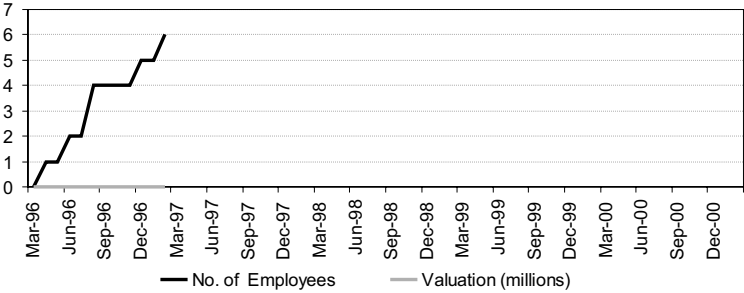


# February 1997



# The Contract



Sometimes a shove from the nest leads to flight. Sometimes it doesn't. Time would tell.

As my confidence in Neoforma increased, my situation at Varian continued to decay.

One day, I was congratulated by a workmate at Varian for my move to Neoforma. I said, "Thank you," But this was news I was not pleased to hear—considering that I had not yet given my notice.

I had indeed been coordinating an eventual departure date with my boss, Evelyn. I couldn't bear the daily ritual of watching the clock slowly spin each morning, waiting for the time I could go to Neoforma for lunch.

Now that we had put in our promised year at Varian, both Jeff and I agreed that one of us needed to be at Neoforma full-time. There was so much to do.

Since I was engaged in most of the operational issues, it made sense that I should be the first to move. Neoforma did not have enough money to sustain me for long, but the sales were increasing. With our current growth we should easily be able to pay me a salary—that is, if Jeff and I both agreed to invest some of our own money. We estimated that about fifty grand each would do the job.

Neither of us had much money saved. We were both just beginning to invest in college funds for our kids. But we figured we could each just pull together about fifty thousand dollars for a short-term loan to the company. With our current revenue projections, we estimated that we would be able to pay ourselves back within six months. We would survive by holding off paying the balances on our personal credit cards. We had each run our cards up quite high, paying for company expenses.

Anni and I were able to come up with the money by leveraging the