactions involving SoftMagic, other than the transactions contemplated by this Agreement (any of the foregoing inquiries or proposals being referred to in this Agreement as an "Acquisition Proposal"), (ii) engage in negotiations or discussions concerning, or provide any non-public information to any person or entity relating to, any Acquisition Proposal, or (iii) agree to, approve or recommend any Acquisition Proposal.

(b) SoftMagic shall notify Puma no later than twenty-four (24) hours after receipt by an officer of SoftMagic (or by any of SoftMagic's advisors) of any Acquisition Proposal or any request for nonpublic information in connection with an Acquisition Proposal or for access to the properties, books or records of SoftMagic by any person or entity that informs SoftMagic that it is considering making, or has made, an Acquisition Proposal. Such notice shall be made orally and in writing and shall indicate in reasonable detail the identity of the offeror and the terms and conditions of such proposal, inquiry or contact.

Section 6.2 Registration Rights.

(a) Puma shall use all reasonable efforts to cause the shares of Puma Common Stock issued in the Merger, other than the Escrow Shares (the "Registrable Securities"), to be registered under the Securities Act so as to permit the resale thereof, and in connection therewith shall use all reasonable efforts to prepare and file with the SEC within forty-five (45) days following the Closing, and shall use all reasonable efforts to cause to become effective no later than ninety (90) days after the Effective Time, a registration statement (the "Registration Statement") on Form S-3 or on such other form as is then available under the Securities Act covering the Registrable Securities; *provided, however*, that each holder of Registrable Securities ("Holder") shall provide all such information and materials to Puma and take all such action as may be required in order to permit Puma to comply with all applicable requirements of the SEC and to obtain any desired acceleration of the effective date of such Registration Statement. Such provision of information and materials is a condition precedent to the obligations of Puma pursuant to this Section 6.2. Puma shall not be required to effect more than one (1) registration under this Section 6.2. The offering made pursuant to such registration shall not be underwritten.

(b) Notwithstanding Section 6.2(a), Puma shall be entitled to postpone the declaration of effectiveness of the Registration Statement prepared and filed pursuant to Section 6.2(a) for a reasonable period of time up to forty-five (45) calendar days after the

deadline therefore set forth in Section 6.2(a), if the Board of Directors of Puma, acting in good faith, determines that there exists material nonpublic information about Puma which the Board does not wish to disclose in a registration statement, which information would otherwise be required by the Securities Act to be disclosed in the Registration Statement to be filed pursuant to Section 6.2(a) above. Puma shall have the right to extend such forty-five (45)-day postponement upon the written consent of the Shareholder Representative (as defined in Section 9.6 hereof); *provided, however*, that Puma will use all reasonable efforts to limit the extension to as short a period as possible. In each case, Puma shall furnish the Shareholder Representative with a written notice summarizing in reasonable detail the material nonpublic information upon which the postponement or extension of such postponement is based, which information the Shareholder Representative shall treat as confidential.

(c) Subject to the limitations of Section 6.2(b) above, Puma shall (i) prepare and file with the SEC within forty-five (45) days after the Effective Time the Registration Statement in accordance with Section 6.2(a) hereof with respect to the shares of Registrable Securities and shall use all reasonable efforts to cause the Registration Statement to become effective as promptly as practicable after filing and to keep the Registration Statement effective until one (1) year after the Effective Time; and (ii) prepare and file with the SEC such amendments and supplements to the Registration Statement and the prospectus used in connection therewith as may be necessary, and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all securities proposed to be registered in the Registration Statement until one (1) year after the Effective Time, (iii) furnish to each Holder such number of copies of any prospectus (including any preliminary prospectus and any amended or supplemented prospectus) in conformity with the requirements of the Securities Act, and such other documents, as each Holder may reasonably request in order to effect the offering and sale of the shares of the Registrable Securities to be offered and sold, but only while Puma shall be required under the provisions hereof to cause the Registration Statement to remain current.

(d) Notwithstanding any other provision of this Section 6.2 but subject to Section 6.2(e), Puma shall have the right at any time to require that all Holders suspend further open market offers and sales of Registrable Securities whenever, and for so long as, in the reasonable judgment of Puma in good faith after consultation with counsel, there is or may be in existence material undisclosed information or events with respect to Puma (the "Suspension Right"). In the event Puma exercises the Suspension Right, such suspension will continue for the period of time reasonably necessary for disclosure to occur at a time that is not materially detrimental to Puma and its stockholders or until such time as the information or event is no longer material, each as determined in good faith by Puma after consultation with counsel. Puma will promptly give the Shareholder Representative notice of any such suspension, summarizing in reasonable detail the information or events on which such suspension is based, *provided* that the Shareholder Representative shall maintain the confidentiality of the contents of such summary. Puma will use all reasonable efforts to limit the length of the suspension to thirty (30) calendar days or less. Puma agrees to notify the Shareholder Representative promptly upon termination of the suspension.

(e) If any Holder shall propose to sell any Registrable Securities pursuant to the Registration Statement, it shall notify the Chief Financial Officer of Puma of its intent to do so

(including the proposed manner and timing of all sales) at least two (2) full trading days prior to such sale, and the provision of such notice to Puma shall conclusively be deemed to reestablish and reconfirm an agreement by such Holder to comply with the registration provisions set forth in this Agreement. Unless otherwise specified in such notice, such notice shall be deemed to constitute a representation that any information previously supplied by such Holder expressly for inclusion in the Registration Statement (as such information may have been superseded by information provided subsequently) is accurate as of the date of such notice. At any time within such two-trading-day period, Puma may refuse to permit the Holder to resell any Registrable Securities pursuant to the Registration Statement; *provided, however*, that in order to exercise this right, Puma must deliver a certificate in writing to the Holder to the effect that a delay in such sale is necessary because a sale pursuant to the Registration Statement in its then current form without the addition of material, non-public information about Puma could constitute a violation of the federal securities laws. Notwithstanding the foregoing, Puma will ensure that in any event the Holders shall have at least twenty (20) trading days (prorated for partial quarters) available to sell Registrable Securities during each calendar quarter (or portion thereof) after the effectiveness of the Registration Statement until the first anniversary of the Effective Time. For any offer or sale of any of the Registrable Securities by a Holder in a transaction that is not exempt under the Securities Act, the Holder, in addition to complying with any other federal securities laws, shall deliver a copy of the final prospectus (or amendment of or supplement to such prospectus) of Puma covering the Registrable Securities in the form furnished to the Holder by Puma to the purchaser of any of the Registrable Securities on or before the settlement date for the purchase of such Registrable Securities.

(f) Puma will indemnify each Holder, each of its officers and directors and partners, and each person controlling such Holder within the meaning of Section 15 of the Securities Act against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, preliminary prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any registration, qualification or compliance effected pursuant to this Section 6.2, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or any violation or any alleged violation by Puma of any rule or regulation promulgated under the Securities Act or the Exchange Act in connection with any such registration, qualification or compliance, and Puma will reimburse each such Holder, each of its officers and directors, and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, as such expenses are incurred, provided that Puma will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to Puma by such Holder or controlling person and specifically for use therein.

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

(h) Each party entitled to indemnification under Section 6.2(f) or 6.2(g) (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense; *provided, however*, that an Indemnified Party (together with all other Indemnified Parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the Indemnifying Party, if representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to differing or potentially differing interests between such Indemnified Party and any other party represented by such counsel in such proceeding. The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under Section 6.2(f) or 6.2(g) unless the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

(i) Puma shall pay all of the out-of-pocket expenses, other than underwriting discounts and commissions, if any, incurred in connection with any registration of Registrable Securities pursuant to this Section 6.2, including, without limitation, all registration and filing fees, printing expenses, transfer agents' and registrars' fees, and the reasonable fees and disbursements of Pacific's outside counsel and independent accountants.

Section 6.3 Consents. Each of Puma and SoftMagic shall use all reasonable efforts to obtain all necessary consents, waivers and approvals under any of Pacific's or SoftMagic's material agreements, contracts, licenses or leases as may be necessary or advisable to consummate the Merger and the other transactions contemplated by this Agreement.

Section 6.4 Access to Information. Upon reasonable notice, SoftMagic shall afford to the officers, employees, accountants, counsel and other representatives of Puma, reasonable access, during normal business hours during the period prior to the Effective Time, to all its properties, books, contracts, commitments and records and, during such period, SoftMagic shall furnish promptly to Puma or its representatives all other information concerning its business, properties and personnel as such other party may reasonably request. Unless otherwise required by law, the parties will treat any such information which is nonpublic in confidence in accordance with the Confidentiality Agreement dated March 16, 1998 (the "Confidentiality Agreement") between Puma and SoftMagic, which Confidentiality Agreement shall continue in full force and effect in accordance with its terms. No information or knowledge obtained in any investigation pursuant to this Section 6.4 shall affect or be deemed to modify any representation or warranty contained in this Agreement or the conditions to the obligations of the parties to consummate the Merger.

Section 6.5 Information Statement; Other Filings; Board Recommendations. Promptly after the execution of this Agreement, SoftMagic and Puma will prepare the Information Statement, and SoftMagic will use its best efforts to distribute the Information Statement to the shareholders of SoftMagic within three (3) business days after such execution. As promptly as practicable after the date of this Agreement, SoftMagic and Puma will prepare and file any other filings required under the Exchange Act, the Securities Act or any other federal, foreign or state securities or blue sky laws relating to the Merger and the transactions contemplated by this Agreement (the "Other Filings"). The Information Statement and the Other Filings will comply in all material respects with all applicable requirements of law and the rules and regulations promulgated thereunder, including Regulation D promulgated under the Securities Act. Whenever any event occurs which is required to be set forth in an amendment or supplement to the Information Statement or any Other Filing, SoftMagic or Puma, as the case may be, will promptly inform the other of such occurrence and cooperate in making any appropriate amendment or supplement, and/or mailing to shareholders of SoftMagic, such amendment or supplement. The material submitted to SoftMagic's shareholders for purposes of soliciting such shareholders' consents to the Merger shall be subject to review and approval by Puma and include information regarding SoftMagic, the terms of the Merger and this Agreement and the unanimous recommendation of the Board of Directors of SoftMagic in favor of the Merger and this Agreement.

Section 6.6 Legal Conditions to Merger. Each of Puma, Sub and SoftMagic will take all reasonable actions necessary to comply promptly with all legal requirements which may be imposed on itself with respect to the Merger (which actions shall include, without limitation, furnishing all information in connection with approvals of or filings with any Governmental Entity) and will promptly cooperate with and furnish information to each other in connection with any such requirements imposed upon either of them or any of their Subsidiaries in connection with the Merger. Each of Puma and SoftMagic will take all reasonable actions necessary to obtain (and will cooperate with each other in obtaining) any consent, authorization, order or approval of, or

any exemption by, any Governmental Entity or other third party, required to be obtained or made by SoftMagic, Puma or any of their Subsidiaries in connection with the Merger or the taking of any action contemplated thereby or by this Agreement and to enable the Closing to occur no later than July 31, 1998, but in any event as promptly as practicable.

Section 6.7 Public Disclosure. Puma and SoftMagic shall consult with each other before issuing any press release or otherwise making any public statement with respect to the Merger or this Agreement and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by law or by the rules of the NNM.

Section 6.8 Tax-Free Reorganization. Puma and SoftMagic shall each use its best efforts to cause the Merger to be treated as a reorganization within the meaning of Section 368(a) of the Code.

Section 6.9 Identification of Affiliates. Concurrent with the execution and delivery of this Agreement, Puma and SoftMagic will provide each other with a list of those persons who are, in Pacific's or SoftMagic's respective reasonable judgment, "affiliates" of Puma or SoftMagic, respectively, within the meaning of Rule 145 promulgated under the Securities Act ("Rule 145"). (Each such person who is an "affiliate" of Puma or SoftMagic within the meaning of Rule 145 is referred to herein as an "Affiliate.") Puma and SoftMagic shall provide each other such information and documents as SoftMagic or Puma shall reasonably request for purposes of reviewing such list and shall notify the other party in writing regarding any change in the identity of its Affiliates prior to the Closing Date.

Section 6.10 Employee Benefits; Stock Options. Puma agrees that it will provide benefits to former SoftMagic employees hired by Puma following the Effective Time that are substantially similar to the benefits currently provided to similarly situated employees of Puma. From and after the Effective Time, Puma shall also grant to such employees credit for all service (to the same extent service with Puma is taken into account with respect to similarly situated employees of Puma) with SoftMagic prior to the Effective Time for purposes of vacation accrual after the Effective Time as if such service with SoftMagic was service with Puma. Puma shall take all corporate action necessary to issue incentive stock options (to the extent such options qualify as such for tax purposes) to purchase an aggregate of 275,000 shares of Puma Common Stock under the Puma Amended and Restated 1993 Stock Option Plan (the "Options") according to the following schedule: (i) 55,000 shares to be granted to Jay Cohan; (ii) 198,000 shares to be granted to Andre Sant'Anna; and (iii) 22,000 shares to be granted at the discretion of Messrs. Cohan and Sant'Anna to SoftMagic employees retained by Puma following the Effective Time, subject to the reasonable approval of the President of Puma. The Options shall be granted on the first trading day of the first month following the Effective Time (the "Grant Date") and shall have an exercise price equal to the closing price of Puma Common Stock on the Grant Date as reported on the Nasdaq National Market.

Section 6.11 Brokers or Finders. Each of Puma and SoftMagic represents, as to itself, its Subsidiaries and its Affiliates, that no agent, broker, investment banker, financial advisor or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement.

Section 6.12 Additional Agreements; Reasonable Efforts. Subject to the terms and conditions of this Agreement, each of the parties agrees to use all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including cooperating fully with the other party, including by provision of information. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation with full title to all properties, assets, rights, approvals, immunities and franchises of either of the Constituent Corporations, the proper officers and directors of each party to this Agreement shall take all such necessary action.

Section 6.13 Expenses. The parties shall each pay their own legal, accounting and financial advisory fees and other out-of-pocket expenses related to the negotiation, preparation and carrying out of this Agreement and the transactions herein contemplated. In the event the Merger is consummated, legal, accounting and financial advisory fees and expenses and other out-of-pocket expenses incurred by SoftMagic relating to the negotiation, preparation and carrying out of this Agreement and the transactions herein contemplated, shall be borne by Puma.

Section 6.14 Voting Agreements. Concurrently with the execution and delivery of this Agreement, SoftMagic will cause the persons and entities listed on Schedule 6.14 to execute Voting Agreements in the form attached hereto as Exhibit B agreeing, among other things, to vote in favor of the Merger.

Section 6.15 Employment and Noncompetition Agreements. SoftMagic shall use reasonable efforts to assist Puma in causing Andre Sant'Anna and Jay Cohan to enter into an Employment and Noncompetition Agreement (as defined in Section 7.2(g)).

Section 6.16 Sublease Agreement. SoftMagic shall use its best efforts to cause the Sublease Agreement between SoftMagic and Purity Wholesale Grocers, Inc. dated April 20, 1998 to be terminated or the obligations thereunder to be assigned to a third party.

Section 6.17 Updating Schedules. After execution of this Agreement and prior to the Effective Time, each of SoftMagic and Puma will promptly supplement or amend their respective Disclosure Schedules to reflect any matter that, if existing, occurring or known on the date set forth or discussed in such Disclosure Schedules, should have been so disclosed, or which is necessary to correct any information in such Disclosure Schedules which was or has been rendered inaccurate thereby; *provided, however*, that for the purpose of determining the rights and obligations of the parties under this Agreement, any such supplemental or amended disclosure by either party shall not be deemed to have been disclosed as of the date hereof or to constitute part of or an amendment or supplement to such party's Disclosure Schedule or to cure any breach or inaccuracy of a representation or warranty unless so agreed to in writing by the other party, which agreement shall not be unreasonably withheld if such supplemental or amended disclosure is not reasonably likely, individually or in the aggregate, to result in a Material Adverse Effect on the party making such disclosure.

ARTICLE VII

CONDITIONS TO MERGER

Section 7.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligations of each party to this Agreement to effect the Merger shall be subject to the satisfaction on or prior to the Closing Date of the following conditions:

(a) This Agreement and the Merger shall have been approved and adopted by the affirmative vote of the holders of the requisite number of outstanding shares of SoftMagic Common Stock.

(b) All authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity, the failure of which to obtain or comply with would be reasonably likely to have a Material Adverse Effect on Puma or SoftMagic or a Material Adverse Effect on the consummation of the transactions contemplated hereby, shall have been filed, occurred or been obtained.

(c) No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition preventing the consummation of the Merger or limiting or restricting Pacific's conduct or operation of the business of Puma or SoftMagic after the Merger shall have been issued, nor shall any proceeding brought by a domestic administrative agency or commission or other domestic Governmental Entity seeking any of the foregoing be pending; nor shall there be any action taken, or any statute, rule, regulation or order enacted, entered, enforced or deemed applicable to the Merger which makes the consummation of the Merger illegal.

Section 7.2 Additional Conditions to Obligations of Puma and Sub. The obligations of Puma and Sub to effect the Merger are subject to the satisfaction of each of the following conditions, any of which may be waived in writing exclusively by Puma and Sub:

(a) The representations and warranties of SoftMagic set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date, except (i) for changes contemplated by this Agreement, (ii) that representations and warranties which specifically relate to a particular date or period shall be true and correct as of such date and for such period, and (iii) where the failure of any such representation or warranty to be true and correct on and as of the Closing Date, individually and in the aggregate, would not be reasonably likely to have a Material Adverse Effect on SoftMagic, or a material adverse effect upon the consummation of the transactions contemplated hereby; and Puma shall have received a certificate to such effect signed on behalf of SoftMagic by the chief executive officer of SoftMagic.

(b) SoftMagic shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Puma shall have received a certificate to such effect signed on behalf of SoftMagic by the chief executive officer of SoftMagic.

(c) Puma shall have received from SoftMagic written evidence that the execution, delivery and performance of SoftMagic's obligations under this Agreement have been duly and validly approved and authorized by the Board of Directors and the shareholders of SoftMagic.

(d) Puma shall have received all permits and other authorizations required under applicable state blue sky laws for the issuance of shares of Puma Common Stock pursuant to the Merger.

(e) Puma shall have been furnished with evidence satisfactory to it of the consent or approval of those persons whose consent or approval shall be required in connection with the Merger under the material contracts of SoftMagic.

(f) Puma shall have received from each of the Affiliates of SoftMagic an executed Affiliate Agreement.

(g) Andre Sant'Anna and Jay Cohan shall have entered into Employment and Noncompetition Agreements in the form of Exhibit C hereto ("Employment and Noncompetition Agreements").

(h) Jennifer Creek Sant'Anna shall have entered into a Consulting Agreement in the form of Exhibit D hereto.

(i) Puma shall have received a legal opinion from Bowditch & Dewey, LLP, Massachusetts counsel to SoftMagic, in form and substance reasonably satisfactory to Puma.

(j) The Escrow Agreement shall have been executed and delivered by the Shareholder Representative and the Escrow Agent.

(k) Puma shall have been furnished with evidence satisfactory to it of the payment or forgiveness of any debt related to any loans from each of Andre Sant'Anna and Jay Cohan to SoftMagic.

(l) Puma shall have received from Malcolm Keller Buyer III a full release in form and substance satisfactory to Puma, regarding any and all claims of Mr. Buyer to securities of SoftMagic.

(m) This Agreement and the Merger shall have been approved and adopted by the Board of Directors of Puma and the Board of Directors of SoftMagic.

(n) Puma shall have satisfactorily completed, in its reasonable discretion, its business, financial and legal due diligence of SoftMagic.

Section 7.3 Additional Conditions to Obligations of SoftMagic. The obligation of SoftMagic to effect the Merger is subject to the satisfaction of each of the following conditions, any of which may be waived, in writing, exclusively by SoftMagic:

(a) The representations and warranties of Puma and Sub set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and (except to the extent such representations speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, except (i) changes contemplated by this Agreement and (ii) where the failure to be true and correct would not be reasonably likely to have a Material Adverse Effect on Puma and its Subsidiaries, taken as a whole, or a Material Adverse Effect upon the consummation of the transactions contemplated hereby; and SoftMagic shall have received a certificate to such effect signed on behalf of Puma by the chief financial officer of Puma.

(b) Puma and Sub shall have performed in all material respects all obligations required to be performed by them under this Agreement at or prior to the Closing Date, and SoftMagic shall have received a certificate to such effect signed on behalf of Puma by the chief financial officer of Puma.

(c) SoftMagic shall have received from Puma and Sub written evidence that the execution, delivery and performance of Pacific's and Sub's obligations under this Agreement have been duly and validly approved and authorized by the Boards of Directors of Puma and Sub.

(d) The Escrow Agreement shall have been executed and delivered by Puma and the Escrow Agent.

(e) SoftMagic shall have received a written legal opinion from Gary Cary Ware & Freidenrich LLP, counsel to Puma, in form and substance reasonably satisfactory to SoftMagic.

(f) Puma shall have entered into the Employment and Noncompetition Agreements with Andre Sant'Anna and Jay Cohan.

ARTICLE VIII

TERMINATION AND AMENDMENT

Section 8.1 Termination. This Agreement may be terminated at any time prior to the Effective Time (with respect to Sections 8.1(b) through 8.1(g), by written notice by the terminating party to the other party):

(a) by the mutual written consent of Puma and SoftMagic;

(b) by either Puma or SoftMagic if the Merger shall not have been consummated by July 31, 1998 (provided that the right to terminate this Agreement under this Section 8.1(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of the Merger to occur on or before such date);

(c) by either Puma or SoftMagic if a court of competent jurisdiction or other Governmental Entity shall have issued a nonappealable final order, decree or ruling or taken any

other action, in each case having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger, except, if the party relying on such order, decree or ruling or other action has not complied with its obligations under Section 6.6 of this Agreement;

(d) by Puma if the Board of Directors of SoftMagic shall have withdrawn or modified its recommendation of this Agreement or the Merger in a manner adverse to Puma or shall have publicly announced or disclosed to any third party its intention to do any of the foregoing;

(e) by Puma if the shareholders of SoftMagic shall fail to approve this Agreement and the Merger;

(f) by Puma or SoftMagic, if there has been a material breach of any representation, warranty, covenant or agreement on the part of the other party set forth in this Agreement, which breach (i) causes the conditions set forth in Section 7.2(a) or (b) (in the case of termination by Puma) or 7.3(a) or (b) (in the case of termination by SoftMagic) not to be satisfied and (ii) shall not have been cured within ten (10) business days following receipt by the breaching party of written notice of such breach from the other party.

Section 8.2 Effect of Termination. In the event of termination of this Agreement as provided in Section 8.1, there shall be no liability or obligation on the part of Puma, SoftMagic, Sub or their respective officers, directors, stockholders or Affiliates, except to the extent that such termination results from the willful breach by a party of any of its representations, warranties or covenants set forth in this Agreement; provided that the provisions of Sections 6.7, 6.11 and 6.13 of this Agreement and the confidentiality provisions set forth herein shall remain in full force and effect and survive any termination of this Agreement.

Section 8.3 Amendment. This Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the shareholders of SoftMagic, but, after any such approval, no amendment shall be made which by law requires further approval by such shareholders without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

Section 8.4 Extension; Waiver. At any time prior to the Effective Time, the parties hereto, by action taken or authorized by their respective Boards of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party.

ARTICLE IX

ESCROW AND INDEMNIFICATION

Section 9.1 Survival of Representations and Warranties. If the Merger occurs, all of the representations and warranties contained in this Agreement shall survive the Closing Date (except that representations and warranties that specifically relate to a particular date or period shall be true and correct as of such date and for such period) and shall continue in full force and effect until the date of the first anniversary of the Closing Date (the "Termination Date"), except as to representations and warranties of a nature such that a breach should be discovered during the first audit of combined operations, which representations and warranties will survive only until the release of the audited results of such combined operations.

Section 9.2 Indemnification by SoftMagic Shareholders.

(a) Subject to the terms and conditions contained herein, each of the shareholders of SoftMagic shall indemnify, defend and hold harmless Puma, its officers, directors, employees and attorneys, all Subsidiaries and Affiliates of Puma, and the respective officers, directors, employees and attorneys of such entities (all such persons and entities being collectively referred to as the "Puma Group") from, against, for and in respect of any and all losses, damages, costs and expenses (including reasonable legal fees and expenses) which any member of the Puma Group may sustain or incur which are caused by or arise out of (i) any inaccuracy in or breach of any of the representations, warranties or covenants made by SoftMagic in this Agreement, including the SoftMagic Disclosure Schedule, or (ii) any breach by the shareholders of SoftMagic or the Shareholder Representative of this Article IX or the Escrow Agreement (collectively, "Puma Losses"). References to shareholders of SoftMagic, SoftMagic shareholders or words of similar import in this Article IX shall be deemed to be references to the persons who were shareholders of SoftMagic immediately prior to the Effective Time.

(b) No shareholder of SoftMagic shall be required to indemnify any member of the Puma Group for any Puma Losses until and only to the extent that the aggregate amount of all Puma Losses under all claims shall exceed \$25,000 (the "Floor"), and further, no shareholder of SoftMagic shall be liable for any individual Puma Loss that is less than \$5,000 (a "*De Minimis* Claim"). Except as specifically provided in Section 9.2(d), the maximum aggregate liability of the shareholders of SoftMagic pursuant to Section 9.2(a) shall in no event exceed the value of the Escrow Fund, as determined pursuant to Section 2 of the Escrow Agreement.

(c) The obligation of the shareholders of SoftMagic to indemnify members of the Puma Group for a Puma Loss under this Article IX is subject to the condition that the Shareholder Representative shall have received written notice of an Indemnification Claim (as defined in Section 9.3 hereof) for such Puma Loss on or before the Termination Date.

(d) The provisions of Section 9.2(b) and (c) above and 9.6 below shall not limit, in any manner, any remedy at law or in equity to which any member of the Puma Group shall be entitled against SoftMagic or any shareholder of SoftMagic as a result of willful fraud or

intentional misrepresentation by SoftMagic, any shareholder of SoftMagic or any of their respective representatives.

(e) Except as set forth in Section 9.2(d), each shareholder of SoftMagic shall be liable for Puma Losses only to the extent of such shareholder's Proportionate Interest (as defined in the Escrow Agreement) in the aggregate Escrow Fund.

Section 9.3 Procedures for Indemnification.

(a) As used in this Article IX, the term "Indemnitee" means the member or members of the Puma Group seeking indemnification hereunder.

(b) A claim for indemnification hereunder (an "Indemnification Claim") shall be made by Indemnitee by delivery of a written notice to the Shareholder Representative and the Escrow Agent requesting indemnification and specifying the basis on which indemnification is sought in reasonable detail (and shall include relevant documentation related to the Indemnification Claim), the amount of the asserted Puma Losses and, in the case of a Third Party Claim (as defined in Section 9.4), containing (by attachment or otherwise) such other information as Indemnitee shall have concerning such Third Party Claim.

(c) If the Indemnification Claim involves a Third Party Claim, the procedures set forth in Section 9.4 hereof shall be observed by Indemnitee and the Shareholder Representative.

(d) The Escrow Agent will not release any Escrow Shares or Cash Escrow held in the Escrow Account pursuant to an Indemnification until such Indemnification Claim has been resolved in accordance with Section 9.6 below.

Section 9.4 Defense of Third Party Claims. Should any claim be made or suit or proceeding be instituted against an Indemnitee which, if prosecuted successfully, would be a matter for which such Indemnitee is entitled to indemnification under this Article IX (a "Third Party Claim"), the obligations and liabilities of the parties hereunder with respect to such Third Party Claim shall be subject to the following terms and conditions:

(a) Indemnitee shall give the Shareholder Representative and the Escrow Agent written notice of any such Third Party Claim promptly after receipt by Indemnitee of notice thereof, and the Shareholder Representative may, subject to the prior written consent of Puma, undertake control of the defense thereof by counsel of its own choosing reasonably acceptable to Indemnitee. Indemnitee may participate in the defense through its own counsel at its own expense. If, however, the Shareholder Representative fails or refuses to undertake the defense of such Third Party Claim within fifteen (15) days after written notice of such claim has been delivered to the Shareholder Representative by Indemnitee, Indemnitee shall have the right to undertake the defense, compromise and, subject to Section 9.5, settlement of such Third Party Claim with counsel of its own choosing. In the circumstances described in the preceding sentence, Indemnitee shall, promptly upon its assumption of the defense of such Third Party Claim, make an Indemnification Claim as specified in Section 9.3(b), which shall be deemed an Indemnification

Claim that is not a Third Party Claim for the purposes of the procedures set forth herein. Failure of Indemnitee to furnish written notice to the Shareholder Representative or the Escrow Agent of a Third Party Claim shall not release the shareholders of SoftMagic from their obligations hereunder, except to the extent they are prejudiced by such failure.

(b) Indemnitee and the Shareholder Representative shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such claim and furnishing employees of Indemnitee as may be reasonably necessary for the preparation of the defense of any such Third Party Claim or for testimony as witness in any proceeding relating to such claim.

(c) Unless the Shareholder Representative has failed to fulfill its obligations under this Article IX, no settlement by Indemnitee of a Third Party Claim shall be made without the prior written consent by or on behalf of the Shareholder Representative, which consent shall not be unreasonably withheld or delayed. If the Shareholder Representative has assumed the defense of a Third Party Claim as contemplated by this Section 9.4, no settlement of such Third Party Claim may be made by the Shareholder Representative without the prior written consent by or on behalf of Indemnitee, which consent shall not be unreasonably withheld or delayed.

Section 9.5 Manner of Indemnification.

(a) To provide a fund against which members of the Puma Group may assert claims of indemnification under this Article IX, the Escrow Shares and the Cash Escrow shall be withheld and deposited into Escrow pursuant to the Escrow Agreement in accordance with the provisions of Section 2.3 hereof. The Escrow Shares and the Cash Escrow so deposited shall be held and distributed in accordance with the Escrow Agreement.

(b) Each claim for indemnification asserted against the shareholders of SoftMagic pursuant to this Article IX shall be made only in accordance with the Escrow Agreement, subject to the provisions of Section 9.2(d) hereof.

Section 9.6 Shareholder Representative. For purposes of this Agreement the shareholders of SoftMagic, without any further action on the part of any such shareholder, shall be deemed to have consented to the appointment of Jennifer Creek Sant'Anna as the representative of such shareholders (the "Shareholder Representative"), as the attorney-in-fact for and on behalf of each such shareholder, and the taking by the Shareholder Representative of any and all actions and the making of any decisions required or permitted to be taken by him under this Agreement, including, without limitation, the exercise of the power to (i) execute the Escrow Agreement, (ii) authorize delivery to Puma of the Escrow Shares, or any portion thereof, in satisfaction of Indemnification Claims, (iii) agree to, negotiate, enter into settlements and compromises of and comply with orders of courts and awards of arbitrators with respect to such Indemnification Claims, (iv) resolve any Indemnification Claims, and (v) take all actions necessary in the judgment of the Shareholder Representative for the accomplishment of the foregoing and all of the other terms, conditions and limitations of this Agreement and the Escrow Agreement. Accordingly, the Shareholder Representative has unlimited authority and power to act on behalf of each shareholder of SoftMagic with respect to this Agreement and the Escrow Agreement and the

disposition, settlement or other handling of all Indemnification Claims, rights or obligations arising from and taken pursuant to this Agreement. The shareholders of SoftMagic will be bound by all actions taken by the Shareholder Representative in connection with this Agreement, and Puma shall be entitled to rely on any action or decision of the Shareholder Representative. The Shareholder Representative will incur no liability with respect to any action taken or suffered by him in reliance upon any notice, direction, instruction, consent, statement or other document believed by him to be genuine and to have been signed by the proper person (and shall have no responsibility to determine the authenticity thereof), nor for any other action or inaction, except his own willful misconduct, bad faith or gross negligence. In all questions arising under this Agreement or the Escrow Agreement, the Shareholder Representative may rely on the advice of counsel, and the Shareholder Representative will not be liable to anyone for anything done, omitted or suffered in good faith by the Shareholder Representative based on such advice. The Shareholder Representative will not be required to take any action involving any expense unless the payment of such expense is made or provided for in a manner satisfactory to him. At any time during the term of the Escrow Agreement, holders of a majority of the Escrow Shares can appoint a new Shareholder Representative by written consent by sending notice and a copy of the written consent appointing such new Shareholder Representative signed by holders of a majority of the Escrow Shares to Puma and the Escrow Agent. Such appointment will be effective upon the later of the date indicated in the consent or the date such consent is received by Puma and the Escrow Agent.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial delivery service, or within seventy-two (72) hours after being mailed by registered or certified mail (return receipt requested) or sent via facsimile (with confirmation of receipt) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Puma, to:

Puma Technology, Inc.
2550 North First Street, Suite 500
San Jose, CA 95131
Attention: President
Fax: (408) 321-3886
Tel: (408) 321-7650

with a copy to:

Gray Cary Ware & Freidenrich LLP
400 Hamilton Avenue
Palo Alto, CA 94301

Attention: Eric J. Lapp, Esq.
Fax: (650) 327-3699
Tel: (650) 328-6561

(b) if to SoftMagic, to

SoftMagic Corp.
6413 Congress Avenue, Suite 230
Boca Raton, FL 33487
Attention: President
Fax: (561) 995-8921
Tel: (561) 995-8920

with a copy to:

Bowditch & Dewey, LLP
311 Main Street
Worcester, MA 01608
Attention: Susan Rayne, Esq.
Fax: (508) 756-7636
Tel: (508) 791-3511

(c) if to the Shareholder Representative, to

Jennifer Creek Sant'Anna
SoftMagic Corp.
6413 Congress Avenue, Suite 230
Boca Raton, FL 33487
Fax: (561) 995-8921
Tel: (561) 995-8920

with a copy to:

Bowditch & Dewey, LLP
311 Main Street
Worcester, MA 01608
Attention: Susan Rayne, Esq.
Fax: (508) 756-7636
Tel: (508) 791-3511

Section 10.2 Interpretation. When a reference is made in this Agreement to an Article or Section, such reference shall be to an Article or Section of this Agreement unless otherwise indicated. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The phrase "made available" in this Agreement shall mean that the information referred to has been made available if requested by the party to whom such information is to be made available. The phrases "the date of this Agreement," "the date hereof," and terms of similar import, unless the context otherwise requires, shall be deemed to refer to July 27, 1998. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 10.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original as against any party whose signature appears on such counterpart and all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 10.4 Severability. In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

Section 10.5 Entire Agreement. This Agreement (including the schedules and exhibits hereto and the other documents delivered pursuant hereto) constitutes the entire agreement among the parties concerning the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, other than the Confidentiality Agreement.

Section 10.6 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California without regard to any applicable conflicts of law principles.

Section 10.7 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 10.8 Third Party Beneficiaries. Nothing contained in this Agreement is intended to confer upon any person other than the parties hereto and their respective successors and permitted assigns, any rights, remedies or obligations under, or by reason of this Agreement, except that (i) the persons who are shareholders of SoftMagic immediately prior to the Effective Time (and their successors and assigns) are express intended third party beneficiaries of Articles I and II, Section 6.9 and Article IX, (ii) the persons who hold SoftMagic Options immediately prior to the Effective Time (and their lawful successors and assigns) are express intended third party beneficiaries of Section 6.12, (iii) each of the foregoing persons is an express intended third party beneficiary of Section 6.11 and, to the extent relevant to any of the foregoing, Article X and as such are entitled to rely on the provisions hereof as if a party hereto.

IN WITNESS WHEREOF, Puma, Sub and SoftMagic have caused this Agreement to be signed by their respective officers thereunto duly authorized, and the Shareholder Representative has signed this Agreement, as of the date first written above.

PUMA TECHNOLOGY, INC.

PACIFICTECH ACQUISITION CORPORATION

By: _____

By: _____

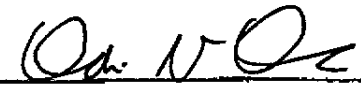
Title: _____

Title: _____

SHAREHOLDER REPRESENTATIVE

SOFTMAGIC CORP.


Jennifer Creek Sant'Anna

By: 

Title: President

SCHEDULE 2.3

CASH CONSIDERATION SCHEDULE

<u>SoftMagic Shareholder</u>	<u>No. of Shares of SoftMagic Common Stock</u>	<u>Percentage of Total</u>	<u>Cash Paid at Closing</u>	<u>Cash Escrow Amount</u>	<u>Total Cash Consideration</u>
Jay Cohan	43,919	30.1%	\$270,900	\$30,100	\$301,000
Andre Sant'Anna and Jennifer Creek Sant'Anna as JTWROS	102,000	69.9%	\$629,100	\$69,900	\$699,000
	<u>145,919</u>	<u>100%</u>	<u>\$900,000</u>	<u>\$100,000</u>	<u>\$1,000,000</u>

SCHEDULE 6.14

SoftMagic Employees Executing Voting Agreement:

Andre L. Sant'Anna
Jennifer Creek Sant'Anna
Jay Cohan

Exhibit A

ESCROW AGREEMENT

This Escrow Agreement ("Agreement") is made and entered into as of July 28, 1998 by and among Purna Technology, Inc., a Delaware corporation ("Acquiror"), U.S. Bank Trust National Association (formerly First Trust of California) (the "Escrow Agent"), and Jennifer Creek Sant'Anna (the "Stockholder Representative") for and on behalf of the holders (the "Shareholders") of Common Stock ("Target Capital Stock") of SoftMagic Corporation, a Florida corporation ("Target").

RECITALS

A. Pursuant to that certain Agreement and Plan of Reorganization dated as of July 27, 1998 (the "Merger Agreement"), Acquiror will issue to the Shareholders shares of Common Stock, \$001 par value, of Acquiror ("Acquiror Common Stock"), and make certain cash payments to the Shareholders, pursuant to the merger (the "Merger") of Target with and into PacificTech Acquisition Corporation, a Delaware corporation and wholly-owned subsidiary of Acquiror.

B. Pursuant to Section 2.4 of the Merger Agreement which is incorporated herein by reference and a copy of which is attached hereto as Annex A, the Shareholders have agreed to make available to Acquiror and certain of its affiliates an escrow fund to compensate such parties for certain damages incurred as a result of inaccuracies in or breaches of representations, warranties, covenants or agreements made by Target in the Merger Agreement or any instrument delivered pursuant to the Merger Agreement.

C. In accordance with the Merger Agreement, the parties desire to establish an escrow for the purpose of providing a fund from which Acquiror (on behalf of itself and certain of its affiliates) may seek compensation for Pacific Losses (as defined in Section 9.2 of the Merger Agreement).

NOW, THEREFORE, in consideration of the foregoing premises and the mutual obligations herein, the parties agree as follows:

AGREEMENT

1. Definitions. All capitalized terms used herein without definitions shall have the meaning specified in the Merger Agreement.

2. Escrow Arrangements. Except as otherwise expressly set forth herein, all matters pertaining to the Escrow, the Escrow Fund and the Escrow Shares (each as hereinafter defined) shall be governed by the provisions of Section 2.4 and Article IX of the Merger Agreement; provided, however, that if any express provision of this Agreement conflicts with the provisions of Section 2.4 and Article IX of the Merger Agreement, the provisions of Section 2.4 and Article IX of the Merger Agreement shall control.

3. Establishment of Escrow. At the Closing (as defined in Section 1.2 of the Merger Agreement), Acquiror shall deliver to the Escrow Agent for deposit into escrow (the "Escrow Fund") (i) a certificate representing that certain number of Acquiror Common Stock (the "Escrow Shares") as required by Section 2.4 of the Merger Agreement and (ii) the amount of cash (the "Cash Escrow") as required by Section 2.4 of the Merger Agreement. The Escrow Agent agrees to establish the Escrow Fund in the manner set forth in Section 2.4 of the Merger Agreement.

4. Maintenance of the Escrow. The Escrow Agent shall establish a separate account for each Shareholder showing the number of Escrow Shares and the amount of Cash Escrow held in the Escrow for such Shareholder on the basis of the provisions of the Merger Agreement and a list of the Shareholders' ownership of Target Capital Stock provided to the Escrow Agent by the Stockholder Representative. The Escrow Agent shall maintain records showing each Shareholder's Proportionate Interest in the Escrow Fund and shall adjust each Shareholder's account to reflect distributions from, and additions or substitutions to, the property held for the account of such Shareholder in the Escrow. For purposes of this Agreement, each Shareholder's "Proportionate Interest" in the Escrow Fund as of a specific date shall be equal to the percentage that the value of the Escrow Shares and the Cash Escrow held for the account of such Shareholder in the Escrow bears to the value of all property held for the account of all Shareholders in the Escrow as of such date. The Escrow Agent is hereby granted the power to effect any transfer of Escrow Shares and Cash Escrow required by this Agreement. Acquiror shall cooperate with the Escrow Agent in promptly issuing, or causing its transfer agent to promptly issue, such stock certificates as shall be required to effect such transfers. All Escrow Shares held in the Escrow Fund shall be registered in the name of the Escrow Agent or its nominees.

5. Investment of Cash Escrow. The Cash Escrow shall be invested and reinvested by the Escrow Agent in U.S. Treasury obligations having a maturity of not more than thirty (30) days or in such other certificates of deposit or instruments as may be agreed upon by the parties; *provided, however,* that upon the maturity of any such U.S. Treasury obligations, certificates of deposit or instruments, any amount of the Cash Escrow subject to pending Indemnification Claims made by the Indemnitees (both as defined in Section 9.3 of the Merger Agreement) shall be reinvested, when not otherwise invested in U.S. Treasury obligations, only in an interest-bearing deposit account with US Bank Trust National Association. All interest income generated by such U.S. Treasury obligations, certificates of deposit or instruments shall be deemed part of the Cash Escrow and will be available to satisfy Indemnification Claims by the Indemnitees. At the termination of the Escrow, the income from the funds in the Escrow, to the extent not paid out as a result of or subject to indemnification claims by the Indemnitees, shall be paid to the Shareholders in accordance with the Shareholders' respective Proportionate Interests.

6. Administration of Escrow Fund. The Escrow Agent shall administer the Escrow Fund as set forth in Sections 2.4, 9.2, 9.3, 9.4 and 9.5 of the Merger Agreement.

7. Term of Escrow Agreement. This Agreement shall terminate upon the Termination Date (as defined in Section 9.1 of the Merger Agreement) and upon the distribution by the Escrow Agent of all property held in the Escrow Fund.

8. Fees of the Escrow Agent. The fees of the Escrow Agent, including (i) the normal costs of administering the Escrow as set forth on the Fee Schedule attached hereto as Annex B and (ii) all fees and costs associated with the Escrow Agent's administration of Indemnification Claims, shall be paid by Acquiror. In the event that the Escrow Agent renders any service hereunder not provided for herein or there is any assignment of any interest in the subject matter of the Escrow or modification hereof, the Escrow Agent shall be reasonably compensated for such extraordinary services by the party that is responsible for or requests such services.

9. Liability of the Escrow Agent. In performing any of its duties under this Agreement, the Escrow Agent shall not be liable to any party for damages, losses or expenses, except in the event of gross negligence or willful misconduct on the part of the Escrow Agent. The Escrow Agent shall not incur any such liability for (i) any act or failure to act made or omitted in good faith or (ii) any action taken or omitted in reliance upon any instrument, including any written statement or affidavit provided for in this Agreement that the Escrow Agent shall in good faith believe to be genuine; nor will the Escrow Agent be liable or responsible for forgeries, fraud, impersonations or determining the scope of any agent's authority. In addition, the Escrow Agent may consult with legal counsel in connection with its duties under this Agreement and shall be fully protected in any act taken, suffered or permitted by it in good faith in accordance with the advice of counsel. The Escrow Agent is not responsible for determining and verifying the authority of any person acting or purporting to act on behalf of any party to this Agreement.

10. Controversies. If any controversy arises between the parties to this Agreement, or with any other party, concerning the subject matter of the Escrow, its terms or conditions, the Escrow Agent will not be required to determine the controversy or to take any action regarding it. The Escrow Agent may hold all documents and funds and may wait for settlement of any such controversy by final appropriate legal proceedings or other means as, in the Escrow Agent's discretion, it may require, despite what may be set forth elsewhere in this Agreement. In such event, the Escrow Agent will not be liable for interest or damage. Furthermore, the Escrow Agent may at its option, file an action of interpleader requiring the parties to answer and litigate any claims and rights among themselves. The Escrow Agent is authorized to deposit with the clerk of the court all documents and funds held in the Escrow, except all costs, expenses, charges and reasonable attorneys' fees incurred by it due to the interpleader action and which the parties jointly and severally agree to pay. Upon initiating such action, the Escrow Agent shall be fully released and discharged of and from all obligations and liability imposed by the terms of the Escrow, and the action will be deemed to be solely a dispute between the parties subject to Article 9 of the Merger Agreement.

11. Indemnification of Escrow Agent. Acquiror and its successors and assigns agree jointly and severally to indemnify and hold the Escrow Agent harmless against any and all

losses, claims, damages, liabilities and expenses, including reasonable costs of investigation, counsel fees, including allocated costs of in-house counsel, and disbursements that may be imposed on the Escrow Agent, or incurred by it in connection with the performance of its duties under this Agreement, including but not limited to any arbitration or litigation arising from this Agreement or involving its subject matter, unless such loss, claim, damage, liability or expense shall be caused by the gross negligence or willful misconduct on the part of the Escrow Agent. Nothing contained in this Section 10 shall impair the rights of the Shareholders and Acquiror, as between themselves.

12. Resignation of Escrow Agent. The Escrow Agent may resign at any time upon giving at least thirty (30) days written notice to the other parties; provided, however, that no such resignation shall become effective until the appointment of a successor Escrow Agent which shall be accomplished as follows: Acquiror and the Shareholder Agent shall use their best efforts to agree on a successor Escrow Agent within thirty (30) days after receiving such notice. If the parties fail to agree on a successor Escrow Agent within such time, the Escrow Agent shall have the right to appoint a successor Escrow Agent authorized to do business in the State of California. The successor Escrow Agent shall execute and deliver to the Escrow Agent an instrument accepting such appointment, and the successor Escrow Agent shall, without further acts, be vested with all the estates, property rights, powers and duties of the predecessor Escrow Agent as if originally named as Escrow Agent herein. The predecessor Escrow Agent then shall be discharged from any further duties and liability under this Agreement.

13. Miscellaneous.

(a) Payment of the Reasonable Expenses of the Stockholder Representative. The reasonable expenses of the Stockholder Representative shall be paid in cash from the Cash Escrow being held in the Escrow Fund.

(b) Fair Market Value of Acquiror Common Stock. For the purpose of this Agreement, the Acquiror Common Stock in the Escrow Fund shall be valued at the Fair Market Value (as defined in Section 2.1(c) of the Merger Agreement). The Acquiror and the Stockholder Representative shall deliver to the Escrow Agent on the Closing Date a written certification establishing the Fair Market Value.

(c) Assignment; Binding upon Successors and Assigns. None of the parties hereto may assign any of its rights or obligations hereunder without the prior written consent of the other parties. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(d) Severability. If any provision of this Agreement, or the application thereof, shall for any reason and to any extent be held to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall be interpreted so as best to reasonably effect the intent of the parties hereto. The parties further agree to replace such invalid or unenforceable provision of this Agreement

with a valid and enforceable provision which will achieve, to the extent possible, the economic, business and other purposes of the invalid or unenforceable provision.

(e) Entire Agreement. This Agreement, the Merger Agreement, the Annexes hereto, the documents referenced herein, and the exhibits thereto, constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between the parties with respect hereto and thereto. The express terms hereof control and thereof supersede any course of performance or usage of the trade inconsistent with any of the terms hereof and thereof.

(f) Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly delivered if delivered personally (upon receipt), or three (3) business days after being mailed by registered or certified mail, postage prepaid (return receipt requested), or one business day after it is sent by reputable nationwide overnight courier service, or upon transmission, if sent via facsimile (with confirmation of receipt) to the parties at the following address (or at such other address for a party as shall be specified by like notice):

(i) if to Acquirer, to:

Puma Technology, Inc.
2550 North First Street, Suite 500
San Jose, CA 95131
Attention: President
Fax: (408) 321-3886
Tel: (408) 321-7650

with a copy to:

Gray Cary Ware & Freidenrich
400 Hamilton Avenue
Palo Alto, CA 94301
Attention: Eric J. Lapp, Esq.
Fax: (650) 327-3699
Tel: (650) 833-2052

(ii) if to Escrow Agent, to:

U.S. Bank Trust National Association
One California Street, 4th Floor
San Francisco, CA 94111
Attention: Barbara Wise
Fax: (415) 273-4593
Tel: (415) 273-4530

(iii) if to Target, to

SoftMagic Corporation
6413 Congress Ave., Suite 230
Boca Raton, FL 33487
Attention: President
Fax: (561) 995-8921
Tel: (561) 995-8920

with a copy to:

Bowditch & Dewey, LLP
311 Main Street
Worcester, MA 01608
Attn: Susan Rayne, Esq.
Fax: (508) 856-7636
Tel: (508) 791-3511

(iv) if to Stockholder Representative, to:

SoftMagic Corporation
6413 Congress Ave., Suite 230
Boca Raton, FL 33487
Attention: Jennifer Creek Sant'Anna
Fax: (561) 995-8921
Tel: (561) 995-8920

with a copy to:

Bowditch & Dewey, LLP
311 Main Street
Worcester, MA 01608
Attn: Susan Rayne, Esq.
Fax: (508) 756-7636
Tel: (508) 791-3511

(g) Other Remedies. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party shall be deemed cumulative with and not exclusive of any other remedy conferred hereby or by law on such party, and the exercise of any one remedy shall not preclude the exercise of any other.

(h) Amendment and Waivers. Any term or provision of this Agreement may be amended, and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a writing signed by the party to be bound thereby. The waiver by a party of any breach hereof for default in payment of any amount due hereunder or default in the performance hereof shall not be deemed to constitute a waiver of any other default or any succeeding breach or default.

(i) Further Assurances. Each party agrees to cooperate fully with the other parties and to execute such further instruments, documents and agreements and to give such further written assurances, as may be reasonably requested by any other party to better evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intents and purposes of this Agreement.

(j) Absence of Third Party Beneficiary Rights. No provisions of this Agreement are intended, nor shall be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any client, customer, affiliate, shareholder, partner of any party hereto or any other person or entity unless specifically provided otherwise herein and except for the Shareholders, and, except as so provided, all provisions hereof shall be solely between the parties to this Agreement.

(k) Governing Law. It is the intention of the parties hereto that the internal laws of the state of California (irrespective of its choice of law principles) shall govern the validity of this agreement, the construction of its terms, and the interpretation and enforcement of the rights and duties of the parties hereto.

(l) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

(SIGNATURES ARE SET FORTH ON THE NEXT PAGE)

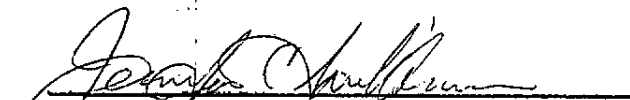
IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the ..
date first set forth above.

PUMA TECHNOLOGY, INC.

By: _____
Title: _____

U.S. BANK TRUST NATIONAL
ASSOCIATION

By: _____
Title: _____


Jennifer Creek Sant'Anna

07/28/98 TUE 17:05 LTX/RX NO 81111

ANNEX A
MERGER AGREEMENT

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ANNEX B

FEE SCHEDULE

**U.S. BANK TRUST National Association
Global Escrow Depository Services
Fee Schedule
for Holding (Depository) Escrows**

I. Acceptance Fee:

Covers the escrow agent's examination of governing instruments and all supporting documentation as well as set up required records and accounts. Payable at opening.

Consideration	Fees
\$0 - 499,999	\$500
\$500,000 - 999,999	\$1,000
\$1.0 - 2.49 million	\$2,000
\$2.5 - 4.9 million	\$3,000
\$5.0 - 9.99 million	\$4,000
\$10.0 million and above	\$5,000
	Plus \$0.10 per \$1,000 over \$10 million

II. Annual Administration Fee: \$1,000

Covers ordinary escrow agent services, such as maintenance of records, examination of notices to determine compliance with the governing instrument, and preparation and distribution of accounting statements. Payable annually in advance.

III. Investment Processing Fees:

U.S. Bank investments	No Charge
Outside investments (per trade)	\$100

IV. Transaction Fees (per transaction)

Disbursements	\$20
Receipts	\$20

V. Out-of-pocket Expenses:

Expenses including but not limited to stationery, postage, telephone, insurance, shipping, Telex/Facsimile, services of outside counsel and agents, and off-site closings. (Plus indirect out-of-pocket at 3% of annual administration fees.)

VI. Extraordinary Services and Expenses:

Charges for performing other escrow services not specifically covered in this schedule will be determined by an appraisal of the services rendered.

***All Escrow Fees are Non-Proratable and Non-Refundable.
The fees shown in this schedule may be increased upon thirty (30) days notice.***

Exhibit B

VOTING AGREEMENT

This Voting Agreement (the "Agreement") is made and entered into as of July 27, 1998 by and among Puma Technology, Inc., a California corporation ("Puma"), SoftMagic Corporation, a Florida corporation ("SoftMagic") and the undersigned shareholder (the "Shareholder") of SoftMagic.

WHEREAS, concurrently with the execution of this Agreement, Puma, PacificTech Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Puma ("Sub"), and SoftMagic have entered into an Agreement and Plan of Reorganization (the "Reorganization Agreement"), which provides for the merger (the "Merger") of SoftMagic with and into Sub. Pursuant to the Merger, Puma will acquire all of the outstanding capital stock of SoftMagic in exchange for shares of Puma Common Stock, par value \$0.001, according to the Exchange Ratio set forth in Section 2.1(b) of the Reorganization Agreement;

WHEREAS, Shareholder is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of such number of shares of the outstanding capital stock of SoftMagic and shares subject to outstanding options as is indicated on the signature page of this Agreement (the "Shares"); and

WHEREAS, in consideration of the execution of the Reorganization Agreement by Puma, Shareholder agrees to restrict the transfer or disposition of any of the Shares, or any other shares of capital stock of SoftMagic acquired by Shareholder hereafter and prior to the Expiration Date (as defined in Section 1.1 below), and agrees to vote the Shares and any other such shares of capital stock of SoftMagic so as to facilitate consummation of the Merger.

NOW, THEREFORE, the parties agree as follows:

1. Agreement to Retain Shares.

1.1 Transfer and Encumbrances. Shareholder agrees, during the period beginning on the date hereof and ending on the Expiration Date (as defined below), not to transfer, sell, exchange, pledge or otherwise dispose of or encumber (collectively, "Transfer") any of the Shares or any New Shares (as defined in Section 1.2 below) or to discuss, negotiate or make any offer or agreement relating thereto. Shareholder acknowledges that the intent of the foregoing sentence is to ensure that Puma retains the right under the Proxy (as defined in Section 5 below) to vote the Shares and any New Shares in accordance with the terms of the Proxy. As used herein, the term "Expiration Date" shall mean the earlier to occur of (i) the Effective Time, as defined in the Reorganization Agreement, or (ii) the termination of the Reorganization Agreement in accordance with its terms.

1.2 New Shares. Shareholder agrees that any shares of capital stock of SoftMagic that Shareholder purchases or with respect to which Shareholder otherwise acquires beneficial ownership after the date of this Agreement and prior to the Expiration Date ("New Shares") shall be subject to the terms and conditions of this Agreement to the same extent as if they constituted Shares.

2. Agreement to Vote Shares. At every meeting of shareholders of SoftMagic called with respect to any of the following, and at every adjournment thereof, and on every action or approval by written consent of shareholders of SoftMagic with respect to any of the following, Shareholder shall vote the Shares and any New Shares, unless otherwise directed in writing by Puma:

(i) in favor of approval of the Merger, the execution and delivery by SoftMagic of the Reorganization Agreement and the adoption and approval of the terms thereof and in favor of each of the other actions contemplated by the Reorganization Agreement and any action required in furtherance hereof and thereof;

(ii) against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of SoftMagic in the Reorganization Agreement;

(iii) in favor of amending SoftMagic's Articles of Incorporation, as amended to date (the "Articles"), to provide that the Merger not be considered a liquidation, dissolution or winding up under the Articles and certain other changes to the Articles related to the Merger; and

(iv) against the following actions (other than those actions that relate to the Merger and the transactions contemplated by the Reorganization Agreement): (A) any merger, consolidation or other business combination involving SoftMagic with any party other than Puma or its affiliates; (B) any sale, lease or transfer of more than a significant part of the assets of SoftMagic to any party other than Puma or its respective affiliates (except in the ordinary course of business); (C) any reorganization, recapitalization, dissolution or liquidation of SoftMagic; (D) any change in a majority of the Board of Directors of SoftMagic; (E) any amendment to the Articles; (F) any material change in the capitalization of SoftMagic or SoftMagic's corporate structure; or (G) any other action which is intended, or could reasonably be expected to, impede, interfere with, delay, postpone, discourage or adversely affect the Merger, or any of the other transactions contemplated by the Reorganization Agreement or this Voting Agreement.

Prior to the Expiration Date, Shareholder shall not enter into any agreement or understanding with any person to vote or give instructions in any manner inconsistent with this Section.

3. Waiver of Dissenters' Rights. Each Shareholder hereby waives any rights of appraisal and any dissenters' rights that such Shareholder may have in connection with the Merger.

4. Non-Solicitation Agreement. Until the earlier of the Effective Time or the date of termination of the Reorganization Agreement, Shareholder will not (nor will Shareholder permit any of Shareholder's officers, directors, agents, representatives or affiliates to) directly or indirectly, take any of the following actions with any party other than Puma and its designees: (a) solicit, conduct discussions with or engage in negotiations with any person, relating to the

possible acquisition of SoftMagic (whether by way of merger, purchase of capital stock, purchase of assets or otherwise) or any portion of its capital stock or assets (an "Opposing Acquisition"), (b) provide information with respect to it to any person, other than Puma, relating to an Opposing Acquisition or potential Opposing Acquisition, (c) enter into an agreement with any person, other than Puma, providing for an Opposing Acquisition or (d) make or authorize any statement, recommendation or solicitation in support of any possible Opposing Acquisition other than by Puma. In addition to the foregoing, if Shareholder receives prior to the Effective Time or the termination of the Reorganization Agreement any offer, proposal or request relating to any of the above, Shareholder shall immediately notify Puma thereof, including information as to the identity of the offeror or the party making any such offer, proposal or request and the specific terms of such offer, proposal or request and such other information related thereto as Puma may reasonably request.

5. Irrevocable Proxy. Concurrently with the execution of this Agreement, Shareholder agrees to deliver to Puma a proxy in the form attached as Exhibit A (the "Proxy"), which shall be irrevocable to the fullest extent permitted by law, covering the total number of Shares and New Shares of capital stock of SoftMagic beneficially owned (as such term is defined in Rule 13d-3 under the Exchange Act) by Shareholder set forth therein.

6. Representations, Warranties and Covenants of Shareholder. Shareholder represents, warrants and covenants to Puma as follows: Shareholder (i) is the beneficial owner of the Shares, which at the date of this Agreement and at all times up until the Expiration Date will be free and clear of any rights of first refusal, co-sale rights, security interests, liens, pledges, claims, options, charges or other encumbrances, (ii) does not beneficially own or have sole or shared voting or investment power of any shares of capital stock or other securities (including all rights, options and warrants to acquire shares of capital stock and other securities) of SoftMagic other than the Shares and (iii) has full power and authority to make, enter into and carry out the terms of this Agreement and the Proxy.

7. Additional Documents. Shareholder and SoftMagic hereby covenant and agree to execute and deliver any additional documents reasonably necessary or desirable to carry out the purpose and intent of this Agreement.

8. Consent and Waivers. Shareholder hereby gives any consents or waivers that are reasonably required for the consummation of the Merger under the terms of any agreement to which Shareholder is a party or pursuant to any rights Shareholder may have.

9. Termination. This Agreement and the Proxy delivered in connection herewith shall terminate and shall have no further force and effect as of the Expiration Date.

10. Legending of Shares. If so requested by Puma, Shareholder agrees that the Shares and any New Shares shall bear a legend stating that they are subject to this Agreement and to an irrevocable proxy. Shareholder agrees that she/he shall not Transfer the Shares or any New Shares without first having the aforementioned legend affixed to the certificates representing the Shares or any New Shares.

11. Miscellaneous.

11.1 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

11.2 Binding Effect and Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but, except as otherwise specifically provided herein, neither this Agreement nor any of the rights, interests or obligations of the parties hereto may be assigned by any of the parties without the prior written consent of the other parties.

11.3 Amendments and Modification. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by the parties hereto.

11.4 Waiver. No failure on the part of Puma to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of Puma in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. Puma shall not be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of Puma; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

11.5 Specific Performance; Injunctive Relief. The parties hereto acknowledge that Puma will be irreparably harmed and that there will be no adequate remedy at law for a violation of any of the covenants or agreements of Shareholder set forth herein. Therefore, it is agreed that, in addition to any other remedies which may be available to Puma upon such violation, Puma shall have the right to enforce such covenants and agreements by specific performance, injunctive relief or by any other means available to Puma at law or in equity.

11.6 Notices. All notices and other communications pursuant to this Agreement shall be in writing and deemed to be sufficient if contained in a written instrument and shall be deemed given if delivered personally, telecopied, sent by nationally-recognized overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following address (or at such other address for a party as shall be specified by like notice):

If to Puma: Puma Technology, Inc.
2550 North First Street
Suite 500
San Jose, CA 95131
Attention: President

With a copy to: Gray Cary Ware & Freidenrich LLP
400 Hamilton Avenue
Palo Alto, CA 94301
Attention: Eric J. Lapp, Esq.

If to Shareholder: To the address for notice set forth on the signature page hereof

With a copy to: SoftMagic Corporation
6413 Congress Avenue
Suite 230
Boca Raton, FL 33487
Attention: President

With a copy to: Bowditch & Dewey, LLP
311 Main Street
Worcester, MA 01608
Attention: Susan Rayne, Esq.

11.7 Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California.

11.8 Attorneys' Fees and Expenses. If any legal action or other legal proceeding relating to the enforcement of any provision of this Agreement is brought against Shareholder, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

11.9 Entire Agreement. This Agreement and the Proxy contain the entire understanding of the parties in respect of the subject matter hereof, and supersede all prior negotiations and understandings between the parties with respect to such subject matter.

11.10 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

11.11 Effect of Headings. The section headings herein are for convenience only and shall not affect the construction or interpretation of this Agreement.

Exhibit A**IRREVOCABLE PROXY**

The undersigned shareholder of SoftMagic Corporation, a Florida corporation ("SoftMagic"), hereby irrevocably (to the fullest extent permitted by law) appoints Bradley A. Rowe and M. Bruce Nakao of Puma Technology, Inc., a Delaware corporation ("Puma"), and each of them, as the sole and exclusive attorneys and proxies of the undersigned, with full power of substitution and resubstitution, to vote and exercise all voting and related rights (to the full extent that the undersigned is entitled to do so) with respect to all of the shares of capital stock of SoftMagic that now are or hereafter may be beneficially owned by the undersigned, and any and all other shares or securities of SoftMagic issued or issuable in respect thereof on or after the date hereof (collectively, the "Shares"), in accordance with the terms of this Proxy. The Shares beneficially owned by the undersigned shareholder of SoftMagic as of the date of this Proxy are listed on the final page of this Proxy. Upon the undersigned's execution of this Proxy, any and all prior proxies given by each undersigned with respect to any Shares are hereby revoked and the undersigned agrees not to grant any subsequent proxies with respect to the Shares until after the Expiration Date (as defined below).

This Proxy is irrevocable (to the fullest extent permitted by law), is coupled with an interest and is granted pursuant to that certain Voting Agreement dated as of July __, 1998 by and among Puma, SoftMagic and the undersigned shareholder (the "Voting Agreement"), and is granted in consideration of Puma entering into that certain Agreement and Plan of Reorganization dated as of July __, 1998 (the "Reorganization Agreement"), among Puma, PacificTech Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Puma ("Sub") and SoftMagic. The Reorganization Agreement provides for the merger of SoftMagic with and into Sub in accordance with its terms (the "Merger") and Shareholder is receiving a portion of the proceeds of the Merger. As used herein, the term "Expiration Date" shall mean the earlier to occur of (i) the Effective Time as defined in the Reorganization Agreement or (ii) the termination of the Reorganization Agreement in accordance with its terms.

The attorneys and proxies named above, and each of them, are hereby authorized and empowered by the undersigned, at any time prior to the Expiration Date, to act as the undersigned's attorney and proxy to vote the Shares, and exercise all voting, consent and similar rights of the undersigned with respect to the Shares (including, without limitation, the power to execute and deliver written consents) at every annual, special or adjourned meeting of shareholders of SoftMagic and in every written consent in lieu of such a meeting:

(i) in favor of approval of the Merger, the execution and delivery by SoftMagic of the Reorganization Agreement and the adoption and approval of the terms thereof and in favor of each of the other actions contemplated by the Reorganization Agreement and any action required in furtherance hereof and thereof;

(ii) against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of SoftMagic in the Reorganization Agreement;

(iii) in favor of amending SoftMagic's Articles to provide that the Merger not be considered a liquidation, dissolution or winding up under the Articles and certain other changes to the Articles related to the Merger; and

(iv) against the following actions (other than those actions that relate to the Merger and the transactions contemplated by the Reorganization Agreement): (A) any merger, consolidation or other business combination involving SoftMagic with any party other than Puma or its respective affiliates; (B) any sale, lease or transfer of more than a significant part of the assets of SoftMagic to any party other than Puma or its respective affiliates (except in the ordinary course of business); (C) any reorganization, recapitalization, dissolution or liquidation of SoftMagic; (D) any change in a majority of the board of directors of SoftMagic; (E) any amendment to the Articles of Incorporation of SoftMagic; (F) any material change in the capitalization of SoftMagic or SoftMagic's corporate structure; or (G) any other action which is intended, or could reasonably be expected to, impede, interfere with, delay, postpone, discourage or adversely affect the Merger or any of the other transactions contemplated by the Reorganization Agreement or this Voting Agreement.

Prior to the Expiration Date, at any meeting of the shareholders of SoftMagic, and in every written consent in lieu of such meeting, the attorneys and proxies named above will be empowered, and may exercise this proxy, to vote the Shares in their discretion with respect to (i) any Opposing Acquisition (as such term is defined in the Voting Agreement) and any related transaction or agreement and (ii) any action which is intended, or could reasonably be expected, to facilitate the consummation of any Opposition Acquisition.

The attorneys and proxies named above may not exercise this Proxy on any other matter except as provided above. The undersigned shareholder may vote the Shares on all other matters.

FROM : SoftMagic

PHONE NO. : 581 955 6921

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This Proxy is irrevocable (to the fullest extent permitted by law). This Proxy shall terminate, and be of no further force and effect, automatically upon the Expiration Date (as defined in the Voting Agreement).

Dated: July 27, 1998

Signature of Shareholder: Andre Sant'Anna / Jennifer Creek

Print Name of Shareholder: Andre Sant'Anna / Jennifer Creek

Shares beneficially owned:

102,000 shares of SoftMagic Common Stock

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year first above written.

SHAREHOLDER:

Ad. N. O. / Jennifer Croek
Signature

Andre Sant'Anna / Jennifer Croek
Print Name

21783 Little Bear Lane
Boca Raton, FL 33487
Print Address

Shares beneficially owned:
102,000 shares of SoftMagic Common Stock

PUMA TECHNOLOGY, INC.

Signature of Authorized Signatory

Print Name and Title

SOFTMAGIC CORP.

Ad. N. O.
Signature of Authorized Signatory

Andre Sant'Anna / President
Print Name and Title

[SIGNATURE PAGE TO VOTING AGREEMENT]

Exhibit C

EMPLOYMENT AGREEMENT

This Employment Agreement is made and entered into by and between Puma Technology, Inc. (the "Company") and Jay Cohan ("Employee") as of July 30, 1998.

RECITALS

A. Pursuant to the Agreement and Plan of Reorganization (the "Plan of Reorganization"), dated as of July 27, 1998, by and among the Company, PacificTech Acquisition Corporation, a Delaware corporation and wholly-owned subsidiary of the Company ("Sub"), and SoftMagic Corporation, a Florida corporation ("SoftMagic"), SoftMagic will merge (the "Merger") with and into Sub, SoftMagic will become a wholly-owned subsidiary of the Company and the shareholders of SoftMagic will become stockholders of the Company.

B. After the Effective Time (as defined in Section 1.1 of the Plan of Reorganization), Employee will become an employee of the Company.

C. Employee is currently an employee of SoftMagic, holds a substantial amount of the outstanding securities of SoftMagic and has special knowledge concerning the SoftMagic Business (as defined in Appendix 1 to this Agreement). Therefore, as an inducement to the Company to enter into the Plan of Reorganization and as a condition to the consummation of the Merger (as defined in the Plan of Reorganization), Employee has agreed to enter into this Agreement and become an employee of the Company and refrain from competing with the SoftMagic Business for a reasonable period of time in order that the Company may obtain the contemplated benefits from the acquisition of the SoftMagic Business.

NOW, THEREFORE, in consideration of the mutual promises made in this Agreement, Employee and the Company agree as follows:

AGREEMENT

1. Position and Duties. Employee shall be employed by the Company as a sales manager, effective July __, 1998 (the "Commencement Date"). As a sales manager, Employee agrees to continue to market, sell and promote the SoftMagic products, including both continuing to provide sales support to existing customers as well as providing support to new customers requiring assistance. As the specific SoftMagic selling, marketing and support duties are transitioned to other Company employees, Employee will assume sales and marketing duties in that area of the Company specific to helping develop opportunities commensurate with Employee's title, experience and level of knowledge. These duties shall include, but not be limited to, any duties consistent with his position which may be assigned to Employee from time to time by the Company.

2. Term of Employment. Employee's employment with the Company pursuant to this Agreement is for a one (1) year period, commencing on the Commencement Date (the

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"Term"), subject to the provisions regarding termination set forth below. If Employee and the Company desire to continue Employee's employment beyond the Term, Employee and the Company may extend this Agreement as provided in paragraph 8 below. Upon termination of Employee's employment with the Company, for any reason, neither Employee nor the Company shall have any further obligation or liability under this Agreement to the other, except as set forth in paragraphs 4 and 5 below.

3. Compensation. Employee shall be compensated by the Company for his services as follows:

(a) Salary: Employee shall be paid an annual salary of \$90,000 and commissions based on a total targeted compensation package as determined by the Vice President of Sales of the Company, subject to applicable withholding in accordance with the Company's normal payroll procedures. Such salary may be subject to adjustment based upon a variety of factors as determined appropriate by the Company.

(b) Options. The Company shall grant Employee options to purchase 55,000 shares of the Company's Common Stock under the Company's Amended and Restated 1993 Stock Option Plan, in the form attached hereto as Exhibit A, at an exercise price equal to the closing price of the Company's Common Stock on the first business day of the month following the Effective Time.

(c) Benefits. Employee shall have the right, on the same basis as other employees of the Company, to participate in and to receive benefits under any of the Company's employee benefit plans.

4. Benefits Upon Termination. In the event that Employee voluntarily resigns from his employment with the Company, or in the event that Employee's employment terminates as a result of his death or disability, Employee shall be entitled to no compensation or benefits from the Company other than those earned under paragraph 3 above through the date of his termination.

5. Benefits Upon Other Termination. Employee agrees that his employment may be terminated by the Company at any time, with or without cause. In the event of the termination of Employee's employment by the Company for the reasons set forth below, Employee shall be entitled to the following:

(a) Termination For Cause. If Employee's employment is terminated by the Company for Cause, as defined below, Employee shall be entitled to no compensation or benefits from the Company other than those earned under paragraph 3 above through the date of his termination.

For purposes of this Agreement, a termination for Cause occurs if Employee is terminated for any of the following reasons: (i) theft, dishonesty, or falsification of any employment or Company records; (ii) improper disclosure of the Company's confidential or proprietary information in violation of any confidentiality agreement entered into between

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Employee and the Company; (iii) any intentional act by Employee which has a material detrimental effect on the Company's reputation or business; (iv) any material breach of this Agreement or the Plan of Reorganization, which breach is not cured within thirty (30) days following written notice of such breach from the Company; or (v) Employee's material failure to perform (other than by reason of his death or disability), or gross negligence in the performance of, Employee's duties and responsibilities to the Company, which failure or gross negligence is not cured within thirty (30) days after written notice thereof by the Company to Employee.

(b) Termination Without Cause. If Employee's employment is terminated by the Company other than for Cause (and not as a result of his death or disability), then the Company shall, from the date of Employee's termination until the expiration of the Term, continue to pay Employee any compensation or benefits payable under paragraph 3 above at the rate in effect on the termination date.

6. Non-Competition Agreement. Employee hereby agrees that during his employment with the Company and for a period of eighteen (18) months after the date that his employment by the Company has terminated (the "Termination Date"), he will not directly or indirectly engage in any business (whether as a proprietor, partner, joint venture, employer, agent, employee, consultant, officer, or beneficial owner of any interest in any association (other than the Company or any of its subsidiaries)) or be connected in any manner with any business which is competitive in any respect with the SoftMagic Business. Notwithstanding the foregoing, Employee is permitted to own, individually, as a passive investor, up to one percent (1%) interest in any publicly traded company. It is the desire and intent of the parties to this Agreement that the terms and provisions of this Section 6 be enforced to the fullest extent permissible under the law and public policy applied by any jurisdiction in which enforcement is sought. Accordingly, if, and to the extent that, any portion of this Section 6 shall be adjudicated to be invalid or unenforceable, this Section 6 shall be deemed amended to delete therefrom or reform the portion thus adjudicated to be invalid or unenforceable, such deletion or reformation to apply only with respect to the operation of this Section 6 in the particular jurisdiction in which such adjudication is made.

7. Dispute Resolution. In the event of any dispute or claim relating to or arising out of the employment relationship between Employee and the Company or this Agreement, Employee and the Company agree that all such disputes shall be fully and finally resolved by binding arbitration conducted by the American Arbitration Association in Santa Clara County, California; provided, however, that this arbitration provision shall not apply to any disputes or claims relating to or arising out of the misuse or misappropriation of the Company's trade secrets or proprietary information.

8. Amendment. No provision of this Agreement may be waived, altered or amended, except by a written instrument signed by all of the parties to this Agreement.

9. Interpretation. Employee and the Company agree that this Agreement shall be interpreted in accordance with and governed by the laws of the State of California without giving effect to its conflict of laws provisions.

10. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. In view of the personal nature of the services to be performed under this Agreement by Employee, he shall not have the right to assign or transfer any of his rights, obligations or benefits under this Agreement, except as otherwise noted herein.

11. Entire Agreement. This Agreement constitutes the entire employment agreement between Employee and the Company regarding the terms and conditions of his employment. This Agreement supersedes all prior negotiations, representations or agreements between Employee and the Company, whether written or oral, concerning Employee's employment by the Company.

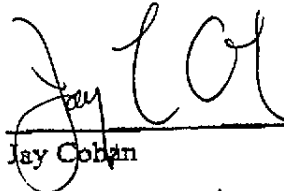
12. Counterparts. This Agreement may be executed in counterpart copies, all of which when taken together shall be deemed to constitute one and the same instrument.

13. No Representations. Employee acknowledges that he is not relying, and has not relied, on any promise, representation or statement made by or on behalf of the Company which is not set forth in this Agreement.

14. Validity. If any one or more of the provisions (or any part thereof) of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions (or any part thereof) shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year written below.

EMPLOYEE



Jay Cohen

Date: 30 July 1998

PUMA TECHNOLOGY, INC., a Delaware corporation

By: _____

Its: _____

Date: _____

APPENDIX I

DESCRIPTION OF SOFTMAGIC BUSINESS

SoftMagic Business is the development, marketing, licensing and sale of software development tools for hand-held portable computers, which are devices that contain microprocessors, are capable of interfacing with personal computers, and perform computational functions customarily performed by personal computers only.

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EXHIBIT A

AMENDED AND RESTATED 1993 STOCK OPTION PLAN

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Exhibit D

CONSULTING AGREEMENT

THIS AGREEMENT ("Agreement") is entered into by and between Purna Technology, Inc. ("Company"), a Delaware corporation, and Jennifer Creek Sant'Anna ("Consultant").

1. Engagement of Services. Consultant agrees to perform services for Company as a product marketing manager for Development Tools products. As a product marketing manager for Development Tools products, Consultant agrees to (i) lead the Company's effort to name, price, position and brand the Satellite Forms product line; (ii) use her best efforts to drive marcom, sales, support and fulfillment organizations to deliver the Company's branded Satellite Forms product(s) by September 1, 1998; (iii) work with the Company's management to determine business model and product strategy on Developer, Enterprise Edition and MobileXtension products; and (iv) help with the transition of a new product manager/director of Development Tools.

Company selected Consultant to perform these services based upon Company receiving Consultant's personal service and therefore Consultant may not subcontract or otherwise delegate her obligations under this Agreement without Company's prior written consent.

2. Compensation.

2.1 Fees and Approved Expenses. Company will pay Consultant a fee of fifty dollars (\$50.00) per hour for services rendered by Consultant pursuant to this Agreement. Consultant will not render services to the Company in excess of one hundred seventy-five (175) hours per month, unless additional hours are authorized in advance and in writing by a Company manager. Consultant will not be reimbursed for any expenses incurred in connection with the performance of services under this Agreement, unless those expenses are approved in advance and in writing by a Company manager.

2.2 Timing. Company will pay Consultant for services and will reimburse Consultant for previously approved expenses within thirty (30) days of the date of Consultant's invoice.

3. Independent Contractor Relationship. Consultant and Company understand, acknowledge and agree that Consultant's relationship with Company will be that of an independent contractor and nothing in this Agreement is intended to or should be construed to create a partnership, joint venture, or employment relationship.

4. Trade Secrets - Intellectual Property Rights.

4.1 Disclosure of Inventions.

(a) Consultant agrees to disclose promptly in writing to Company, or any person designated by Company, every invention, including but not limited to computer

programs, processes, know-how and other copyrightable material, which is conceived, made or reduced to practice by Consultant within the scope of the work under this Agreement.

(b) Consultant represents that her performance of all of the terms of this Agreement does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data of a third party and Consultant will not disclose to Company, or induce Company to use, any confidential or proprietary information belonging to third parties unless such use or disclosure is authorized in writing by such owners.

(c) Consultant represents that any inventions or copyrighted works relating to Company's actual or anticipated business or research and development which Consultant has made, conceived or reduced to practice at the time of signing this Agreement, have been disclosed in writing to Company and attached to this Agreement as Exhibit A.

4.2 Confidential Information. Consultant agrees during the term of this Agreement and thereafter to take all steps reasonably necessary to hold in trust and confidence information which she knows or has reason to know is considered confidential by Company ("Confidential Information"). Consultant agrees to use the Confidential Information solely to perform the project hereunder. Confidential Information includes, but is not limited to, technical and business information relating to Company's inventions or products, research and development, manufacturing and engineering processes, and future business plans. Consultant's obligations with respect to the Confidential Information also extend to any third party's proprietary or confidential information disclosed to Consultant in the course of providing services to Company. This obligation shall not extend to any information which becomes generally known to the public without breach of this Agreement. This obligation shall survive the termination of this Agreement.

4.3 No Conflict of Interest. Consultant agrees during the term of this Agreement not to accept work or enter into a contract or accept an obligation, inconsistent or incompatible with Consultant's obligations or the scope of services rendered for Company under this Agreement.

4.4 Assignment of Inventions.

(a) Inventions resulting from Consultant's work for Company under this Agreement are the exclusive property of Company. "Inventions" includes any and all inventions, improvements, discoveries, and technical developments that Consultant, solely or jointly with others, conceives, makes, or reduces to practice within the scope of the work under this Agreement. Consultant assigns to Company his or her entire right, title and interest in the Inventions worldwide and the associated intellectual property rights.

(b) Consultant agrees to assist Company in any reasonable manner to obtain and enforce for Company's benefit patents, copyrights and other property rights covering the Inventions in any and all countries, and Consultant agrees to execute, when requested, patent, copyright or similar applications and assignments to Company and any other lawful documents deemed necessary by Company to carry out the purpose of this Agreement. Consultant further

agrees that the obligations and undertaking stated in this Section 4.4(b) will continue beyond the termination of Consultant's service to Company. If called upon to render assistance under this Section 4.4(b), Consultant will be entitled to a fair and reasonable fee in addition to reimbursement of authorized expenses incurred at the prior written request of Company.

(c) In the event that Company is unable for any reason whatsoever to secure Consultant's signature to any lawful and necessary document required to apply for or execute any patent, copyright or other applications with respect to any Inventions (including improvements, renewals, extensions, continuations, divisions or continuations in part thereof), Consultant hereby irrevocably designates and appoints Company and its duly authorized officers and agents as her agents and attorneys-in-fact to act for and in her behalf and instead of Consultant, to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights or other rights thereon with the same legal force and effect as if executed by Consultant.

4.5 Return of Company's Property. Consultant acknowledges that Company's sole and exclusive property includes all documents, such as drawings, manuals, notebooks, reports, sketches, records, computer programs, employee lists, customer lists and the like in her custody or possession, whether delivered to Consultant by Company or made by Consultant in the performance of services under this Agreement, relating to the business activities of Company or its customers or suppliers and containing any information or data whatsoever, whether or not Confidential Information. Consultant agrees to deliver promptly all of Company's property and all copies of Company's property in Consultant's possession to Company at any time upon Company's request.

5. Term and Termination.

5.1 Term. This Agreement is effective as of August 1, 1998, and will terminate on October 31, 1998, unless terminated earlier in accordance with the provisions of this Section 5. The Company has the option, in its sole discretion, to extend the term of this Agreement for an additional three (3) month period, through January 31, 1999. This Agreement will be extended for such three (3) month period only if agreed to by Consultant and if extended pursuant to a writing signed by both parties to this Agreement.

5.2 Termination by Company. Company may terminate this Agreement for material breach at any time upon fifteen (15) days prior written notice to Consultant. Company also may terminate this Agreement immediately in its sole discretion upon Consultant's material breach of Article 4 and/or Section 5.3 of this Agreement and/or upon any acts of gross misconduct by Consultant directly affecting this Agreement or the independent contractor relationship.

5.3 Termination by Consultant. Consultant may terminate this Agreement for material breach at any time upon fifteen (15) days prior written notice to Company.

5.4 Noninterference with Business. During and for a period of two (2) years immediately following termination of this Agreement by either party, Consultant agrees not to

solicit or induce any employee or independent contractor to terminate or breach an employment, contractual or other relationship with Company.

6. General Provisions.

6.1 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of California as applied to agreements entered into and to be performed entirely within California between California residents.

6.2 Entire Agreement. This Agreement, including all Exhibits to this Agreement, constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral.

6.3 Waiver. No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether express or implied, will constitute a consent to, waiver of, or excuse of any other, different, or subsequent breach by either party.

6.4 Successors and Assigns. Consultant may not assign her rights or obligations arising under this Agreement without Company's prior written consent. Company may assign its rights and obligations under this Agreement. This Agreement will be for the benefit of Company's successors and assigns, and will be binding on Consultant's heirs, legal representatives and permitted assignees.

6.5 Legal Fees. If any dispute arises between the parties with respect to the matters covered by this Agreement which leads to a proceeding to resolve such dispute, the prevailing party in such proceeding shall be entitled to receive its reasonable attorneys' fees, expert witness fees and out-of-pocket costs incurred in connection with such proceeding, in addition to any other relief to which it may be entitled.

6.6 Notices. All notices, requests and other communications required to be given under this Agreement must be in writing, and must be mailed by registered or certified mail, postage prepaid and return receipt requested, or delivered by hand to the party to whom such notice is required or permitted to be given. Any such notice will be considered to have been given when received, or if mailed, five (5) business days after it was mailed, as evidenced by the postmark. The mailing address for notice to either party will be the address shown on the signature page of this Agreement. Either party may change its mailing address by notice as provided by this Section 6.6.

6.7 Survival. The following provisions shall survive termination of this Agreement: Article 4 and Section 5.3.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year first above written.

"Company"

"Consultant"

Puma Technology, Inc., a Delaware corporation

By: _____

Its: _____


Jennifer Creek Sant'Arina

EXHIBIT A
PRIOR INVENTIONS DISCLOSURE

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