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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the fiscal year ended June 30, 2007.

or

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

For the transition period from to

Commission file number: 0-24786

Aspen Technology, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**04-2739697**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
200 Wheeler Road **Burlington, Massachusetts**	**01803**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code:
781-221-6400

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

Securities registered pursuant to Section 12(g) of the Act:
Common stock, $0.10 par value per share

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

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

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

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

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

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

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

As of December 29, 2006, the aggregate market value of common stock (the only outstanding class of common equity of the registrant) held by nonaffiliates of the registrant was $541,346,943 based on a total of 49,124,042 shares of common stock held by nonaffiliates and on a closing price of $11.02 on December 29, 2006 for the common stock as reported on The NASDAQ Global Market.

As of April 9, 2008, 89,991,155 shares of common stock were outstanding.

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This Form 10-K restates portions of our Annual Report on Form 10-K for the fiscal year ended June 30, 2006 as originally filed with the SEC on September 28, 2006, as amended by Amendment No. 1 thereto filed with the SEC on November 14, 2006 and Amendment No. 2 thereto filed with the SEC on March 15, 2007.

This Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created thereby. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects" and similar expressions are intended to identify forward-looking statements. Readers are cautioned that all forward-looking statements involve risks and uncertainties, many of which are beyond our control, including the factors set forth under "Item 1A. Risk Factors." Although we believe that the assumptions underlying the

forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate and there can be no assurance that actual results will be the same as those indicated by the forward-looking statements included in this Form 10-K. In light of significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved. Moreover, we assume no obligation to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

EXPLANATORY NOTE

In this Form 10-K, we are restating (a) our consolidated financial statements as of June 30, 2006 and for the years ended June 30, 2006 and 2005, as set forth in "Financial Statements and Supplementary Data" in Item 8 of this Form 10-K in Note 17, and (b) our condensed consolidated financial statements for the first three quarters of the year ended June 30, 2007 and each of the quarters in the year ended June 30, 2006, as set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quarterly Results" in Item 7 of this Form 10-K. The financial data included in "Selected Financial Data" in Item 6 of this Form 10-K have also been restated.

Subsequent to the issuance of our consolidated financial statements for the year ended June 30, 2006 (as previously restated), and as previously announced on June 11, 2007, we identified errors related to the accounting for sales of customer installment and trade receivables to financial institutions or unconsolidated special purpose entities, which we refer to as "receivable sale facilities." The sales of receivables were designed to meet "true sale" criteria for legal and accounting purposes. The transferred receivables serve as collateral under the receivable sales facilities and limited recourse exists against us in the event that the underlying customer does not pay. These transactions historically had been accounted and reported as sales of assets for accounting purposes, rather than as secured borrowings. As further described below, however, we should not have derecognized the receivables and should have recorded the cash received from the transfer of such assets as a secured borrowing in our consolidated balance sheet, as we effectively retained control of these assets for accounting purposes. As further discussed below, we also identified other errors related to revenue recognition, income tax accounting and classification of preferred stock dividends and accretion.

We effectively retained control for accounting purposes of the transferred assets as a result of engaging in new transactions with our customers to sell additional software and/or extend the terms of existing license arrangements, which were the basis for these installment receivables. The new transactions would sometimes consolidate the remaining balance of the outstanding receivables with additional amounts due under the new or extended software license arrangement. Some receivable sale facilities allowed for this consolidation, subject to a limit, which was exceeded. Other receivable sale facilities did not allow for this method of consolidation. Accordingly, the amount and/or method of consolidation of these receivables resulted in the lack of legal isolation of the assets from us, which is one of the requirements to achieve and maintain sale accounting treatment under Statement of Financial Accounting Standards, or SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." We believe that for accounting purposes, we retained control of the receivables transferred to the receivable sales facilities for each of the years in the three-year period ended June 30, 2007 and that none of the sales of receivables during this period qualified for sale accounting treatment under the provisions of SFAS No. 140. This accounting conclusion does not alter the arrangements with our customers, and we do not believe that the accounting conclusion has changed our relationship with the financial institutions, including the limited recourse that such financial institutions have against us beyond the transferred receivables.

Our previous accounting treatment was to inappropriately account for these transactions as sales of assets. Accordingly, under our previous accounting treatment, we immediately recognized any gains and losses upon the transfer of assets and then recorded a "retained interest in sold receivables" for our continuing interest, if any, which was initially recorded at the estimated fair value. Our retained interest in sold receivables was subject to periodic accretion of this interest (recorded through interest income) through the term of the respective arrangement. No recognition of the transferred receivables or any debt obligation was recognized for these transactions.

To correct these errors, we have recorded the transferred receivables, which are reported as "collateralized receivables" on our consolidated balance sheet, and a secured debt obligation for the

amount of cash received from the receivable sale facilities. There are no gains and losses recognized upon the transfer of these assets and any costs incurred have now been recorded as debt issuance costs. We now recognize interest income from the retained installments receivable and interest expense on the secured borrowing. The previous accounting for the retained interest in the transferred installments receivables, including the accretion included in interest income, has been eliminated as the entire interest in the receivables has been included in our consolidated balance sheet. Bad debt provisions related to the transferred receivables are now reflected in our consolidated statements of operations. We have also recorded the currency exchange gains or losses on installments receivable that were previously not recorded. The funding received from the receivable sales facilities was previously recorded as cash flows from operations in our consolidated statements of cash flows. We have corrected the presentation to include the proceeds from and repayments of the secured borrowings as components of cash flows from financing activities in the consolidated statements of cash flows. Repayments of secured borrowings and operating cash flows from collateralized receivables are recognized upon customer payment of amounts due.

In addition, we identified other errors in our previously reported financial statements in the course of preparing the consolidated financial statements for the year ended June 30, 2007. These errors relate to the timing of revenue recognition, corrections to our income tax accounting, classification of preferred stock dividends and accretion, and other items. Errors in the timing of revenue recognition primarily relate to the inappropriate application of American Institute of Certified Public Accountants Statement of Position, or SOP No. 97-2, "Software Revenue Recognition" for certain arrangements that bundled software licenses with services. For these bundled arrangements, we determined that the service element could not be accounted for separately from the software. We had deferred revenue recognition related to the license component until the services arrangements were complete, instead of recognizing revenue under the arrangements as services were performed. In other arrangements, we determined that service revenue was recognized prior to the delivery of the software license, and we did not have vendor specific objective evidence, or VSOE, of fair value for the undelivered license or the price on the arrangement was not fixed and determinable. In addition, revenue was recognized in fiscal 2005 where collection was not probable as the customer did not have the ability to pay until the software was implemented for an end user or specified upgrades were provided. Further, a change in the terms of an agreement occurring in fiscal 2006 was not previously recorded and should have been reflected in fiscal 2006. We have corrected these errors and recognized revenue over the period the services were performed for these bundled arrangements or when the criteria for revenue recognition were met.

We also identified errors in our historical income tax accounting for certain international tax obligations, primarily arising from errors in the application of the Company's transfer pricing policies for transactions among consolidated subsidiaries, failure to properly account for deemed dividends from our consolidated subsidiaries as a result of the lack of settlement of intercompany transactions, errors in the accounting for revaluation of foreign currency denominated transactions, and other errors. We have corrected the calculation of our tax provisions for these obligations in the applicable year, including recognition of interest and penalties attributable to the adjusted tax provisions.

In addition, in the calculation and disclosure of deferred tax balances, the majority of which are subject to a full valuation allowance, errors were identified in these balances and resulted in the incorrect disclosure of our deferred taxes and the related offsetting valuation allowance within the income tax footnote. These disclosures, along with any changes in balances reflected, are being restated as of June 30, 2006 in the income tax footnote. The primary components which are being restated are the federal and state loss carryforwards, foreign tax credits and other errors in the calculation of deferred tax balances. In addition, the disclosure of the tax net operating loss should have excluded all excess tax benefits arising from the stock compensation deductions, which upon realization, would be reflected in additional paid-in capital. As a result, the disclosure of domestic tax loss carryforwards has

been reduced by $32.4 million and foreign tax credit carryforwards have increased by $19.0 million as of June 30, 2006. Other net deferred tax balances were increased by a total of $12.9 million. As these deferred tax assets had and continue to have a full valuation allowance, corrections to the disclosure of our deferred taxes and the related offsetting valuation allowance had an immaterial impact on our consolidated balance sheets, statements of operations, and statements of cash flows.

We also identified that dividends and accretion on outstanding preferred stock has not been properly classified within its stockholders' equity accounts. As we have been in an accumulated deficit position, the dividends and accretion on preferred stock should have been classified as a reduction in additional paid-in capital as opposed to increasing the accumulated deficit. As a result of this error, additional paid-in capital was overstated and accumulated deficit was overstated as of June 30, 2004, 2005 and 2006 by $28.3 million, $42.8 million, and $58.1 million, respectively.

In order to correct the errors described above, we have restated our consolidated balance sheet as of June 30, 2006 primarily to reflect (a) the recording of $211.3 million in collateralized receivables, (b) the related recording of $182.4 million in secured borrowings supported by this collateral, (c) the elimination of the $19.0 million in retained interest in sold receivables (d) additional taxes payable of $15.1 million and other accrued liabilities of $2.3 million and (e) $58.1 million reclassification between additional paid-in capital and accumulated deficit. We have restated our consolidated statements of operations for the years ended June 30, 2005 and 2006 primarily to reflect (a) additional interest income related to the collateralized receivables of $12.8 million in the year ended June 30, 2005 and $14.9 million in the year ended June 30, 2006, (b) additional interest expense related to the secured borrowings of $12.6 million in the year ended June 30, 2005 and $18.5 million in the year ended June 30, 2006, (c) decreases in losses on sale and disposals of assets of $14.4 million in the year ended June 30, 2005 and $0.6 million in the year ended June 30, 2006 related to the elimination of losses previously recorded from the transfer of installment and accounts receivable accounted for as a sale, (d) additional provisions for bad debt associated with the collateralized receivables of $2.6 million in the year ended June 30, 2005 and $1.8 million in the year ended June 30, 2006, (e) a decrease in revenue related to certain arrangements that bundled software licenses with services of $0.1 million in the year ended June 30, 2005 and an increase of $1.7 million in the year ended June 30, 2006, (f) a decrease in revenue related to errors in the timing of revenue recognition of $0.8 million in the year ended June 30, 2005 and $0.4 million in the year ended June 30, 2006 and (g) additional provisions for income taxes of $6.8 million in the year ended June 30, 2005 and $3.2 million in the year ended June 30, 2006. The corresponding impacts on the consolidated statements of cash flows have been reflected for the years ended June 30, 2005 and 2006.

PART I

Item 1. Business

This Form 10-K and our other reports filed with or furnished to the SEC are available free of charge through our internet site (*http://www.aspentech.com*) as soon as practicable after we electronically file such material with, or furnish it to, the SEC. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (*http://www.sec.gov*) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Overview

We are a leading supplier of integrated software and services to the process industries, which consist of oil and gas, petroleum, chemicals, pharmaceuticals and other industries that manufacture and produce products from a chemical process. We provide a comprehensive, integrated suite of software applications that utilize proprietary empirical models of chemical manufacturing processes to improve plant and process design, economic evaluation, production, production planning and scheduling, and operational performance. These solutions help our customers improve their competitiveness and profitability by increasing revenues, reducing operating costs, reducing working capital requirements and decreasing capital expenditures.

We were initially incorporated in 1981 and reincorporated in Delaware in 1998. For more than 25 years, we have had a track record of innovation and technology leadership in the process industries. Our customer base of over 1,500 process manufacturers includes the 30 largest petroleum companies in the world, the 50 largest chemical companies, 14 of the 15 largest pharmaceutical companies and 14 of the 16 largest engineering and construction firms that service the process industries. As of June 30, 2007, we operated globally through 29 offices in 22 countries. We sell our products primarily through a direct sales force, and we have established a number of strategic relationships to leverage our internal sales and marketing efforts, enhance the breadth of our solutions and expand our implementation capabilities.

Industry Background

The process industries consist of oil and gas, petroleum, chemicals, pharmaceuticals and other industries that produce products from a chemical process. Process manufacturers face a number of significant challenges that are specific to each industry. To succeed in an increasingly competitive global environment, process manufacturers must simultaneously reduce costs and increase efficiency, responsiveness and customer satisfaction. Because process manufacturing tends to be asset-intensive, increases in profitability in these industries depend substantially upon reducing the costs of raw materials, energy and capital. Given the large production volumes typical in the process industries and the relatively low profit margins characteristic of many sectors within the process industries, even relatively small reductions in raw material or energy requirements or small improvements in input costs, throughput or product yields can significantly increase the profitability of process manufacturers.

The process industries face significant challenges because of the complex activities and supply chains that must be managed when purchasing raw materials, manufacturing products, and delivering final products to customers. Factors that make it difficult for these companies to optimize these processes and make optimal economic decisions include the following:

- products are manufactured in continuous processes that are unpredictable and difficult to model;
- production sequence and raw material specification both have a major impact on feasibility and profitability;

- multiple, interdependent products are made simultaneously, making production planning complicated;
- manufacturing plants are sophisticated and extremely capital intensive; and
- supply chain management is complex.

In addition to these factors that are common to most segments of the process industry, each vertical market has its own set of unique challenges that must be addressed in order to manage operations effectively.

Oil and Gas

The upstream oil and gas sector is driven by the high cost of capital investment, which is being exacerbated as the search for new reserves takes companies to more remote, politically unstable locations and ever deeper oceans. The high cost of investment places a premium on getting the most out of any expenditure. An improperly placed well that fails to economically remove all surrounding reserves or a poorly designed transmission system that requires excessive pressurization or maintenance can have a significant impact on profitability for years to come. In addition, managing oil and gas assets is complicated since these assets are highly complex and interconnected. Companies must achieve high output while minimizing investment, optimize facilities to match a constantly varying slate of crudes and gases, and ensure the efficient transmission of materials through large, interconnected, and environmentally sensitive pipeline infrastructure.

To further complicate the challenge, every decision occurs against the backdrop of rapidly fluctuating open market oil and gas prices. Unlike other segments of the process industries, where raw material price movements are smoothed through long-term contracts, oil and gas prices can oscillate rapidly from week to week or even day to day. This puts enormous pressure on companies to profit from rising prices while they can. Delayed decisions and prolonged production ramp-ups can spell the difference between selling into a rising or falling market.

Specifically, oil and gas companies face the following distinct challenges in managing their operations:

- managing assets as an interrelated system;
- ensuring consistently profitable price nominations and product contracts;
- maximizing production with minimal capital investment;
- responding faster to gas and oil price fluctuations and operating disruptions; and
- ensuring regulatory compliance without adding administrative overhead.

Petroleum

In the downstream petroleum industry, prices, capacity utilization and operating margins are all reaching record highs. As a result, there is tremendous pressure on refineries to optimize their output, maximize their product mix and minimize their inventory levels throughout the system. At the same time, petroleum companies are recognizing that the legacy IT systems that resulted from the mergers and acquisitions of the 1990s are inadequate. Instead, they are increasingly investing in integrated software suites that can provide better visibility into all aspects of the production process, from inventory levels throughout the system to quality and production information as well as market dynamics. This enables them to keep lower amounts of inventory on hand, make better buy vs. make vs. trade decisions and maximize capacity utilization at the refinery level taking into account both volume and product mix. In addition, the need for accurate integrated information is further

exacerbated by a proliferation of regional product specifications, a volatile market, and increasingly stringent environmental regulations.

Running more barrels through the refinery at top capacity makes it difficult to keep the physical assets in prime condition and can create safety and reliability issues. Refiners are faced with the need to optimize the design of processes and achieve more reliable and stable operations. Process engineers are challenged with making timely business decisions while meeting the business objectives of designing and operating efficient, safe and profitable process plants. Measuring the complex interactions among equipment, feedstock, refined products and business objectives is the key to unlocking optimization at the refinery level.

Specifically, petroleum companies face the following challenges in managing their operations:

- making timely business decisions based on volatile market conditions while at the same time operating efficient, safe and profitable refineries;
- minimizing inventory levels throughout the system without becoming vulnerable to changes in demand or market disruptions;
- managing the reduced supply chain flexibility created by clean fuels legislation and the proliferation of product specifications;
- responding effectively to changing supply/demand balances and supply patterns; and
- optimizing the use of energy to minimize the impact of high energy costs.

Chemicals

The chemical industry produces bulk chemicals that are true commodities with little or nothing to differentiate one company's offering from another. The market is global and highly competitive. Producers routinely invest to build highly specialized, continuous process plants that reduce production costs to a minimum. They must continue to invest over a plant's lifetime to ensure it remains cost-competitive with newer units. The most successful companies find ways to differentiate themselves through product quality, customer responsiveness and operating efficiency.

Chemical companies face a number of strategic challenges. They need to maximize the returns from their expensive assets. They must manage wide swings in feedstock (raw material) costs and high energy costs. Due to global industrial consolidation, they face increasingly concentrated and powerful competitors and customers, placing enormous pressures on their operating margins. This pressure has eroded the advantages once enjoyed by companies with established market, technology or regional positions. In the face of such intense pressure, producers have only a limited ability to raise prices and must instead focus on optimizing their product mix and minimizing their costs throughout the production process.

To respond to these pressures many large chemical manufacturers are looking to replace the "patchwork" of point solutions that they currently use to design facilities and optimize production with solutions that can address operational costs as a single, interrelated whole, much in the same way that enterprise resource planning, or ERP, systems squeezed costs from the interrelated transactions that define back office business processes.

Specifically, chemical producers face the following challenges in managing their operations:

- identifying and correcting cost variations when they occur;
- operating assets as one interrelated system rather than as individual components;
- reducing plant lifecycle costs while improving operating performance;

- minimizing inventory without hurting customer service;
- responding more quickly and profitably to unexpected opportunities and disruptions; and
- ensuring regulatory compliance without adding administrative overhead.

Pharmaceuticals

Changing industry dynamics and increasing competition from generic drug products are driving pharmaceutical companies to improve their operational capabilities to ensure future profitability. As a result, many pharmaceutical companies are now viewing manufacturing and distribution not only as a means of meeting demanding quality and supply criteria but also as a means of achieving competitive advantage by reducing manufacturing costs.

Pharmaceutical companies face a number of strategic challenges. Regulatory agencies are demanding strict, detailed material, process, and personnel tracking. At the same time, companies are facing increased competition from generic drugs and must increasingly speed products to market to maximize profits. To respond to these pressures, pharmaceutical companies are looking to implement solutions that can help them meet their regulatory requirements, reduce their time to market and decrease their production costs.

Specifically, pharmaceutical companies face the following challenges in managing their operations:

- complying with strict regulatory requirements;
- improving manufacturing agility to take advantage of new approaches and processes;
- reduce time required to scale-up production;
- improving customer service; and
- reducing the complexity of IT systems.

Process Industry Technology

Historically, technology solutions have played a major role in helping process companies to drive productivity improvements. In the 1980s, this increase in efficiency came from the use of distributed control systems, or DCS, to automate the management of plant hardware. These systems utilized computer hardware, communication networks and industrial instruments to measure, record and automatically control process variables. However, although DCS and ERP solutions are important components of a solution to improve manufacturing enterprise performance, they do not incorporate either the detailed chemical engineering knowledge essential to optimize the design and operation of related manufacturing processes or the plant performance data required to support more intelligent real-time decision making and therefore their influence on day-to-day operational activities is limited.

Today, process manufacturers are seeking tools to help them improve their operating performance, competitive position and responsiveness to increasingly volatile raw material and end markets. For example, while rising oil prices provide an opportunity for petroleum refiners to raise their prices, they also increase the cost of operating energy-intensive manufacturing facilities. These dynamics are creating demand for intelligent decision-support products that can provide an accurate real-time understanding of a plant's capabilities, as well as accurate planning and collaborative forecasting information.

Moreover, as process manufacturers have become more adept at using products that optimize individual engineering, plant operations and supply chain management business processes, they increasingly are seeking additional performance improvements by integrating these products, both with one another and with DCS, ERP and other enterprise systems, to provide real-time, intelligent decision

support. To achieve these objectives, companies are implementing solutions that integrate related business processes within a single production facility and across multiple sites. In addition, by adding planning and scheduling functionality, companies are extending these solutions by optimizing their supply chains to substantially reduce cycle times, adjusting production quickly to meet changing customer requirements, synchronizing key business processes with plants and customers across numerous geographies and time zones, and quoting delivery dates more accurately and reliably. Traditional solutions and emerging software integration vendors lack the deep process knowledge necessary to solve the complex problems faced by process manufacturers attempting to achieve true optimization of their enterprises, from design to production to management of the extended supply chain.

The AspenTech Advantage

Process manufacturers use our solutions to improve their profitability and competitiveness, not only by reducing raw material and energy use, cycle time, inventory cost and time to market, but increasingly by synchronizing and streamlining key business processes. Our competitive advantage is based on the following key attributes:

Substantial process industry expertise. By developing software for the process industries for more than 25 years, we believe we have amassed the world's largest collection of process industry domain knowledge to develop and implement software solutions for our customers. Our employees have pioneered many of the most significant advances that today are considered industry-standard software applications across a wide variety of engineering, plant operations and supply chain applications. Our services and development staff are recognized experts in delivering value to our customers based on the practical experience they have gained from supporting IT installations for more than 1,500 process manufacturers worldwide.

This significant base of chemical engineering expertise, process manufacturing experience and industry know-how serves as the foundation for the proprietary solution methods, physical property models and data estimation techniques embedded in our software solutions. We continually enhance our software applications through extensive interaction with our customers, some of which have worked with our products for more than twenty years. To complement our software expertise, we have assembled a staff, totaling approximately 230 project engineers as of June 30, 2007, to provide implementation, advanced process control, real-time optimization, supply chain management and other consulting services. We believe this consulting team is one of the largest and most experienced collection of experts on process manufacturing operations in the world.

Large and valuable customer base. We view our customer base of more than 1,500 process manufacturers as an important strategic asset and as evidence of one of the strongest franchises in the industry. We count among our customers the world's 50 largest chemical companies, the world's 30 largest petroleum refiners, and 14 of the world's 15 largest pharmaceutical companies. We also have numerous leading customers in other vertical markets. In addition, 14 of the 16 largest engineering and construction firms that serve the process industries use our design software. These relationships enable us to identify and develop or acquire solutions that best meet the needs of our customers, and they are a valuable part of our efforts to penetrate the process industries with new software solutions. We believe significant opportunities exist for continued penetration of strategic enterprise-wide products, particularly for our plant operations and supply chain management products. As process manufacturers increasingly focus on integration and optimization of their operations, we expect many of our existing customers to be among the first to implement our newly-developed enterprise solutions.

Rapid, high return on investment. We believe that customers purchase our products because our products provide rapid, demonstrable and significant returns on investment. Because of the large production volumes and relatively low profit margins typical in many of the process industries, even small improvements in productivity can generate substantial recurring benefits. First-year savings can

exceed the software and implementation costs of our products. Our integrated solutions, whether applied across a plant, an enterprise or an extended supply chain, can yield even greater returns. In addition, our products generate important organizational efficiencies and operational improvements, the dollar benefits of which can be difficult to quantify.

Complete, integrated solution. While some vendors offer stand-alone products that compete with one or more of our products, we believe we are the only provider that offers a comprehensive solution to process manufacturers that addresses key business processes in manufacturing operations across the enterprise. Our solutions can be used on a stand-alone basis, integrated with one another or integrated with third-party applications. Customers can initially choose to implement a point solution or our integrated solution, which is scalable as the customer's needs evolve. The breadth of our solutions expands the overall value we can bring to our customers and represent an important source of competitive differentiation.

Strategy

Our strategy is to build on our position as a market and technology leader by continuing to enhance and integrate our broad portfolio of engineering, plant operations and supply chain management solutions and to deliver new solutions targeted to the specific needs of the vertical industries we serve. To implement this strategy we intend to:

Build on our technology leadership by delivering an integrated suite of scalable vertical industry solutions. We intend to build on our proven technology leadership and installed base by delivering integrated solutions targeted at specific vertical segments, which provide a broader set of capabilities and deliver a higher value proposition to existing and prospective customers. With the October 2004 release of aspenONE, we became the first software vendor to provide an integrated suite of engineering, plant operations and supply chain management software applications for process manufacturing. The aspenONE framework provides an integration layer that enables our products to work together to provide our customers with access to critical operational information more immediately. As a result, aspenONE has been adopted by a number of leading chemical and energy companies.

Maintain and strengthen our market leadership for stand-alone solutions. We intend to maintain and strengthen our competitive position for stand-alone applications in engineering, plant operations and supply chain management by continuing to develop and enhance our existing offerings to respond to competitive pressures and our customers' needs. During fiscal 2006 we delivered substantial new functionality in each major product area, and further enhancements are planned for forthcoming product releases.

Invest selectively in new, high-value solutions. We intend to invest in a few specific modules that we believe will unlock new sources of value for customers in selected segments of the process industries. These investments are intended to accelerate the development and commercialization of highly focused modules that incorporate technology from our engineering, plant operations and supply chain management products. These applications include:

- *aspenONE* Planning, Scheduling & Blending: an integrated solution that improves planning and scheduling production at refineries;
- *aspenONE* Inventory Management & Operations Scheduling: a solution that helps petroleum companies manage the operational risk and financial exposure that result from lack of visibility into current and projected inventories, and allowing them to make the best *buy vs. make vs. trade* operational decisions.
- *aspenONE* Ethylene Scheduling: an integrated solution that optimizes the business process of procuring feedstocks and scheduling ethylene plants.

Leverage strategic alliance relationships. Alliances are an important part of our strategy to help us accelerate the time it takes to bring products to market and provide us with additional resources to implement enterprise solutions. We have alliances with Accenture, Intergraph, Microsoft and Schlumberger. We intend to continue to work with a select number of strategic alliances that will help us increase our sales and implementation effectiveness.

Products: Software and Services

We provide software and services that enable our customers to optimize the profitability of their manufacturing operations. Our software is based upon proprietary empirical models of chemical manufacturing processes and the equipment used in those processes that provide highly accurate representations of the chemical and physical properties of a broad range of materials typically encountered in the process industries. These models and the associated knowledge captured in the supporting IT systems provide real-time, intelligent decision support across the entire process manufacturing enterprise.

Our solutions are focused on three primary business areas: engineering, plant operations, and supply chain management, and are delivered both as stand-alone solutions and as part of the integrated aspenONE product suite. The aspenONE framework provides an integration layer that enables our engineering, plant operations and supply chain products to be integrated in modular fashion so that data can be shared among them and additional modules can be added as the customer's requirements evolve. The result is enterprise-wide access to real-time, model-based information that enables manufacturers to forecast or simulate the economic impact of potential actions and make better, faster and more profitable operating decisions.

Engineering. In the process industries, maximizing profit begins with optimal design. Process manufacturers must be able to address a variety of challenging questions relating to strategic planning, collaborative engineering and debottlenecking and process improvement—from where they should locate their facilities, to how they can make their products at the lowest cost, to what is the best way to operate for maximum efficiency. To address these issues, they must improve asset optimization to enable faster, better execution of complex projects. Our engineering solutions help companies maximize their return on plant assets and enable collaboration with engineers on common models and projects.

Our engineering solutions are used on the process engineer's desktop to design and improve plants and processes. Our customers use our engineering software and services during both the design and ongoing operation of their facilities to model and improve the way they develop and deploy manufacturing assets. Our products enable our customers to improve their return on capital, improve physical plant operating performance and bring new products to market more quickly. See below for a listing of our principal engineering products.

Our engineering tools are based on an open environment and are implemented on Microsoft's operating systems. Implementation of our engineering products does not typically require substantial consulting services, although services may be provided for customized model designs and process synthesis.

Plant operations. Our plant operations products focus on optimizing companies' day-to-day process industry activities, enabling them to make better, more profitable decisions and improve plant performance. The process industries' typical production cycle offers many opportunities for optimizing profits. Process manufacturers must be able to address a wide range of issues driving execution efficiency and cost, from selecting the right feedstock and raw materials, to production scheduling, to identifying the right balance among customer satisfaction, costs and inventory. Our plant operations products support the execution of the optimal operating plan in real time. Our plant operations solutions include desktop applications, IT infrastructure and services that enable companies to model, manage and control their plants more efficiently, helping them to make better-informed, more

profitable decisions. These solutions help companies make decisions that can reduce fixed and variable costs in the plant, improve product yields, procure the right raw materials and evaluate opportunities for cost savings and efficiencies in their operations. See below for a listing of our principal plant operations products.

Supply chain management. Our supply chain management products enable companies to reduce inventory and increase asset efficiency by giving them the tools to optimize their supply chain decisions from choosing the right raw materials to delivering finished product in the most cost-effective manner. The ever-changing nature of the process industries means new profit opportunities can appear at any time. To identify and seize these opportunities, process manufacturers must be able to increase their access to data and information across the value chain, optimize planning and collaborate across the value chain, and detect and exploit supply chain opportunities. Our supply chain management solutions include desktop applications, IT infrastructure and services that enable manufacturers to operate their plants and supply chains more efficiently, from customer demand through manufacturing to delivery of the finished product. These solutions help companies to reduce inventory carrying costs, respond more quickly to changes in market conditions and improve customer service. See below for a listing of our principal supply chain products.

Our engineering software products represented approximately 65% of our software license revenue in each of fiscal 2006 and fiscal 2007, while our plant operations and supply chain management solutions represented approximately 35% of our software license revenue in each of fiscal 2006 and fiscal 2007.

The following table highlights examples of the integrated aspenONE modules we have developed within each business area as well as the products that those modules are built on and typical customer benefits.

Business area	Sample aspenONE modules	Related products	Typical customer benefits
Engineering and Innovation	• Simulation & Optimization • Conceptual Design • Economic Evaluation • Integrated Engineering • Equipment Design & Rating	• Aspen Plus • Aspen HYSYS • Aspen Icarus	• Reduced capital and operating costs • Reduced time to ramp-up manufacturing • Lowered manufacturing costs • Increased asset utilization • Increased production flexibility and agility • More efficient execution of capital projects
Plant Operations	• Production Management & Execution • Planning, Scheduling & Blending • Advanced Process Control • Real-Time Optimization • Performance Management	• Aspen DMCPlus • Aspen SmartStep • Aspen PIMS • Aspen Orion • Aspen InfoPlus.21 • Aspen Advisor	• Improved asset efficiency • Reduced energy costs • Reduced costs of regulatory compliance • Increased throughput • Improved product consistency • Decreased planning costs • Reduced inventory carrying costs
Supply Chain Management	• Sales & Operations Planning • Plant Planning & Scheduling • Collaborative Demand Management • Inventory Management & Operations Scheduling	• Aspen Plant Scheduler • Aspen Supply Planner • Aspen PIMS • Aspen Orion	• Improved asset efficiency • Improved responses to customer requirements • Improved responses to changes in market conditions • Reduced inventory carrying costs

Our software products can be linked with a customer's existing ERP products and DCS to further improve a customer's ability to gather, analyze and use the resulting information across the process manufacturing lifecycle. Our products provide decision support tools that use real-time plant information to determine the best economic alternative for the enterprise. These decisions cannot be adequately made by simply analyzing historical data from ERP systems or from disparate software applications that are not integrated. By modeling future operational behavior, using consistent data and models of their facilities, our products provide our customers with a path to capturing economic value and materially improving profitability.

Professional Services

We offer professional services to provide our customers with complete solutions. These services include implementation and configuration services, consulting services and advanced modeling and design services. Our implementation and configuration services are primarily associated with the deployment of our plant operations and supply chain management solutions. Customers have historically used our engineering and innovation solutions without implementation assistance.

Customers who obtain consulting services from us typically engage us to provide such services over periods of up to 24 months. We generally charge customers for consulting services, ranging from supply chain to on-site advanced process control and optimization services, on a fixed-price basis or time-and-materials basis.

As of June 30, 2007, we employed a staff of approximately 230 project engineers to provide consulting services to our customers. We believe this large team of experienced and knowledgeable project engineers provides an important source of competitive differentiation. We primarily hire as project engineers individuals who have obtained doctoral or master's degrees in chemical engineering or a related discipline or who have significant relevant industry experience. Our employees include experts in fields such as thermophysical properties, distillation, adsorption processes, polymer processes, industrial reactor modeling, the identification of empirical models for process control or analysis, large-scale optimization, supply distribution systems modeling and scheduling methods.

Historically, most licensees of our planning and scheduling products and a limited number of licensees of our process information management and supply chain management systems have obtained implementation consulting services from third-party vendors. Our strategy is to continue to develop and expand relationships with third-party consultants in order to provide a secondary channel of consulting services.

Strategic Alliances

We have established strategic alliances with a few select companies that offer a complementary set of technologies, services and industry expertise that help us commercialize and accelerate the adoption of our integrated solutions, including aspenONE. These alliances include relationships with Accenture, Intergraph, Microsoft and Schlumberger.

In addition to these strategic alliances, we are focused on developing new channel partners, including resellers, agents and systems integrators, that can help us increase sales in regions and markets that we do not effectively reach with our direct sales force. Historically, most of our license sales have been generated through our direct sales force.

Technology and Product Development

Our base of chemical engineering expertise, process manufacturing experience and industry know-how serves as the foundation for the proprietary solution methods, physical property models and

industry-specific business process knowledge embedded in our software solutions. Our software and services solutions combine three of our core competencies:

- We support sophisticated empirical models generated from advanced mathematical algorithms developed by our employees. In addition, we support rigorous models of chemical manufacturing processes and the equipment used in those processes. We have used these advanced algorithms to develop proprietary models that provide highly accurate representations of the chemical and physical properties of a broad range of materials typically encountered in the chemicals, petroleum and other process industries.

- We develop software that models key customer manufacturing and business processes and automates the workflow of these processes. This software integrates our broad product line so that the data used in manufacturing processes are seamlessly passed between the applications used in each step of the business processes.

- We have invested significantly in supply chain software, which embeds sophisticated technology allowing customers to optimize their extended supply chain activities. In addition, this software embeds key knowledge about the details of how manufacturing and supply chain operations function in the process industries.

Our product development activities are currently focused on strengthening the integration between our applications and adding new capabilities that address specific mission-critical operational business processes in each industry. We intend to continue to increase the efficiency of our research and development operations through the consolidation of research and development locations and increased use of shared components across our applications. In addition, we will continue to enhance our integrated industry-specific aspenONE solutions by adding new functionality, and more standardized integration with third-party applications.

During fiscal 2005, 2006 and 2007, we incurred research and development costs of $47.3 million, $44.3 million and $42.7 million respectively, which represented 17.6%, 15.1% and 12.5% of total revenues, respectively. As of June 30, 2007, we employed a product development staff of approximately 365 people.

Customers

Our software solutions are installed at the facilities of more than 1,500 customers worldwide. These customers include process manufacturers and the engineering and construction firms that provide services to them. The following table sets forth a partial selection of our customers from which we generated at least $300,000 of revenues in fiscal 2006 or 2007. For fiscal 2007, the percentages of our license revenue derived from specific vertical markets were approximately as follows: 40% from oil and gas and petroleum, 30% from chemicals, 20% from engineering and construction design firms and 10% from other segments of the process industries, the largest of which were pharmaceutical and consumer packaged goods.

Oil and gas / petroleum
BP
Chevron Corporation
Citgo Petroleum Corporation
ENI
Exxon Mobil
PDVSA
Petrobas
Petro-Canada
Reliance Industries

Repsol YPF
Shell Oil Company
SK Corp
Sinopec
StatOil
Sunoco
Total
Valero

Engineering and construction
Bechtel Group
Chiyoda Corporation
Fluor Enterprises
Foster Wheeler
Jacobs Engineering Group,
Lurgi
Worley International

Chemicals
BASF
BP
Braskem
The Dow Chemical Company
DSM
Mitsubishi Rayon Engineering
Mitsui Chemicals
Nova Chemicals
Owens Corning
Shell
Sumitomo Chemicals

Pharmaceuticals
Aventis Pharma
Bayer Corporation
GlaxoSmithKline
Merck & Co.
Pfizer

Consumer goods
PepsiCo
Procter & Gamble

No customer accounted for 10% or more of our total revenue in fiscal 2005, 2006 or 2007.

Sales and Marketing

We employ a value-based sales approach, offering our customers a comprehensive suite of software and service products that enhance the efficiency and productivity of their process manufacturing operations. We have increasingly focused on selling our products as a strategic investment for our customers and therefore devote an increasing portion of our sales efforts at senior management levels, including senior decision makers in manufacturing, operations and technology. Our aspenONE solution strategy supports this value-based approach by broadening the scope of optimization across the entire spectrum of operations and expanding the use of process models in the operations environment by linking engineering, plant and business systems to improve our customers' visibility into their

manufacturing operations. We believe our development of new vertical-specific integrated solutions will help us to better address the top concerns of senior executives.

Because the complexity and cost of our products often result in extended sales cycles, we believe that the development of long-term, consultative relationships with our customers is essential to a successful selling strategy. To develop these relationships, we focus our worldwide sales force on a defined set of strategic accounts. In North America, we have organized our sales force around specific vertical markets. In the rest of the world, the sales force is organized around specific countries or regions.

In order to market the specific functionality and other complex technical features of our software products, each sales account manager and global account manager works with specialized teams of technical sales engineers and product specialists organized for each sales and marketing effort. Our technical sales engineers typically have advanced degrees in chemical engineering or related disciplines and actively consult with a customer's plant engineers. Product specialists share their detailed knowledge of the specific features of our software solutions as they apply to the unique business processes of different vertical industries.

Our overall sales force, which consists of quota carrying sales account managers, sales services personnel, business support engineers, partner organization personnel, industry business unit professionals, marketing personnel and support staff, consisted of approximately 385 people on June 30, 2007.

We supplement our direct sales efforts with a variety of marketing initiatives, including public relations activities, customer relationship programs, internet marketing, campaigns to promote awareness among industry analysts, user groups and events.

We also license our software products at a substantial discount to universities that agree to use our products in teaching and research. We believe that students' familiarity with our products will stimulate future demand once the students enter the workplace. More than 500 universities use our software products in undergraduate instruction.

Competition

Our markets in general are highly competitive and are characterized by rapid technological change. We expect the intensity of competition in our markets to increase in the future as existing competitors enhance and expand their product and service offerings and as new participants enter the market. Increased competition may result in price reductions, reduced profitability and loss of market share. We cannot assure you that we will be able to compete successfully against existing or future competitors. Some of our customers and companies with which we have strategic relationships also are, or in the future may be, competitors of ours.

Many of our current and potential competitors have greater financial, technical, marketing, service and other resources than we have in a particular market segment or overall. Companies with greater financial resources may be able to offer lower prices, additional products or services, or other incentives that we cannot match or offer. These competitors may be in a stronger position to respond quickly to new technologies and may be able to undertake more extensive marketing campaigns. They also may adopt more aggressive pricing policies and make more attractive offers to potential customers, employees and strategic partners.

Many of our competitors have established, and in the future may establish, cooperative relationships with third parties to improve their product offerings and to increase the availability of their products to the marketplace. In addition, competitors may make strategic acquisitions to increase their ability to gain market share or improve the quality or marketability of their products. These

cooperative relationships and strategic acquisitions could reduce our market share, require us to lower our prices, or both.

Our primary competitors differ between our three principal product areas:

- Our engineering software competes with products of businesses such as ABB, Chemstations, Honeywell, KBC, Shell Global Solutions, Simulation Sciences (a division of Invensys) and WinSim (formerly ChemShare). As we expand our product line, we may face competition from companies that we have not typically competed against in the past, such as Dassault Systemes, Oracle, SAP and Siemens.

- Our plant operations software competes with products of companies such as ABB, Honeywell, Invensys, Rockwell and Siemens and components of SAP's offering.

- Our supply chain management software competes with products of companies such as Honeywell, i2 Technologies, Manugistics (a subsidiary of JDA Software Group) and Infor and components of SAP's supply chain offering.

In addition, we face competition in all areas of our business from large companies in the process industries that have internally developed their own proprietary software solutions.

We believe the key competitive differentiator in our industry is the value, or return on investment, that our software and services provide. We seek to develop and offer an integrated suite of targeted, high-value vertical industry solutions that can be implemented with relatively limited service requirements. We believe this approach provides us with an advantage over many of our competitors, which offer software products that are more service-based. The principal competitive factors in our industry also include:

- breadth and depth of software offerings;

- domain expertise of sales and service personnel;

- extent of consistent global support;

- performance and reliability;

- price; and

- time to market.

Intellectual Property

We regard our software as proprietary and rely on a combination of copyright, patent, trademark and trade secret laws, license and confidentiality agreements, and software security measures to protect our proprietary rights. We have obtained or applied for patent protection in the United States with respect to some of our intellectual property, but generally do not rely on patents as a principal means of protecting intellectual property. We have registered or applied to register some of our significant trademarks in the United States and in selected other countries.

We generally enter into non-disclosure agreements with our employees and customers, and historically have restricted access to our software products' source codes, which we regard as proprietary information. In a few cases, we have provided copies of the source codes for products to customers solely for the purpose of special product customization and have deposited copies of the source codes for products in third-party escrow accounts as security for ongoing service and license obligations. In these cases, we rely on non-disclosure and other contractual provisions to protect our proprietary rights.

The laws of many countries in which our products are licensed may not protect our products and intellectual property rights to the same extent as the laws of the United States. The laws of many countries in which we license our products protect trademarks solely on the basis of registration. We currently possess a limited number of trademark registrations in selected foreign jurisdictions and have applied for certain foreign copyright and patent registrations to protect our products in foreign jurisdictions where we conduct business.

The steps we have taken to protect our proprietary rights may not be adequate to deter misappropriation of our technology or independent development by others of technologies that are substantially equivalent or superior to our technology. Any misappropriation of our technology or development of competitive technologies could harm our business. We could incur substantial costs in protecting and enforcing our intellectual property rights.

Moreover, from time to time third parties may assert patent, trademark, copyright and other intellectual property rights to technologies that are important to our business. In such an event, we may be required to incur significant costs in litigating a resolution to the asserted claims. The outcome of any litigation might require that we pay damages or obtain a license of a third party's proprietary rights in order to continue licensing our products as currently offered. If such a license were required, it might not be available on terms acceptable to us, or at all.

We believe that the success of our business depends more on the quality of our proprietary software products, technology, processes and know-how than on trademarks, copyrights or patents. While we consider our intellectual property rights to be valuable, we do not believe that our competitive position in the industry is dependent simply on obtaining legal protection for our software products and technology. Instead, we believe that the success of our business depends primarily on our ability to maintain a leadership position in developing our proprietary software products, technology, information, processes and know-how. Nevertheless, we attempt to protect our intellectual property rights with respect to our products and development processes through trademark, copyright and patent registrations, both foreign and domestic, whenever appropriate as part of our ongoing research and development activities.

Employees

As of June 30, 2007, we had a total of 1,291 full-time employees. Of this total, 721 were located in the United States and 570 were located internationally. None of our employees are represented by a labor union, except that approximately 11 employees of Hyprotech UK Ltd belong to Prospect Union. We have experienced no work stoppages and believe that our employee relations are satisfactory.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below before purchasing our common stock. The risks and uncertainties described below are not the only ones facing our company. Additional risks and uncertainties may also impair our business operations. If any of the following risks actually occur, our business, financial condition, results of operations or cash flows would likely suffer. In that case, the trading price of our common stock could fall, and you may lose all or part of the money you paid to buy our common stock.

Risks Related to Our Business

Fluctuations in our quarterly revenues, operating results and cash flow may cause the market price of our common stock to fall.

Our revenues, operating results and cash flow have fluctuated in the past and may fluctuate significantly in the future as a result of a variety of factors, many of which are outside of our control, including:

- demand for our products and services;
- our customers' purchasing patterns;
- the length of our sales cycle;
- the size of customer orders;
- changes in the mix of our license revenues and service revenues;
- the timing of introductions of new solutions and enhancements by us and our competitors;
- seasonal weakness in the first quarter of each fiscal year (which for us is the three months ending September 30), primarily caused by a seasonal slowdown in business in some of our international markets;
- the timing of our investments in new product development;
- the mix of domestic and international sales;
- our continued ability to sell long-term installments receivable;
- changes in our operating expenses;
- implementation of new quotation and order entry applications and procedures for the automation of our contracting process; and
- fluctuating economic conditions, particularly as they affect companies in the oil and gas, chemicals, petrochemicals and petroleum industries.

We ship software products within a short period after receipt of an order and typically do not have a material backlog of unfilled orders for software products. Consequently, revenues from software licenses in any quarter are substantially dependent on orders booked and shipped in that quarter. Historically, a majority of each quarter's revenues from software licenses has come from license agreements that have been entered into in the final weeks of the quarter. Therefore, even a short delay in the consummation of an agreement may cause our revenues to fall below expectations of public market analysts and investors for that quarter.

Since a substantial majority of our expenses are fixed in advance of a particular quarter, we are not able to adjust our spending quickly enough to compensate for any revenue shortfall in any given quarter and any such shortfall would likely have a disproportionately adverse effect on our operating results for that quarter. We expect that the factors listed above will continue to affect our operating

results for the foreseeable future. Because of the factors listed above, we believe that period-to-period comparisons of our operating results are not necessarily meaningful and should not be relied upon as indications of future performance.

Term license renewal negotiations may be difficult and more time consuming than negotiations for new licenses. Moreover, customers may choose not to renew term licenses, resulting in reduced revenue to us. In addition, customers may wish to negotiate renewals of term licenses on terms and conditions that require us to change the way we recognize revenue under our existing revenue recognition practices at the time of such renewal with such customers. Any such changes could result in a material adverse effect on our results.

If, due to one or more of the foregoing factors or an unanticipated cause, our operating results fail to meet the expectations of public market analysts and investors in a future quarter, the market price of our common stock would likely decline.

Our lengthy sales cycle makes it difficult to predict quarterly revenue levels and operating results.

Because license and implementation fees for our software products are substantial and the decision to purchase our products typically involves members of our customers' senior management, the sales process for our solutions is lengthy and can exceed one year. Accordingly, the timing of our license revenues is difficult to predict, and the delay of an order could cause our quarterly revenues to fall substantially below our expectations and those of public market analysts and investors. Moreover, to the extent that we succeed in licensing our integrated aspenONE product suite rather than stand-alone software products, our sales cycle may lengthen, which could increase the likelihood of delays and cause the effect of a delay to become more pronounced. Delays in sales could cause significant shortfalls in our revenues and operating results for any particular period.

We derive a majority of our total revenues from customers in or serving the oil and gas, chemicals, petrochemicals and petroleum industries, which are highly cyclical, and our operating results may suffer if these industries experience an economic downturn.

We derive a majority of our total revenues from companies in or serving the oil and gas, chemicals, petrochemicals and petroleum industries. Accordingly, our future success depends upon the continued demand for manufacturing optimization software and services by companies in these process manufacturing industries. The oil and gas, chemicals, petrochemicals and petroleum industries are highly cyclical and highly reactive to the price of oil, as well as general economic conditions.

Adverse changes in the economy and global economic and political uncertainty have previously caused delays and reductions in information technology spending by our customers and a consequent deterioration of the markets for our products and services, particularly our manufacturing/supply chain product suites. If adverse economic conditions occur, we would likely experience reductions, delays and postponements of customer purchases that will negatively impact our revenue and operating results.

In addition, in the past worldwide economic downturns and pricing pressures experienced by oil and gas, chemical, petrochemical and petroleum companies have led to consolidations and reorganizations. These downturns, pricing pressures and reorganizations have caused delays and reductions in capital and operating expenditures by many of these companies. These delays and reductions have reduced demand for products and services like ours. A recurrence of these industry patterns, as well as general domestic and foreign economic conditions and other factors that reduce spending by companies in these industries, could harm our operating results in the future.

Securities and derivative litigation and government investigations based on our restatement of our consolidated financial statements due to our prior software accounting practices may subject us to substantial damages and expenses, may require significant management time and may damage our reputation.

In January 2007, the SEC filed a civil enforcement action in Massachusetts federal district court alleging securities fraud and other violations against three of our former executive officers, David McQuillin, Lisa Zappala and Lawrence Evans, arising out of six transactions in 1999 through 2002 that were reflected in our originally filed consolidated financial statements for fiscal 2000 through 2004, the accounting for which we restated in March 2005. We and each of these former executive officers received "Wells Notice" letters of possible enforcement proceedings by the SEC. On the same day the SEC complaint was filed, the U.S. Attorney's Office for the Southern District of New York filed a criminal complaint against David McQuillin alleging criminal securities fraud violations arising out of two of those transactions. Mr. McQuillin pled guilty to securities fraud in March 2007 and was sentenced in October 2007.

On July 31, 2007, we entered into a settlement order with the SEC resolving the Wells Notice we received. Under the settlement order, we agreed to cease and desist from violations of certain provisions of the federal securities laws, and to comply with certain undertakings. No civil penalty was assessed by the SEC in connection with that settlement order, and we have not admitted or denied any wrongdoing in connection with that settlement order.

We continue to cooperate with the SEC and U.S. Attorney's Office. The SEC enforcement action and the U.S. Attorney's Office criminal action do not involve our company or any of our current officers or directors. We can provide no assurance, however, that the U.S. Attorney's Office, the SEC or another regulatory agency will not bring an enforcement proceeding against us, our officers and employees or additional former officers and employees based on the consolidated financial statements that were restated in March 2005.

Any such proceeding would divert the resources of management and could result in significant legal expenses and judgments against us for significant damages. In addition, even if we are successful in defending against such an enforcement action, such a proceeding may cause our customers, employees and investors to lose confidence in our company, which could result in significant costs to us and adversely affect the market price of our common stock.

We are required to advance legal fees (subject to undertakings of repayment if required) and may be required to indemnify certain of our current or former directors and officers (including one or more of the three former executive officers discussed above) in connection with civil, criminal or regulatory proceedings or actions, and such indemnification commitments may be costly. Our executive and organization liability insurance policies provide only limited liability protection relating to such actions against us and certain of our officers and directors and may not cover the costs of director and officer indemnification or other liabilities incurred by us. If these policies do not adequately cover expenses and liabilities relating to any proceeding or lawsuit, or if we are unable to achieve a favorable settlement thereof, our financial condition could be materially harmed. Also, increased premiums could materially harm our financial results in future periods. Our inability to obtain coverage due to prohibitively expensive premiums would make it more difficult to retain and attract officers and directors and expose us to potentially self-funding any potential future liabilities ordinarily mitigated by such liability insurance.

In March 2006, we settled class action litigation, including related derivative claims, arising out of our restated consolidated financial statements that include the periods referenced in the SEC enforcement action and the criminal complaint discussed above. Members of the class who opted out of the settlement (representing 1,457,969 shares of common stock, or less than 1% of the shares putatively purchased during the class action period) may bring or have brought their own state or federal law claims against us, which we refer to as opt-out claims.

Separate actions have been filed on behalf of the holders of approximately 1.1 million shares who either opted out of the class action settlement or were not covered by that settlement. The claims in those actions include claims against us and one or more of our former officers alleging securities and common law fraud, breach of contract, statutory treble damages, deceptive practices and/or rescissory damages liability, based on the restated results of one or more fiscal periods included in our restated consolidated financial statements referenced in the class action. Those actions are:

- *Blecker, et al. v. Aspen Technology, Inc., et al.*, filed on June 5, 2006 in the Business Litigation Session of the Massachusetts Superior Court for Suffolk County and docketed as Civ. A. No. 06-2357-BLS1 in that court, which is an "opt out" claim asserted by persons who received 248,411 shares of our common stock in an acquisition;

- *Feldman v. Aspen Technology, Inc., et al.*, filed on July 17, 2006 in the Business Litigation Session of the Massachusetts Superior Court for Suffolk County and docketed as Civ. A. No. 06-3021-BLS2 in that court, which is an "opt out" claim asserted by an individual who received 323,324 shares of our common stock in an acquisition; and

- *380544 Canada, Inc., et al. v. Aspen Technology, Inc.*, et al., filed on February 15, 2007 in the federal district court in Manhattan and docketed as Civ. A. No. 1:07-cv-01204-JFK in that court, which is a claim asserted by persons who purchased 566,665 shares of our common stock in a private placement.

The damages sought in these actions total more than $20 million, not including claims for treble damages and attorneys' fees. If these actions are not dismissed or settled on terms acceptable to us, we plan to defend the actions vigorously. We can provide no assurance as to the outcome of these opt-out claims or the likelihood of the filing of additional opt-out claims, and these claims may result in judgments against us for significant damages. Regardless of the outcome, such litigation has resulted in the past, and may continue to result in the future, in significant legal expenses and may require significant attention and resources of management, all of which could result in losses and damages that have a material adverse effect on our business.

On December 1, 2004, a derivative action lawsuit captioned *Caviness v. Evans, et al.*, Civil Action No. 04-12524, referred to as the Derivative Action, was filed in Massachusetts federal district court as a related action to the first filed of the putative class actions subsequently consolidated into the class action described above. The complaint, as subsequently amended, alleged, among other things, that the former and current director and officer defendants caused us to issue false and misleading financial statements, and brought derivative claims for the following: breach of fiduciary duty for insider trading, breach of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets and unjust enrichment. On August 18, 2005, the court granted the defendants' motion to dismiss the Derivative Action for failure of the plaintiff to make a pre-suit demand on the board of directors to take the actions referenced in the Derivative Action complaint, and the Derivative Action was dismissed with prejudice.

On April 12, 2005, we received a letter on behalf of another purported stockholder, demanding that the board take actions substantially similar to those referenced in the Derivative Action. On February 28, 2006, we received a letter on behalf of the plaintiff in the Derivative Action, demanding that we take actions referenced in the Derivative Action complaint. The board responded to both of the foregoing letters that the board has taken the letters under advisement pending further regulatory investigation developments, which the board continues to monitor and with which we continue to cooperate. In its responses, the board also requested confirmation of each person's status as one of our stockholders and, with respect to the most recent letter, also referred the purported stockholder to the March 2006 settlement in the class action.

A determination that we have failed to comply with our existing consent decree with the Federal Trade Commission could have a material adverse effect on our business and financial condition.

In December 2004, we entered into a consent decree with the Federal Trade Commission, or FTC, with respect to a civil administrative complaint filed by the FTC in August 2003 alleging that our acquisition of Hyprotech in May 2002 was anticompetitive in violation of Section 5 of the Federal Trade Commission Act and Section 7 of the Clayton Act. In connection with the consent decree, we entered into an agreement with Honeywell International, Inc., which we refer to as the Honeywell agreement, pursuant to which we transferred our operator training business and our rights to the intellectual property of various legacy Hyprotech products. In addition, we transferred our AXSYS product line to Bentley Systems, Inc.

We are subject to ongoing compliance obligations under the FTC consent decree. We have been responding to requests by the Staff of the FTC for information relating to the Staff's investigation of whether we have complied with the consent decree. In addition, the FTC is considering whether to commence litigation against the Company arising from the Company's alleged failure to comply with certain aspects of the decree. If the FTC or a court were to determine that we have not complied with our obligations under the consent decree, we could be subject to one or more of a variety of penalties, fines, injunctive relief and other remedies, and associated legal fees and expenses, any of which might materially limit our ability to operate under our current business plan and might have a material adverse effect on our operating results and financial condition.

In March 2007, we were served with a complaint and petition to compel arbitration filed by Honeywell in New York State Supreme Court. The complaint alleges that we failed to comply with our obligations to deliver certain technology under the Honeywell agreement referred to above, that we owe approximately $800,000 to Honeywell under the agreement and that Honeywell is entitled to some portion of the $1.2 million retained by Honeywell under the holdback provisions of the agreement, plus unspecified monetary damages arising from contracts assumed under the agreement. We believe the claims to be without merit and intend to defend the claims vigorously, and to pursue payment of the $1.2 million retained under the holdback provisions of the agreement. However, it is possible that the resolution of the claims may have an adverse impact on our financial position and results of operations.

In preparing our consolidated financial statements, we identified material weaknesses in our internal control over financial reporting, and our failure to remedy effectively the five material weaknesses identified as of June 30, 2007 could result in material misstatements in our financial statements.

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act. Our management identified five material weaknesses in our internal control over financial reporting as of June 30, 2007. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified by management as of June 30, 2007 consisted of:

- Inadequate and ineffective controls over the periodic financial close process;
- Inadequate and ineffective controls over the accounting for transfers of customer installment and accounts receivables under receivable sale facilities;
- Inadequate and ineffective controls over income tax accounting and disclosure;
- Inadequate and ineffective controls over the recognition of revenue; and
- Ineffective and inadequate controls over the accounts receivable function

As a result of these material weaknesses, our management concluded as of June 30, 2007 that our internal control over financial reporting was not effective based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework.*

We are implementing remedial measures designed to address these material weaknesses. If these remedial measures are insufficient to address these material weaknesses, or if additional material weaknesses or significant deficiencies in our internal control are discovered or occur in the future, we may fail to meet our future reporting obligations on a timely basis, our consolidated financial statements may contain material misstatements, we could be required to restate our prior period financial results, our operating results may be harmed, we may be subject to class action litigation, and if we regain listing on a public exchange, our common stock could be delisted from that exchange. For example, material weaknesses that remain unremediated could result in material post-closing adjustments in future financial statements. Any failure to address the identified material weaknesses or any additional material weaknesses in our internal control could also adversely affect the results of the periodic management evaluations regarding the effectiveness of our internal control over financial reporting that are required to be included in our annual reports on Form 10-K. Internal control deficiencies could also cause investors to lose confidence in our reported financial information. We can give no assurance that the measures we have taken to date or any future measures will remediate the material weaknesses identified or that any additional material weaknesses or additional restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our consolidated financial statements.

If we do not become current in our SEC filings, or if in the future we are not current in our SEC filings, we will face several adverse consequences.

If we are unable to become or remain current in our financial filings, investors in our securities will not have information regarding our business and financial condition with which to make decisions regarding investment in our securities. In addition, we are and would not be able to have a registration statement under the Securities Act of 1933, covering a public offering of securities, declared effective by the SEC, and we will not be able to make offerings pursuant to existing registration statements or pursuant to certain "private placement" rules of the SEC under Regulation D to any purchasers not qualifying as "accredited investors." We also are and would not be eligible to use a "short form" registration statement on Form S-3 for a period of 12 months after the time we become current in our filings. These restrictions may impair our ability to raise funds should we desire to do so and may adversely affect our financial condition. Also, if we are unable to become or remain current in our filings, and if we are not able to obtain waivers under our financing arrangements, it might become necessary to repay certain borrowings.

Our common stock has been delisted from The NASDAQ Stock Market and transferred to the Pink Sheets electronic quotation service, which may, among other things, reduce the price of our common stock and the levels of liquidity available to our stockholders.

As a result of our inability to timely file this Form 10-K, Nasdaq issued a Staff Determination to us that, in the absence of a request for a hearing, would have resulted in suspension of trading of our common stock, and filing of a Form 25-NSE with the SEC to remove our securities from listing and registration on The NASDAQ Stock Market. Nasdaq subsequently issued an Additional Staff Determination citing our inability to timely file our Form 10-Q for the quarterly period ended September 30, 2007 as an additional basis for delisting our securities. An oral hearing was held at our request on November 15, 2007. At the hearing, we requested an extension of time to cure our SEC

filing deficiency. The Nasdaq Listing Qualifications Panel, or the Panel, determined on January 7, 2008 to grant our request for continued listing, subject to certain conditions, including filing this Form 10-K and our Form 10-Q for the quarterly period ended September 30, 2007, by January 18, 2008. On January 28, 2008, the Panel granted our request for an extension for continued listing on The NASDAQ Global Market through February 8, 2008. On February 14, 2008, we received a letter advising us that the Nasdaq Listing Qualifications Panel had determined to delist our shares from The NASDAQ Stock Market, and trading of our shares was suspended effective at the open of business on February 19, 2008. Our common stock has been quoted on the Pink Sheets LLC electronic quotation service beginning on February 19, 2008.

There is no assurance that we will regain listing of our common stock on a public exchange. If we regain listing and thereafter fail to keep current in our SEC filings or to comply with the applicable continued listing requirements, our common stock might be delisted and subsequently would trade on the Pink Sheets electronic quotation service, or the Pink Sheets. The trading of our common stock in the Pink Sheets may reduce the price of our common stock and the levels of liquidity available to our stockholders. In addition, the trading of our common stock in the Pink Sheets would materially adversely affect our access to the capital markets, and the limited liquidity and potentially reduced price of our common stock could materially adversely affect our ability to raise capital through alternative financing sources on terms acceptable to us or at all. Stocks that trade in the Pink Sheets are no longer eligible for margin loans, and a company trading in the Pink Sheets cannot avail itself of federal preemption of state securities or "blue sky" laws, which adds substantial compliance costs to securities issuances, including pursuant to employee option plans, stock purchase plans and private or public offerings of securities. If we are delisted in the future and transferred to the Pink Sheets, there may also be other negative implications, including the potential loss of confidence by suppliers, customers and employees, the loss of institutional investor interest in our company.

Claims and litigation based on our restatement of our consolidated financial statements due to our prior accounting for stock-based compensation may require that we incur substantial additional expenses and expend significant additional management time.

In connection with the preparation of our consolidated financial statements for fiscal 2006, a subcommittee of independent members of the board of directors determined that certain stock option grants during fiscal 1995 through 2004 were accounted for incorrectly and concluded that stock-based compensation associated with certain grants was misstated in fiscal 1995 through 2005 and the nine months ended March 31, 2006. As a result of these errors, some of our employees realized nonqualified deferred compensation for purposes of Section 409A of the Internal Revenue Code and, therefore became subject to an excise tax on the value of the options in the year in which they vest. We may be named as a defendant in securities litigation or derivative lawsuits by current or former stockholders based on the restated consolidated financial statements. Further, we may be subject to claims relating to adverse tax consequences with respect to stock options covered by the restatement. Defending against potential claims will likely require significant attention and resources of management and could result in significant legal expenses.

On September 27, 2006, a derivative action lawsuit was filed in Massachusetts Superior Court captioned *Rapine v. McArdle, et al.,* Civil Action No. 06-3455. The complaint alleged, among other things, that the former and current director and officer defendants "authorized, modified, or failed to halt backdating of stock options in dereliction of their fiduciary duties to the Company as directors and officers." On October 16, 2006, defendants removed the action to Massachusetts federal district court and moved to dismiss the complaint. On October 30, 2006, the purported stockholder plaintiff filed an amended complaint, asserting derivative claims for breach of fiduciary duty; unjust enrichment; insider trading; violations of Sections 10(b), 14 and 20(a) of the Securities Exchange Act of 1934; and

corporate waste. In October 2007, the court closed this action and consolidated the action with the Risberg case referenced below, which was subsequently dismissed.

In February 2007, a derivative action lawsuit was filed in Massachusetts federal district court captioned *Risberg v. McArdle et al.,* 07-CV-10354. The plaintiff purports to bring a derivative action on our behalf alleging, among other things, that several former and current directors and officer defendants authorized, were aware of, or received "backdated" stock options. The complaint asserts claims for breach of fiduciary duty; unjust enrichment; violations of Sections 10(b), 14 and 20(a) of the Securities Exchange Act of 1934; corporate waste; and breach of contract. In January 2008, the court granted defendants' motion to dismiss this action for failure of the plaintiff to make a pre-suit demand on our board of directors, and judgment on the order of dismissal was entered in favor of all defendants.

Our international operations are complex and if we fail to manage those operations effectively, the growth of our business would be limited and our operating results would be adversely affected.

As of June 30, 2007, we had 29 offices in 22 countries. We sell our products primarily through a direct sales force located throughout the world. In the event that we are unable to adequately staff and maintain our foreign operations, we could face difficulties managing our international operations. We also rely, to a lesser extent, on distributors and resellers to sell our products and market our services internationally, and our inability to manage and maintain those relationships would limit our ability to generate revenue outside the United States. The complexities of our operations also require us to make significant expenditures to ensure that our operations are compliant with regulatory requirements in numerous foreign jurisdictions. To the extent we are unable to manage the various risks associated with our complex international operations effectively, the growth and profitability of our business may be adversely affected.

Our business may suffer if we fail to address challenges associated with transacting business internationally.

Customers outside the United States accounted for approximately 57% and 53% of our total revenues in fiscal 2006 and 2007, respectively. We anticipate that revenues from customers outside the United States will continue to account for a significant portion of our total revenues for the foreseeable future. Our operations outside the United States are subject to additional risks, including:

- unexpected changes in regulatory requirements, exchange rates, tariffs and other barriers;
- political and economic instability;
- less effective protection of intellectual property;
- difficulties and delays in translating products and product documentation into foreign languages;
- difficulties and delays in negotiating software licenses compliant with accounting revenue recognition requirements in the United States;
- difficulties in collecting trade accounts receivable in other countries; and
- adverse tax consequences.

In addition, the impact of future exchange rate fluctuations on our operating results cannot be accurately predicted. In recent years, we have increased the extent to which we denominate arrangements with international customers in the currencies of the countries in which the software or services are provided. From time to time we have engaged in, and may continue to engage in, economic hedging of a significant portion of installment contracts denominated in foreign currencies. Any hedging policies implemented by us may not be successful, and the cost of these hedging techniques may have a significant negative impact on our operating results.

Competition from software offered by current competitors and new market entrants, as well as from internally developed solutions, could adversely affect our ability to sell our software products and related services and could result in pressure to price our products in a manner that reduces our margins.

Our markets in general are highly competitive:

- Our engineering software competes with products of businesses such as ABB, Chemstations, Honeywell, KBC, Shell Global Solutions, Simulation Sciences (a division of Invensys) and WinSim (formerly ChemShare).

- Our plant operations software competes with products of companies such as ABB, Honeywell, Invensys, Rockwell and Siemens and components of SAP's product offerings.

- Our supply chain management software competes with products of companies such as Honeywell, i2 Technologies, Manugistics (a subsidiary of JDA Software Group) and Infor and components of SAP's supply chain offering.

As we expand our engineering solutions into other markets we may face competition from companies that we have not typically competed against in the past or competition from companies in areas where we have not competed in the past, such as Dassault Systems, Oracle, SAP and Siemens. We also face competition in all areas of our business from large companies in the process industries that have internally developed their own proprietary software solutions.

Many of our current and potential competitors have greater financial, technical, marketing, service and other resources than we have. As a result, these companies may be able to offer lower prices, additional products or services, or other incentives that we cannot match or offer. These competitors may be in a stronger position to respond more quickly to new technologies and may be able to undertake more extensive marketing campaigns. They also may adopt more aggressive pricing policies and make more attractive offers to potential customers, employees and strategic partners. In addition, many of our competitors have established, and may in the future continue to establish, cooperative relationships with third parties to improve their product offerings and to increase the availability of their products in the marketplace. Competitors with greater financial resources may make strategic acquisitions to increase their ability to gain market share or improve the quality or marketability of their products.

Competition could seriously impede our ability to sell additional software products and related services on terms favorable to us. Businesses may continue to enhance their internally developed solutions, rather than investing in commercial software such as ours. Our current and potential commercial competitors may develop and market new technologies that render our existing or future products obsolete, unmarketable or less competitive. In addition, if these competitors develop products with similar or superior functionality to our products, we may need to decrease the prices for our products in order to remain competitive. If we are unable to maintain our current pricing due to competitive pressures, our margins will be reduced and our operating results will be negatively affected. We cannot assure you that we will be able to compete successfully against current or future competitors or that competitive pressures will not materially adversely affect our business, financial condition and operating results.

If we fail to develop new software products or enhance existing products and services, we will be unable to implement our product strategy successfully and our business could be seriously harmed.

Enterprises are requiring their application software vendors to provide greater levels of functionality and broader product offerings. Moreover, competitors continue to make rapid technological advances in computer hardware and software technology and frequently introduce new products, services and enhancements. We must continue to enhance our current product line and develop and introduce new products and services that keep pace with increasingly sophisticated

customer requirements and the technological developments of our competitors. Our business and operating results could suffer if we cannot successfully respond to the technological advances of competitors or if our new products or product enhancements and services do not achieve market acceptance.

Under our business plan, we are investing significantly in the development of new business process products that are intended to anticipate and meet the emerging needs of our target markets. We are implementing a product strategy that unifies our software solutions under the aspenONE brand with differentiated aspenONE vertical solutions targeted at specific process industry segments. We cannot assure you that our product strategy will result in products that will meet market needs and achieve significant market acceptance.

Defects or errors in our software products could harm our reputation, impair our ability to sell our products and result in significant costs to us.

Our software products are complex and may contain undetected defects or errors. We have not suffered significant harm from any defects or errors to date, but we have from time to time found defects in our products and we may discover additional defects in the future. We may not be able to detect and correct defects or errors before releasing products. Consequently, we or our customers may discover defects or errors after our products have been implemented. We have in the past issued, and may in the future need to issue, corrective releases of our products to remedy defects or errors. The occurrence of any defects or errors could result in:

- lost or delayed market acceptance and sales of our products;
- delays in payment to us by customers;
- product returns;
- injury to our reputation;
- diversion of our resources;
- legal claims, including product liability claims, against us;
- increased service and warranty expenses or financial concessions; and
- increased insurance costs.

Defects and errors in our software products could result in an increase in service and warranty costs or claims for substantial damages against us.

We may be subject to significant expenses and damages because of liability claims related to our products and services.

We may be subject to significant expenses and damages because of liability claims related to our products and services. The sale and implementation of certain of our software products and services, particularly in the areas of advanced process control, supply chain and optimization, entail the risk of product liability claims and associated damages. Our software products and services are often integrated with our customers' networks and software applications and are used in the design, operation and management of manufacturing and supply chain processes at large facilities, often for mission critical applications. Any errors, defects, performance problems or other failure of our software could result in significant liability to us for damages or for violations of environmental, safety and other laws and regulations. We are currently defending claims that certain of our software products and implementation services have failed to meet customer expectations. On May 11, 2007, one of the claims resulted in a $1.4 million arbitration award against us. We are defending other claims in excess of $5 million, primarily consisting of a customer claim, as well as other general commercial claims. In

addition, our software products and implementation services could continue to give rise to warranty and other claims. We currently are unable to determine whether resolution of any of these matters will have a material adverse impact on our financial position, cash flows or results of operations, or, in many cases, reasonably estimate the amount of the loss, if any, that may result from the resolution of these matters.

Our agreements with our customers generally contain provisions designed to limit our exposure to potential product liability claims. It is possible, however, that the limitation of liability provisions in our agreements may not be effective as a result of federal, foreign, state or local laws or ordinances or unfavorable judicial decisions. A substantial product liability judgment against us could materially and adversely harm our operating results and financial condition. Even if our software is not at fault, a product liability claim brought against us could be time consuming, costly to defend and harmful to our operations. In addition, although we carry general liability insurance, our current insurance coverage may be insufficient to protect us from all liability that may be imposed under these types of claims.

Implementation of our products can be difficult and time-consuming, and customers may be unable to implement our products successfully or otherwise achieve the benefits attributable to our products.

Our products are intended to work with complex business processes. Some of our software, such as scheduling applications and integrated supply chain products, must integrate with the existing computer systems and software programs of our customers. This can be complex, time-consuming and expensive. As a result, some customers may have difficulty in implementing or be unable to implement these products successfully or otherwise achieve the benefits attributable to these products. Delayed or ineffective implementation of the software products or related services may limit our ability to expand our revenues and may result in customer dissatisfaction, harm to our reputation and may result in customer unwillingness to pay the fees associated with these products.

We may suffer losses on fixed-price engagements.

We derive a substantial portion of our total revenues from service engagements and a significant percentage of these engagements have been undertaken on a fixed-price basis. Under these fixed-price engagements, we bear the risk of cost overruns and inflation, and as a result, any of these engagements may be unprofitable. In the past, we have had cost overruns on fixed-price service engagements. In addition, to the extent that we are successful in shifting customer purchases to our integrated suites of software and services and we price those engagements on a fixed-price basis, the size of our fixed-price engagements may increase, which could cause the impact of an unprofitable fixed-price engagement to have a more pronounced impact on our operating results.

We may not be able to protect our intellectual property rights, which could make us less competitive and cause us to lose market share.

We regard our software as proprietary and rely on a combination of copyright, patent, trademark and trade secret laws, license and confidentiality agreements, and software security measures to protect our proprietary rights. We have registered or have applied to register several of our significant trademarks in the United States and in certain other countries. We generally enter into non-disclosure agreements with our employees and customers, and historically have restricted access to our software products' source codes, which we regard as proprietary information. In a few cases, we have provided copies of the source code for some of our products to customers solely for the purpose of special product customization and have deposited copies of the source code for some of our products in third-party escrow accounts as security for ongoing service and license obligations. In these cases, we rely on non-disclosure and other contractual provisions to protect our proprietary rights.

The steps we have taken to protect our proprietary rights may not be adequate to deter misappropriation of our technology or independent development by others of technologies that are substantially equivalent or superior to our technology. Any misappropriation of our technology or development of competitive technologies could harm our business and could force us to incur substantial costs in protecting and enforcing our intellectual property rights. The laws of some countries in which our products are licensed do not protect our products and intellectual property rights to the same extent as the laws of the United States.

Third-party claims that we infringe upon the intellectual property rights of others may be costly to defend or settle and could damage our business.

We cannot be certain that our software and services do not infringe issued patents, copyrights, trademarks or other intellectual property rights of third parties. Litigation regarding intellectual property rights is common in the software industry, and we may be subject to legal proceedings and claims from time to time, including claims of alleged infringement of intellectual property rights of third parties by us or our licensees concerning their use of our software products and integration technologies and services. Although we believe that our intellectual property rights are sufficient to allow us to market our software without incurring liability to third parties, third parties may bring claims of infringement against us. Because our software is integrated with our customers' networks and business processes, as well as other software applications, third parties may bring claims of infringement against us, as well as our customers and other software suppliers, if the cause of the alleged infringement cannot easily be determined. Such claims may be with or without merit.

Claims of alleged infringement may have a material adverse effect on our business and may discourage potential customers from doing business with us on acceptable terms, if at all. Defending against claims of infringement may be time-consuming and may result in substantial costs and diversion of resources, including our management's attention to our business. Furthermore, a party making an infringement claim could secure a judgment that requires us to pay substantial damages. A judgment could also include an injunction or other court order that could prevent us from selling our software or require that we re-engineer some or all of our products. Claims of intellectual property infringement also might require us to enter costly royalty or license agreements. We may be unable, however, to obtain royalty or license agreements on terms acceptable to us or at all. Our business, operating results and financial condition could be harmed significantly if any of these events occurred, and the price of our common stock could be adversely affected. Furthermore, former employers of our current and future employees may assert that our employees have improperly disclosed confidential or proprietary information to us. In addition, we have agreed, and may agree in the future, to indemnify certain of our customers against claims that our software infringes upon the intellectual property rights of others. Although we carry general liability insurance, our current insurance coverage may not apply to, and likely would not protect us from, liability that may be imposed under any of the types of claims described above.

Because some of our software products incorporate technology licensed from, or provided by, third parties, the loss of our right to use that third-party technology or defects in that technology could harm our business.

Some of our software products contain technology that is licensed from, or provided by, third parties. Any significant interruption in the supply or support of any such third-party software could adversely affect our sales, unless and until we can replace the functionality provided by the third-party software. Because some of our software incorporates software developed and maintained by third parties, we depend on these third parties to deliver and support reliable products, enhance our current software, develop new software on a timely and cost-effective basis and respond to emerging industry standards and other technological changes. In other instances, we provide third-party software with our current software, and we depend on these third parties to deliver reliable products, provide underlying

product support and respond to emerging industry standards and other technological changes. The failure of these third parties to meet these criteria could harm our business.

New accounting standards or interpretations of existing accounting standards could adversely affect our operating results.

Generally accepted accounting principles, or GAAP, in the United States are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change.

For example, we recognize software license revenue in accordance with SOP No. 97-2, as amended by SOP No. 98-4 and SOP No. 98-9, and in accordance with SOP No. 81-1. The accounting profession may continue to discuss certain provisions of relevant accounting literature with the objective of providing additional guidance on potential interpretations related to software revenue recognition and "multiple element arrangements" in which a single contract includes a software license, a maintenance services agreement and/or other "elements" that are bundled together in a total offering to the customer. These discussions and the issuance of interpretations, once finalized, could lead to unanticipated changes in our current revenue accounting practices, which could change the timing of revenue recognition.

If we are not successful in attracting, integrating and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Our ability to establish and maintain a position of technology leadership in the highly competitive software market depends in large part upon our ability to attract, integrate and retain highly qualified managerial, sales, technical and accounting personnel. Competition for qualified personnel in the software industry is intense. We have from time to time in the past experienced, and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Moreover, we have recently hired a significant number and percentage of the personnel in key areas of our operations, such as accounting and finance. Our management will need to devote significant attention and resources to strengthen relationships among these personnel, and our ability to grow our business will be impaired if these personnel are not able to work together effectively. Our future success will depend in large part on our ability to attract, integrate and retain a sufficient number of highly qualified personnel, and there can be no assurance that we will be able to do so.

If we are unable to develop or maintain strategic alliance relationships, our revenue growth, operating results, financial condition or cash flows may be materially and adversely affected.

An element of our growth strategy is to establish strategic alliances with selected third-party resellers, agents and systems integrators, which we refer to collectively as resellers, that market, sell and integrate our products and services. It is possible that our existing relationships with resellers might be terminated by us or the resellers, or that we will not adequately train, and enter into agreements with, a sufficient number of qualified resellers, or that potential resellers may focus their efforts on marketing competing products to the process industries.

In addition, the cessation or termination of certain relationships, by us or a reseller, may subject us to material liability and/or expense. This material liability and/or expense includes potential payments due upon the termination or cessation of the relationship by us or a reseller, costs related to the establishment of a direct sales presence or development of a new agent in the territory. No such events

of termination or cessation have occurred. We are not able to reasonably estimate the amount of any such liability and/or expense if such an event were to occur, given the range of factors that could affect the ultimate determination of our liability, including possible claims related to the validity of the arrangements or contract terms. Actual payments could be in the range of zero to $30 million. If any of the foregoing were to occur, our future revenue growth could be limited or we may be subject to litigation and liability claims such that our operating results, cash flows and financial condition could be materially and adversely affected.

In addition, if our resellers fail to implement our solutions for our customers properly, our reputation could be harmed and we could be subject to claims by our customers. We intend to continue to establish business relationships with resellers to accelerate the development and marketing of our products and services. To the extent that we are unsuccessful in maintaining our existing relationships and developing new relationships, our operating results and financial condition could be materially and adversely affected.

Risks Related to Our Common Stock

Our common stock may experience substantial price and volume fluctuations.

The equity markets have from time to time experienced extreme price and volume fluctuations, particularly in the high technology sector, and those fluctuations have often been unrelated to the operating performance of particular companies. In addition, factors such as our financial performance, announcements of technological innovations or new products by us or our competitors, as well as market conditions in the computer software or hardware industries, may have a significant impact on the market price of our common stock.

In the past, following periods of volatility in the market price of a public company's securities, securities class action litigation has often been instituted against companies. This type of litigation could result in substantial liability and costs and divert management's attention and resources.

Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from executing our business plan.

We expect that our current cash balances, future cash flows from our operations, and continued ability to sell installment receivable contracts will be sufficient to meet our anticipated cash needs for at least the next twelve months. We may need to obtain additional financing thereafter or earlier, however, if our current plans and projections prove to be inaccurate or our expected cash flows prove to be insufficient to fund our operations because of lower-than-expected revenues, fewer sales of installment contracts, unanticipated expenses or other unforeseen difficulties.

Our ability to obtain additional financing will depend on a number of factors, including market conditions, our operating performance, the quality of our installment contracts, the reaction of the capital and credit markets to our financial restatement with the inclusion of secured borrowings, and investor interest. These factors may make the timing, amount, terms and conditions of any financing unattractive. If adequate funds are not available, or are not available on acceptable terms, we may have to forego strategic acquisitions or investments, reduce or defer our development activities or delay our introduction of new products and services.

Any additional capital raised through the sale of equity or convertible debt securities may dilute the existing shareholder percentage ownership of our common stock. Furthermore, any new securities we issue could have rights, preferences and privileges superior to our common stock. Capital raised through debt financings could require us to make periodic interest payments and could impose potentially restrictive covenants on the conduct of our business.

Our corporate documents and provisions of Delaware law may prevent a change in control or management that stockholders may consider desirable.

Section 203 of the Delaware General Corporation Law, our charter and our by-laws contain provisions that might enable our management to resist a takeover of our company.

These provisions include:

- limitations on the removal of directors;
- a classified board of directors so that not all members of our board are elected at one time;
- advance notice requirements for stockholder proposals and nominations;
- the inability of stockholders to act by written consent or to call special meetings;
- the ability of our board of directors to make, alter or repeal our by-laws; and
- the ability of our board of directors to designate the terms of and issue new series of preferred stock without stockholder approval.

These provisions could:

- have the effect of delaying, deferring or preventing a change in control of our company or a change in our management that stockholders may consider favorable or beneficial;
- discourage proxy contests and make it more difficult for stockholders to elect directors and take other corporate actions; and
- limit the price that investors might be willing to pay in the future for shares of our common stock.

We have also adopted a stockholder rights plan that could significantly dilute the equity interests of a person seeking to acquire control of our company without the approval of the board of directors.

We are obligated to register for public sale shares of common stock issued upon the conversion of our previously outstanding Series D-1 preferred stock, and sales of those shares may result in a decrease in the price of our common stock.

Private equity funds managed by Advent International Corporation have the right to require that we register under the Securities Act the shares of common stock that were issued upon the conversion of our previously outstanding Series D-1 preferred stock and upon the exercise of certain previously outstanding warrants. In May 2006, we received a demand letter from such funds requesting the registration of all of the shares of common stock covered by those registration rights, for sale in an underwritten public offering. Pursuant to this request, in April 2007 we filed a registration statement for a public offering of 18,000,000 shares of common stock held by such funds. The registration statement also covered 2,700,000 shares that would be subject to an option to be granted to the underwriters by such funds solely to cover overallotments. This registration statement remains on file with the SEC. Any sale of common stock into the public market pursuant to the pending registration statement could cause a decline in the trading price of our common stock.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

In May 2007, we entered into a lease agreement with respect to office space in Burlington, Massachusetts. Commencing September 1, 2007, we moved our principal corporate offices to this location and occupied 60,177 square feet of space. The initial term of the lease, commenced with respect to (a) 31,174 square feet of leased premises onSeptember 1, 2007, (b) an additional 18,947 square feet on October 1, 2007 and (c) an additional 10,056 square feet on January 1, 2008. The initial term of the lease will expire seven years and four months following the term commencement date for the third phase of the leased premises. Subject to the terms and conditions of the lease, we may extend the term of the lease for two successive terms of five years each at 95% of the then current market rate. Under the lease, we will have total non-cancelable lease obligations of approximately $10.9 million, and also will pay additional rent for our proportionate share of operating expenses and taxes.

Prior to September 1, 2007, our principal offices occupied approximately 110,000 square feet of office space in Cambridge, Massachusetts. The lease of this office space expires on September 30, 2012. As of June 30, 2007, we had agreements that expire through 2012 to sublease approximately 60,000 square feet of this space. We entered into an additional sublease agreement effective from October 1, 2007 through September 30, 2012 for the remaining approximately 50,000 square feet of this space. We also lease space for our Houston, Texas facilities. This lease encompasses approximately 90,000 square feet and expires in July 2016. We have an agreement to sublease approximately 8,000 square feet of this space that expires in 2016. Subsequent to June 30, 2007, we terminated our lease with respect to approximately 14,000 square feet of the original leased space. In addition to these two facilities, we and our subsidiaries also lease office space in Gaithersburg, Maryland; New Providence, New Jersey; Bothell, Washington; Buenos Aires, Argentina; LaHulpe, Belgium; Sao Paulo, Brazil; Calgary, Alberta, Canada; Beijing, China; Shanghai, China; Reading, England; Warrington, England; Dusseldorf, Germany; Wiesbaden, Germany; Moscow, Russia; Pune, India; Pisa, Italy; Tokyo, Japan; Kuala Lumpur, Malaysia; Mexico City, Mexico; Best, The Netherlands; Singapore; Seoul, South Korea; Barcelona, Spain; and other locations where additional sales and customer support offices are located.

Item 3. ***Legal Proceedings***

Class Action and Opt-Out Claims

In March 2006, we settled class action litigation, including related derivative claims, arising out of our restated consolidated financial statements that include the periods referenced in the SEC enforcement action and the criminal complaint discussed below. Members of the class who opted out of the settlement (representing 1,457,969 shares of common stock, or less than 1% of the shares putatively purchased during the class action period) may bring or have brought their own state or federal law claims against us, which we refer to as opt-out claims.

Separate actions have been filed on behalf of the holders of approximately 1.1 million shares who either opted out of the class action settlement or were not covered by that settlement. The claims in those actions include claims against us and one or more of our former officers alleging securities and common law fraud, breach of contract, statutory treble damages, deceptive practices and/or rescissory damages liability, based on the restated results of one or more fiscal periods included in our restated consolidated financial statements referenced in the class action. Those actions are:

- *Blecker, et al. v. Aspen Technology, Inc., et al*, filed on June 5, 2006 in the Business Litigation Session of the Massachusetts Superior Court for Suffolk County and docketed as Civ. A. No. 06-2357-BLS1 in that court, which is an "opt out" claim asserted by persons who received 248,411 shares of our common stock in an acquisition;

- *Feldman v. Aspen Technology, Inc., et al*., filed on July 17, 2006 in the Business Litigation Session of the Massachusetts Superior Court for Suffolk County and docketed as Civ. A. No. 06-3021-BLS2 in that court, which is an "opt out" claim asserted by an individual who received 323,324 shares of our common stock in an acquisition; and

- *380544 Canada, Inc., et al. v. Aspen Technology, Inc*., et al., filed on February 15, 2007 in the federal district court in Manhattan and docketed as Civ. A. No. 1:07-cv-01204-JFK in that court, which is a claim asserted by persons who purchased 566,665 shares of our common stock in a private placement.

The damages sought in these actions total more than $20 million, not including claims for treble damages and attorneys' fees. If these actions are not dismissed or settled on terms acceptable to us, we plan to defend the actions vigorously.

SEC Action and U.S. Attorney's Office Criminal Complaint

In January 2007, the SEC filed a civil enforcement action in Massachusetts federal district court alleging securities fraud and other violations against three of our former executive officers, David McQuillin, Lisa Zappala and Lawrence Evans, arising out of six transactions in 1999 through 2002 that were reflected in our originally filed consolidated financial statements for fiscal 2000 through 2004, the accounting for which we restated in March 2005. We and each of these former executive officers received "Wells Notice" letters of possible enforcement proceedings by the SEC. On the same day the SEC complaint was filed, the U.S. Attorney's Office for the Southern District of New York filed a criminal complaint against David McQuillin alleging criminal securities fraud violations arising out of two of those transactions. Mr. McQuillin pled guilty in March 2007 and was sentenced in October 2007.

On July 31, 2007, we entered into a settlement order with the SEC resolving the Wells Notice we received. Under the settlement order, we agreed to cease and desist from violations of certain provisions of the federal securities laws, and to comply with certain undertakings. No civil penalty was assessed by the SEC in connection with that settlement order, and we have not admitted or denied any wrongdoing in connection with that settlement order.

The SEC enforcement action and the U.S. Attorney's Office criminal action do not involve our company or any of our current officers or directors. We can provide no assurance, however, that the U.S. Attorney's Office, the SEC or another regulatory agency will not bring an enforcement proceeding against us, our officers and employees or additional former officers and employees based on the consolidated financial statements that were restated in March 2005. We continue to cooperate with the SEC and the U.S. Attorney's Office.

Derivative Suits

On December 1, 2004, a derivative action lawsuit captioned *Caviness v. Evans, et al*., Civil Action No. 04-12524, referred to as the Derivative Action, was filed in Massachusetts federal district court as a related action to the first filed of the putative class actions subsequently consolidated into the class action described above. The complaint, as subsequently amended, alleged, among other things, that the former and current director and officer defendants caused us to issue false and misleading financial statements, and brought derivative claims for the following: breach of fiduciary duty for insider trading, breach of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets and unjust enrichment. On August 18, 2005, the court granted the defendants' motion to dismiss the Derivative Action for failure of the plaintiff to make a pre-suit demand on the board of directors to take the actions referenced in the Derivative Action complaint, and the Derivative Action was dismissed with prejudice.

On April 12, 2005, we received a letter on behalf of another purported stockholder, demanding that the board take actions substantially similar to those referenced in the Derivative Action. On February 28, 2006, we received a letter on behalf of the plaintiff in the Derivative Action, demanding that we take actions referenced in the Derivative Action complaint. The board responded to both of the foregoing letters that the board has taken the letters under advisement pending further regulatory investigation developments, which the board continues to monitor and with which we continue to cooperate. In its responses, the board also requested confirmation of each person's status as one of our stockholders and, with respect to the most recent letter, also referred the purported stockholder to the March 2006 settlement in the class action.

On September 27, 2006, a derivative action lawsuit was filed in Massachusetts Superior Court captioned *Rapine v. McArdle, et al.,* Civil Action No. 06-3455. The complaint alleged, among other things, that the former and current director and officer defendants "authorized, modified, or failed to halt backdating of stock options in dereliction of their fiduciary duties to the Company as directors and officers." On October 16, 2006, defendants removed the action to Massachusetts federal district court and moved to dismiss the complaint. On October 30, 2006, the purported stockholder plaintiff filed an amended complaint, asserting derivative claims for breach of fiduciary duty; unjust enrichment; insider trading; violations of Sections 10(b), 14 and 20(a) of the Securities Exchange Act of 1934; and corporate waste. In October 2007, the court closed this action and consolidated the action with the Risberg case referenced below, which was subsequently dismissed.

In February 2007, a derivative action lawsuit was filed in Massachusetts federal district court captioned *Risberg v. McArdle et al.,* 07-CV-10354. The plaintiff purports to bring a derivative action on our behalf alleging, among other things, that several former and current directors and officer defendants authorized, were aware of, or received "backdated" stock options. The complaint asserts claims for breach of fiduciary duty; unjust enrichment; violations of Sections 10(b), 14 and 20(a) of the Securities Exchange Act of 1934; corporate waste; and breach of contract. In January 2008, the court granted defendants' motion to dismiss this action for failure of the plaintiff to make a pre-suit demand on our board of directors, and judgment on the order of dismissal was entered in favor of all defendants.

FTC Settlement and Related Honeywell Litigation

In December 2004, we entered into a consent decree with the FTC with respect to a civil administrative complaint filed by the FTC in August 2003 alleging that our acquisition of Hyprotech in May 2002 was anticompetitive in violation of Section 5 of the Federal Trade Commission Act and Section 7 of the Clayton Act. In connection with the consent decree, we entered into an agreement with Honeywell International, Inc., which we refer to as the Honeywell agreement, pursuant to which we transferred our operator training business and our rights to the intellectual property of various legacy Hyprotech products. In addition, we transferred our AXSYS product line to Bentley Systems, Inc.

We are subject to ongoing compliance obligations under the FTC consent decree. We have been responding to requests by the Staff of the FTC for information relating to the Staff's investigation of whether we have complied with the consent decree. In addition, the FTC is considering whether to commence litigation against the Company arising from the Company's alleged failure to comply with certain aspects of the decree. If the FTC or a court were to determine that we have not complied with our obligations under the consent decree, we could be subject to one or more of a variety of penalties, fines, injunctive relief and other remedies, and associated legal fees and expenses, any of which might materially limit our ability to operate under our current business plan and might have a material adverse effect on our operating results and financial condition.

In March 2007, we were served with a complaint and petition to compel arbitration filed by Honeywell in New York State Supreme Court. The complaint alleges that we failed to comply with our obligations to deliver certain technology under the Honeywell agreement referred to above, that we owe approximately $800,000 to Honeywell under the agreement and that Honeywell is entitled to some portion of the $1.2 million retained by Honeywell under the holdback provisions of the agreement, plus unspecified monetary damages arising from contracts assumed under the agreement. We believe the claims to be without merit and intend to defend the claims vigorously, and to pursue payment of the $1.2 million retained under the holdback provisions of the agreement. However, it is possible that the resolution of the claims may have an adverse impact on our financial position and results of operations.

Other

We are currently defending claims that certain of our software products and implementation services have failed to meet customer expectations. On May 11, 2007, one of the claims resulted in an arbitration award against us in the amount of $1.4 million. As of June 30, 2007, we have accrued the amount of the arbitration award. We are defending other claims in excess of $5 million, primarily consisting of a customer claim, as well as other general commercial claims. Although we believe the remaining claims to be without merit, and are defending the claims vigorously, the results of litigation and claims cannot be predicted with certainty, and unfavorable resolutions are possible and could, depending on the amount and timing of any outcome, materially affect our results of operations, cash flows or financial position. In addition, regardless of the outcome, litigation could have an adverse impact on us because of defense costs, diversion of management resources and other factors.

Item 4. ***Submission of Matters to a Vote of Security Holders***

None.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Market Information

Our common stock currently trades on the Pink Sheets electronic quotation service under the symbol "AZPN." During the periods indicated in the following table, our common stock traded on The NASDAQ Global Market under the same symbol. The table sets forth the high and low sales prices per share of our common stock as reported by The NASDAQ Global Market.

	High	Low
Fiscal 2006:		
First Quarter	$ 6.35	$ 4.86
Second Quarter	8.42	5.46
Third Quarter	13.72	7.90
Fourth Quarter	14.80	9.86
Fiscal 2007:		
First Quarter	$ 13.49	$ 9.28
Second Quarter	11.28	9.03
Third Quarter	14.53	10.07
Fourth Quarter	15.87	12.58

Holders

As of April 9, 2008, there were approximately 953 holders of our common stock.

Dividends

We have never declared or paid cash dividends on our common stock. We currently intend to retain all of our earnings, if any, in the foreseeable future, except to the extent we pay quarterly dividends on preferred stock in cash. As of June 30, 2007, no preferred stock is outstanding. In addition, under the terms of our January 2003 loan arrangement with Silicon Valley Bank, we are prohibited from paying any dividends on our stock, with the exception of dividends paid in common stock or dividends on our preferred stock paid in cash, provided that we are not in default under the loan arrangement. Any future determination relating to our dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including our future earnings, capital requirements, financial condition and future prospects and such other factors as the board of directors may deem relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information about the securities authorized for issuance under our equity compensation plans as of June 30, 2007:

Equity Compensation Plan Information

Plan category	(A) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(B) Weighted-average exercise price of outstanding options, warrants and rights	(C) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A))
Equity compensation plans approved by security holders	8,974,765	$ 7.08	5,729,716
Equity compensation plans not approved by security holders	—	—	—
Total	8,974,765	$ 7.08	5,729,716

Amounts reflected in column (A) include an aggregate of 18,155 shares that are issuable upon exercise of outstanding options that we assumed in connection with various acquisitions. The weighted average exercise price of these options is $10.76.

Equity compensation plans approved by security holders consist of our 1998 employee's stock purchase plan, our 1996 special stock option plan, our 2001 stock option plan and our 2005 stock incentive plan.

The securities remaining available for future issuance under equity compensation plans approved by our security holders consist of:

- 2,538,077 shares of common stock issuable under our 1998 employees' stock purchase plan;
- 112,439 shares of common stock issuable under our 2001 stock option plan;
- 3,079,200 shares of common stock issuable under our 2005 stock incentive plan, the adoption of which was approved by our stockholders on May 26, 2005.

Each of the options outstanding under the 2001 stock option plan has a term of ten years. Options issuable under the 2005 stock incentive plan have maximum terms of seven years.

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchases

None.

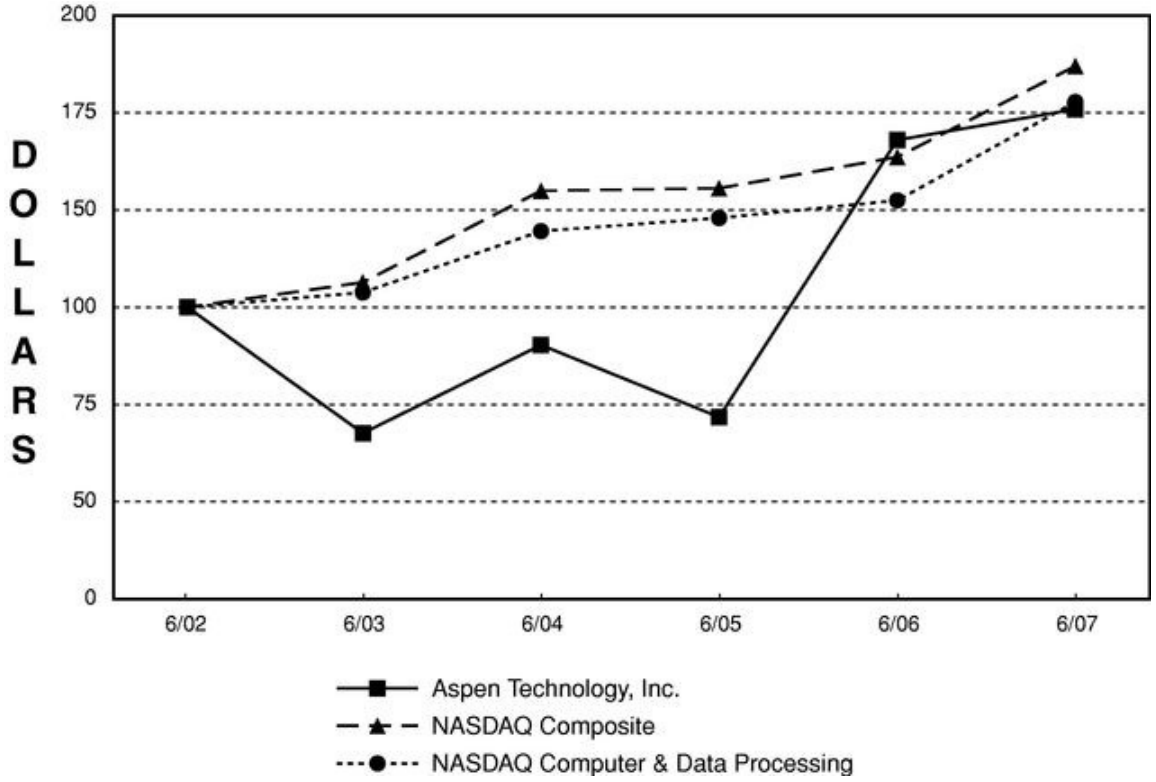
Performance Graph

The following graph compares the cumulative 5-year total return to holders of our common stock relative to the cumulative total returns of the Nasdaq Composite index and the Nasdaq Computer & Data Processing index. The graph assumes that the value of the investment in our common stock and in each of the indices, including reinvestment of dividends, was $100 on June 30, 2002 and tracks the investment through June 30, 2007.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Aspen Technology, Inc., The NASDAQ Composite Index

And The NASDAQ Computer & Data Processing Index



* $100 invested on 6/30/02 in stock or index-including reinvestment of dividends.
Fiscal year ending June 30.

	June 30,					
	2002	2003	2004	2005	2006	2007
Aspen Technology, Inc.	**100.00**	**56.83**	**87.05**	**62.35**	**157.31**	**167.87**
Nasdaq Composite	**100.00**	**108.54**	**139.90**	**140.79**	**151.46**	**182.66**
Nasdaq Computer & Data Processing	**100.00**	**105.06**	**126.08**	**130.59**	**136.61**	**170.37**

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Item 6. ***Selected Financial Data***

The following selected consolidated financial data have been derived from our consolidated financial statements. The financial information set forth below reflects the restatement of our financial statements as discussed in Note 17 of the Notes to Consolidated Financial Statements or herein. These data should be read in conjunction with the consolidated financial statements and notes thereto and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended June 30,				
	2003(1)(2)	2004(1)(3)	2005(4)	2006(4)	2007
	(In thousands, except per share data)				
Consolidated Statement of Operations Data:					
Revenues:					
Software licenses	$ 162,084	$ 157,781	$ 128,809	$ 153,730	$ 199,761
Service and other	184,102	174,210	140,319	140,686	141,268
Total revenues	346,186	331,991	269,128	294,416	341,029
Cost of revenues:					
Cost of software licenses	13,916	15,577	16,864	16,805	14,588
Cost of service and other	110,249	101,823	82,744	72,690	72,426
Amortization of technology related intangible assets	8,325	7,976	8,220	8,559	6,546
Impairment of technology related intangible and computer software development assets	8,704	3,250	—	—	—
Total cost of revenues	141,194	128,626	107,828	98,054	93,560
Gross profit	204,992	203,365	161,300	196,362	247,469
Operating costs:					
Selling and marketing	108,293	101,806	96,275	84,505	93,387
Research and development	66,738	60,111	47,276	44,322	42,703
General and administrative	31,796	34,380	51,871	44,408	51,010
Long-lived asset impairment charges	101,528	967	—	—	—
Restructuring charges and FTC legal costs	41,644	20,085	24,960	3,993	4,634
Loss (gain) on sales and disposals of assets	(52)	(175)	(96)	300	332
Total operating costs	349,947	217,174	220,286	177,528	192,066
Income (loss) from operations	(144,955)	(13,809)	(58,986)	18,834	55,403
Interest income, net	1,059	2,729	2,200	446	3,296
Foreign currency exchange gain (loss)	1,692	4,832	(3,427)	(2,874)	(734)
Income (loss) before provision for (benefit from) income taxes	(142,204)	(6,248)	(60,213)	16,406	57,965
Provision for income taxes	(1,894)	(24,869)	(8,847)	(9,941)	(12,447)
Equity in losses from joint ventures	(514)	(351)	—	—	—
Net income (loss)	(144,612)	(31,468)	(69,060)	6,465	45,518
Accretion of preferred stock discount and dividend	(9,184)	(6,358)	(14,450)	(15,383)	(7,290)
Income (loss) attributable to common stockholders	$ (153,796)	$ (37,826)	$ (83,510)	$ (8,918)	$ 38,228
Basic income (loss) per share attributable to common stockholders	$ (4.00)	$ (0.93)	$ (1.97)	$ (0.20)	$ 0.54
Weighted average shares outstanding—Basic	38,476	40,575	42,381	44,627	70,879
Diluted income (loss) per share attributable to common stockholders	$ (4.00)	$ (0.93)	$ (1.97)	$ (0.20)	$ 0.50
Weighted average shares outstanding—Diluted	38,476	40,575	42,381	44,627	91,869

	June 30,				
	2003(1)	2004(1)	2005(1)	2006(4)	2007
	(In thousands)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 51,567	$ 107,633	$ 68,149	$ 86,272	$ 132,267
Working capital (deficit)	36,409	8,379	(12,162)	10,440	53,019
Total assets	518,230	538,825	475,257	465,951	528,897
Long-term obligations, less current maturities	95,100	102,606	120,718	90,907	104,324
Redeemable convertible preferred stock	57,537	106,761	121,210	125,475	—
Total stockholders' equity (deficit)	33,985	25,179	(47,210)	(22,602)	137,206

(1) The amounts for these years are unaudited, but have been restated to reflect adjustments related to the restatement described in the "Explanatory Note" immediately preceding Part I, Item 1 and Note 17 of the Notes to the Consolidated Financial Statements. The provision for income taxes in 2003 has been increased by $1.7 million to record tax provision related to the use of the acquired tax net operating losses that were realized. The acquired deferred tax asset had a full valuation allowance and when this valuation allowance was reversed, it should have reduced goodwill. This benefit was incorrectly recognized in earnings. The goodwill impairment recognized in 2003 has been correspondingly reduced by this amount and $2.3 million related to tax benefits recognized in 2002, for a total reduction of $4.0 million.

(2) The long-lived asset impairment charges recorded in fiscal 2003 consisted of $70.2 million related to goodwill assets and $31.3 million related to acquired intellectual property, internal capital costs and fixed assets. The restructuring charges and FTC costs recorded in fiscal 2003 consisted of $28.6 million in charges from an October 2002 restructuring plan and $13.0 million in FTC legal costs related to an FTC challenge of our May 2002 acquisition of Hyprotech.

(3) The restructuring charges and FTC costs recorded in fiscal 2004 consist of $23.5 million in charges from the June 2004 restructuring plan, which is offset by $8.3 million in adjustments from prior restructuring accruals, and $4.9 million in FTC legal costs.

(4) See the "Explanatory Note" immediately preceding Part I, Item 1 and Note 17 to the Notes to the Consolidated Financial Statements for a discussion of the restatement.

Basic and diluted income (loss) per share and weighted average shares outstanding in the preceding table have been computed as described in Note 2(i) of the Notes to the Consolidated Financial Statements included elsewhere in this Form 10-K. We have never declared or paid cash dividends on our common stock.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes thereto contained or incorporated in this prospectus. This discussion contains forward-looking statements. Please see "Item 1A. Risk Factors" for a discussion of certain of the uncertainties, risks and assumptions associated with these statements.

Our fiscal year ends on June 30, and references to a specific fiscal year are the twelve months ended June 30 of such year (for example, "fiscal 2007" refers to the year ended June 30, 2007).

Overview

We are a leading supplier of integrated software and services to the process industries, which consist of oil and gas, petroleum, chemicals, pharmaceuticals and other industries that manufacture and produce products from a chemical process. We provide a comprehensive, integrated suite of software applications that utilize proprietary empirical models of chemical manufacturing processes to improve plant and process design, economic evaluation, production, production planning and scheduling, and operational performance, and an array of services designed to optimize the utilization of these products by our customers.

The accompanying management's discussion and analysis gives effect to the restatement of our previously issued consolidated financial statements as of June 30, 2006 and for the years ended June 30, 2006 and 2005 for the matters discussed more fully in Note 17 to the consolidated financial statements included in Item 8 of this Form 10-K. The restatement also required the restatement of previously issued Quarterly Financial Data for the first three quarters of the year ended June 30, 2007 and each of the quarters in the year ended June 30, 2006 presented herein and the restatement of Management's Discussion and Analysis of Financial Condition and Results of Operations.

Critical Accounting Estimates and Judgments

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of our financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The significant accounting policies that we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

- revenue recognition for both software licenses and fixed-fee consulting services;
- impairment of long-lived assets, goodwill and intangible assets;
- accounting for contingencies;
- accounting for income taxes;
- allowance for doubtful accounts;
- accounting for transfers of financial assets;
- restructuring accruals; and
- accounting for stock-based compensation.

Revenue Recognition—Software Licenses

We recognize software license revenue in accordance with SOP No. 97-2, as amended by SOP No. 98-4 and SOP No. 98-9, as well as the various interpretations and clarifications of those statements. When we provide consulting services considered not essential to the functionality of the software, and for which vendor-specific objective evidence, or VSOE, of fair value has been established, we recognize revenue for the delivered software when the basic criteria of SOP No. 97-2 are met. As our arrangements generally meet these criteria, revenue is generally recognized upon delivery. VSOE has been established for software maintenance services, training and consulting services rates. When we provide consulting services that are considered essential to the functionality of the software and involves significant production, modification or customization of the licensed software, we recognize such revenue and any related software licenses in accordance with SOP No. 81-1, "Accounting for Performance of Construction Type and Certain Performance Type Contracts." Four basic criteria must be satisfied before software license revenue can be recognized:

- persuasive evidence of an arrangement between us and a third party exists;
- delivery of our product has occurred;
- the sales price for the product is fixed or determinable; and
- collection of the sales price is reasonably assured.

Our management uses its judgment concerning the satisfaction of these criteria, particularly the criteria relating to the determination of whether the fee is fixed and determinable and the criteria relating to the collectibility of the receivables, particularly the installments receivable, relating to such sales. These two criteria are particularly relevant to reseller transactions where, specifically, revenue is only recognized upon delivery to the end user, since the determination of whether the fee is fixed or determinable and whether collection is probable is more difficult. Should changes and conditions cause management to determine that these criteria are not met for certain future transactions, all or substantially all of the software license revenue recognized for such transactions could be deferred.

Revenue Recognition—Fixed-Fee Consulting Services

We recognize revenue associated with fixed-fee service contracts in accordance with the proportional performance method, measured by the percentage of costs (primarily labor) incurred to date as compared to the estimated total costs (primarily labor) for each contract. When a loss is anticipated on a contract, the full amount of the anticipated loss is provided currently. Our management uses its judgment concerning the estimation of the total costs to complete the contract, considering a number of factors including the experience of the personnel that are performing the services and the overall complexity of the project. We have a significant amount of experience in the estimation of the total costs to complete a contract and have not typically recorded material losses related to these estimates. We do not expect the accuracy of our estimates to change significantly in the future. Should changes and conditions cause actual results to differ significantly from management's estimates, revenue recognized in future periods could be adversely affected.

Impairment of Long-lived Assets, Goodwill and Intangible Assets

In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," we review the carrying value of long-lived assets when circumstances dictate that they should be reevaluated, based upon the expected future operating cash flows of our business or other factors that trigger an evaluation for potential impairment. The evaluation of the results of any impairment evaluation is based upon our expected future cash flows. These future cash flow estimates are based on historical results, adjusted to reflect our best estimate of future markets and operating conditions, and are updated based on actual operating trends. Historically, actual results have occasionally differed

from our estimated future cash flow estimates. In the future, actual results may differ materially from these estimates, and accordingly cause a full impairment of our long-lived assets. We had $18.2 million of long-lived assets at June 30, 2007.

In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," we conduct at least an annual assessment on December 31 of the carrying value of our goodwill assets, which is based on either estimates of future income from the reporting units or estimates of the market value of the reporting units, based on comparable recent transactions. These estimates of future income are based upon historical results, adjusted to reflect our best estimate of future markets and operating conditions. Historically, actual results have occasionally differed from our estimated future cash flow estimates. In the future, actual results may differ materially from these estimates. In addition, the relevancy of recent transactions used to establish market value for our reporting units is based on management's judgment. We had $19.1 million of goodwill recorded at June 30, 2007.

During fiscal 2004, we recorded $4.2 million in charges related to the impairment of certain long-lived assets and technology related intangible and computer software development assets. We conducted an annual assessment of the carrying value of our goodwill assets as of December 31, 2006 in accordance with SFAS No. 142. The assessment indicated that there was no impairment of the carrying value of our goodwill assets as of that date. The timing and size of any future impairment charges involves the application of management's judgment and estimates and could result in the impairment of all or substantially all of our long-lived assets, intangible assets and goodwill.

Accounting for Contingencies

In accordance with SFAS No. 5, "Accounting for Contingencies," we accrue loss contingencies if, in the opinion of management, an adverse outcome is probable and such outcome can be reasonably estimated. Significant management judgment is required in assessing the presence of potential loss contingencies, the probability of an adverse outcome, and the amount of any such estimate of an adverse outcome. Historically, we have accrued loss contingencies primarily associated with outstanding litigation and income tax exposures in foreign tax jurisdictions.

We also accrue estimated future legal fees associated with outstanding litigation for which management has determined that it is probable that a loss contingency exists. This requires management to estimate the amount of legal fees that will be incurred in the defense of the litigation. These estimates are based heavily on our expectations of the scope, length to complete and complexity of the claims. Historically, as these factors have changed after our original estimates, we have adjusted our estimates accordingly. In the future, additional adjustments may be recorded as the scope, length or complexity of outstanding litigation changes.

Accounting for Income Taxes

We estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our actual current tax liabilities together with the assessment of temporary differences resulting from differing timing treatment of items, such as reserves and accruals, for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet or disclosed in our footnotes to the financial statements. Deferred tax assets also result from unused operating loss carryforwards, research and development tax credit carryforwards and foreign tax credit carryforwards. We assess the likelihood that our deferred tax assets will be recovered from future taxable income and to the extent we believe that recovery is not likely, we establish a valuation allowance. Adjustments to the valuation allowance are included in the tax provision in our statement of operations in the period they become known or estimated.

Significant management judgment is required in determining any valuation allowance recorded against these deferred tax assets and liabilities. The valuation allowance is based on our estimates of

taxable income for jurisdictions in which we operate and the period over which our deferred tax assets may be recoverable. In fiscal 2005, 2006 and 2007, we provided a full valuation allowance for all net deferred tax assets in the United States and most other tax jurisdictions.

Our U.S. and foreign tax returns are subject to periodic compliance examinations by various local and national tax authorities through periods defined by tax codes in the applicable jurisdiction. The years prior to 2004 are closed in the U.S., although the utilization of net operating loss carryforwards generated in earlier periods will keep these periods open for examinations. Our operating entities in Canada are subject to audit from year 2000 forward, in the UK from 2006 forward, and other international subsidiaries from 2002 forward. In connection with examinations of tax filings, tax contingencies can arise from differing interpretations of applicable tax laws and regulations relative to the amount, timing or proper inclusion or exclusion of revenues and expenses in taxable income or loss. For periods that remain subject to audit, we have asserted and unasserted potential assessments that are subject to final tax settlements.

Our income tax expense includes amounts intended to satisfy income tax assessments, including interest and penalties, that could result from the examination of our tax returns. Determining the amount of an estimated obligation, if any, for such contingencies requires a significant amount of judgment. We evaluate such tax contingencies in accordance with the requirements of SFAS No. 5, *Accounting for Contingencies*, based on information currently available, and have accrued for income tax contingencies that meet both the probable and estimable criteria of SFAS No. 5. These estimates are updated over time upon receipt of more definitive information from taxing authorities, completion of tax audits, expiration of statutes of limitation, or upon occurrence of other events. The amounts ultimately paid upon resolution of such contingencies could be materially different from the amounts previously recorded and therefore could have a material impact on our consolidated results of operations as additional information becomes available. The tax contingency accrual, including penalties and interest, is recorded as a component of our accrued expense and other liabilities balance and was $22.0 million as of June 30, 2007. The ultimate amount of taxes due will not be known until examinations are completed or the audit periods are closed and settled.

Allowance for Doubtful Accounts

We make judgments as to our ability to collect outstanding receivables and provide allowances for the portion of receivables for which collection is doubtful. Provisions are made based upon a specific review of all significant outstanding invoices. In determining these provisions, we analyze our historical collection experience and current economic trends as well as the status of specific receivables. If the historical data we use to calculate the allowance provided for doubtful accounts do not reflect the future ability to collect outstanding receivables, additional provisions for doubtful accounts may be required for all or substantially all of certain receivable balances.

Accounting for Transfers of Financial Assets

We derecognize financial assets when control has been surrendered in compliance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." Transfers of assets that meet the requirements of SFAS No. 140 for sale accounting treatment are removed from the balance sheet and gains or losses on the sale are recognized. If the conditions for sale accounting treatment are not met, or are no longer met, these transactions are accounted for as secured borrowings. The determination of the accounting treatment under SFAS No. 140 requires significant judgment relative to the determination of whether the criteria to achieve sale accounting treatment have been achieved, including whether the transferred assets have been legally isolated from us. We have accounted for all transfers of assets during fiscal 2005, 2006 and 2007 as secured borrowings. Accordingly, the transferred assets are recorded as collateralized receivables in our consolidated balance sheet and we have accounted for the cash received from these transactions as

secured borrowings. Transaction costs associated with secured borrowings, if any, are treated as borrowing costs and recognized in interest expense. As customer payments are made on the collateralized receivables, the collateralized receivable and debt obligation are reduced. Such customer payments are included in the operating section of our consolidated statements of cash flows. The cash received from and payments made on the secured borrowings are included in the financing section of our consolidated statements of cash flows.

Accounting for Restructuring Accruals

We follow SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" in accounting for restructuring activities. In accounting for these obligations, we are required to make assumptions related to the amounts of employee severance, benefits and related costs and to the time period over which facilities will remain vacant, sublease terms, sublease rates and discount rates. We base our estimates and assumptions on the best information available at the time the obligation has arisen. These estimates are reviewed and revised as facts and circumstances dictate; changes in these estimates could have a material effect on the amount accrued on our balance sheet, the restructuring charges incurred and our estimates of future costs under existing restructuring programs.

Accounting for Stock-Based Compensation

We adopted SFAS No. 123(R), "Share-Based Payment," effective July 1, 2005. Under the fair value provisions of this statement, stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period. SFAS No. 123(R) requires significant judgment and the use of estimates, particularly for assumptions such as stock price volatility and expected option lives, as well as whether awards with performance conditions will vest, to recognize stock-based compensation costs. If different assumptions were used, stock-based compensation expense and our results of operations could fluctuate significantly.

Summary of Restructuring Accruals

Restructuring Charges Originally Arising in the Three Months Ended June 30, 2007

In May 2007, we initiated a plan to relocate our corporate headquarters from Cambridge to Burlington, Massachusetts. The relocation resulted in us ceasing to use our prior corporate headquarters leased space, subleasing that space to a third party, and relocating to a new facility. During fiscal 2007, we recorded a charge of $0.1 million associated with the relocation of certain departments to temporary space. The closure and relocation actions were completed in October 2007 and resulted in a total restructuring charge of approximately $6.0 million.

Restructuring Charges Originally Arising in the Three Months Ended June 30, 2005

In May 2005, we initiated a plan to consolidate several corporate functions and to reduce our operating expenses. The plan to reduce operating expenses primarily resulted in headcount reductions, and also included the termination of a contract and the consolidation of facilities. These actions resulted in an aggregate restructuring charge of $3.8 million, recorded in the fourth quarter of fiscal 2005. During fiscal 2006 and 2007, we recorded an additional $1.8 million and $4.6 million, respectively, related to headcount reductions, relocation costs and facility consolidations associated with the May 2005 plan that did not qualify for accrual at June 30, 2005.

As of June 30, 2007, there was $0.7 million remaining in accrued expenses relating to the remaining severance obligations and lease payments. The following activity was recorded for the indicated years (in thousands):

Fiscal 2005 Restructuring Plan	Closure/ Consolidation of Facilities	Employee Severance, Benefits, and Related Costs	Contract Termination Costs	Total
Restructuring charge	$ 84	$ 3,465	$ 300	$ 3,849
Fiscal 2005 payments	—	(1,005)	(300)	(1,305)
Accrued expenses, June 30, 2005	84	2,460	—	2,544
Restructuring charge	615	1,178	—	1,793
Fiscal 2006 payments	(600)	(3,125)	—	(3,725)
Accrued expenses, June 30, 2006	99	513	—	612
Restructuring charge	1,001	3,634	—	4,635
Fiscal 2007 payments	(1,100)	(3,459)	—	(4,559)
Accrued expenses, June 30, 2007	$ —	$ 688	—	$ 688
Expected final payment date		March 2008		

Restructuring Charges originally arising in the Three Months Ended June 30, 2004

In June 2004, we initiated a plan to reduce our operating expenses in order to better align our operating cost structure with the then-current economic environment and to improve our operating margins. The plan to reduce operating expenses resulted in the consolidation of facilities, headcount reductions, and the termination of operating contracts. These actions resulted in an aggregate restructuring charge of $23.5 million, recorded in the fourth quarter of fiscal 2004. During fiscal 2005, we recorded $14.4 million related to headcount reductions and facility consolidations associated with the June 2004 restructuring plan that did not qualify for accrual at June 30, 2004. In addition, we recorded $0.4 million in restructuring charges related to the accretion of the discounted restructuring accrual and a $0.8 million decrease to the accrual related to changes in estimates of severance benefits and sublease terms. During the years ended June 30, 2006 and 2007, we recorded a $0.7 million increase and a $0.2 million decrease to the accrual primarily due to changes in the estimate of future operating costs and sublease assumptions associated with the facilities

As of June 30, 2007, there was $5.1 million remaining in accrued expenses relating to the remaining severance obligations and lease payments. The following activity was recorded for the indicated years (in thousands):

Fiscal 2004 Restructuring Plan	Closure/ Consolidation of Facilities and Contract exit costs	Employee Severance, Benefits, and Related Costs	Asset Impairments	Total
Restructuring charge	$ 20,484	$ 1,191	$ 1,776	$ 23,451
Fiscal 2004 payments	(8,435)	(280)	—	(8,715)
Impairment of assets	—	—	(1,776)	(1,776)
Accrued expenses, June 30, 2004	12,049	911	—	12,960
Restructuring charge	9,132	4,349	968	14,449
Impairment of assets	—	—	(968)	(968)
Fiscal 2005 payments	(12,915)	(4,534)	—	(17,449)
Restructuring charge—Accretion	446	3	—	449
Change in estimate—Revised assumptions	(287)	(497)	—	(784)
Accrued expenses, June 30, 2005	8,425	232	—	8,657
Change in estimate—Revised assumptions	643	27	—	670
Restructuring charge—Accretion	432	—	—	432
Fiscal 2006 payments	(2,645)	(67)	—	(2,712)
Accrued expenses, June 30, 2006	6,855	192	—	7,047
Change in estimate—Revised assumptions	(176)	(31)	—	(207)
Restructuring charge—Accretion	308	1	—	309
Fiscal 2007 payments	(2,028)	(70)	—	(2,098)
Accrued expenses, June 30, 2007	$ 4,959	$ 92	$ —	$ 5,051
Expected final payment date	September 2012	March 2008		

Restructuring charges originally arising in the Three Months Ended December 31, 2002

In October 2002, we initiated a plan to further reduce operating expenses in response to first quarter revenue results that were below expectations and to general economic uncertainties. In addition, we revised revenue expectations for the remainder of the fiscal year and beyond, primarily related to the manufacturing/supply chain product line, which had been affected the most by the economic conditions. The plan to reduce operating expenses resulted in headcount reductions, consolidation of facilities, and discontinuation of development and support for certain non-critical products. These actions resulted in an aggregate restructuring charge of $28.7 million. During fiscal 2004, we recorded a $4.9 million decrease to the accrual related to revised assumptions associated with lease exit costs, particularly the buyout of a remaining lease obligation, and severance obligations. During fiscal 2005, 2006, and 2007 we recorded a $7.0 million and $1.0 million increase and a $0.2 million decrease, respectively, to the accrual primarily due to a change in the estimate of the facility vacancy term, extending to the term of the lease.

As of June 30, 2007, there was $8.0 million remaining in accrued expenses relating to the remaining lease payments. The following activity was recorded for the indicated years (in thousands):

Fiscal 2003 Restructuring Plan	Closure/ Consolidation of Facilities	Employee Severance, Benefits, and Related Costs	Impairment of Assets and Disposition Costs	Total
Accrued expenses, July 1, 2004	6,725	292	676	7,693
Fiscal 2005 payments	(2,266)	(63)	(403)	(2,732)
Change in estimate—Revised assumptions	7,239	(69)	(195)	6,975
Accrued expenses, June 30, 2005	11,698	160	78	11,936
Change in estimate—Revised assumptions	1,116	(95)	—	1,021
Fiscal 2006 payments	(2,848)	(65)	(78)	(2,991)
Accrued expenses, June 30, 2006	9,966	—	—	9,966
Change in estimate—Revised assumptions	(193)	—	—	(193)
Fiscal 2007 payments	(1,730)	—	—	(1,730)
Accrued expenses, June 30, 2007	$ 8,043	$ —	$ —	$ 8,043
Expected final payment date	September 2012			

Restructuring charges originally arising in the Three Months Ended June 30, 2002

In the fourth quarter of fiscal 2002, we initiated a plan to reduce operating expenses and to restructure operations around our two primary product lines, engineering software and manufacturing/supply chain software. We reduced worldwide headcount by approximately 10%, or 200 employees, closed and consolidated facilities, and disposed of certain assets, resulting in an aggregate restructuring charge of $13.2 million. During fiscal 2004, we recorded a $1.5 million decrease to the accrual related to revised assumptions associated with lease exit costs, particularly the buyout of a remaining lease obligation, and severance obligations. During fiscal 2005, we recorded a $0.2 million increase to the accrual due to changes in estimates of sublease assumptions and severance settlements. During 2006 and 2007, we recorded less than $0.1 million in increases to the accrual due to changes in sublease assumptions.

As of June 30, 2007, there was $0.4 million remaining in accrued expenses relating to the remaining severance obligations and lease payments. The following activity was recorded for the indicated years (in thousands):

Fiscal 2002 Restructuring Plan	Closure/ Consolidation of Facilities	Employee Severance, Benefits, and Related Costs	Total
Accrued expenses, July 1, 2004	1,683	308	1,991
Fiscal 2005 payments	(994)	(284)	(1,278)
Change in estimate—Revised assumptions.	93	87	180
Accrued expenses, June 30, 2005	782	111	893
Change in estimate—Revised assumptions	75	—	75
Fiscal 2006 payments	(375)	(66)	(441)
Accrued expenses, June 30, 2006	482	45	527
Change in estimate—Revised assumptions	2	1	3
Fiscal 2007 payments	(100)	2	(98)
Accrued expenses, June 30, 2007	$ 384	$ 48	$ 432
Expected final payment date	September 2012	March 2008	

Results of Operations

The following table sets forth the percentages of total revenues represented by certain consolidated statement of operations data for the periods indicated:

	Year Ended June 30,		
	2005	2006	2007
Revenues:			
Software licenses	47.9%	52.2%	58.6%
Service and other	52.1	47.8	41.4
Total revenues	100.0	100.0	100.0
Cost of revenues:			
Cost of software licenses	6.3	5.7	4.3
Cost of service and other	30.7	24.7	21.2
Amortization of technology related intangible assets	3.1	2.9	1.9
Total cost of revenues	40.1	33.3	27.4
Gross margin	59.9	66.7	72.6
Operating costs:			
Selling and marketing	35.8	28.7	27.4
Research and development	17.6	15.1	12.5
General and administrative	19.3	15.1	15.0
Restructuring charges and FTC legal costs	9.3	1.4	1.4
Loss (gain) on sales and disposals of assets	—	0.1	0.1
Total operating costs	82.0	60.4	56.4
Income (loss) from operations	(22.1)	6.3	16.2
Interest income	7.0	6.8	6.1
Interest expense	(6.2)	(6.6)	(5.2)
Foreign currency exchange gain (loss)	(1.3)	(1.0)	(0.2)
Income (loss) before provision for income taxes	(22.6)%	5.5%	16.9%

Comparison of Fiscal 2007 to Fiscal 2006

Revenues. Revenues are derived from software licenses, consulting services and maintenance and training. Total revenues for fiscal 2007 increased 15.8% to $341.0 million from $294.4 million in fiscal 2006. Total revenues from customers outside the United States were $180.0 million or 52.8% of total revenues and $168.1 million or 57.1% of total revenues for fiscal 2007 and 2006, respectively. The geographical mix of revenues can vary from period to period.

Software license revenues represented 58.6% and 52.2% of total revenues for fiscal 2007 and 2006, respectively. Revenues from software licenses in fiscal 2007 increased 29.9% to $199.8 million from $153.7 million in fiscal 2006. Software license revenues are attributable to software license renewals of term contracts with existing users, the expansion of existing customer relationships through licenses for additional users, licenses of additional software products, and, to a lesser extent, to the addition of new customers. We believe that the increase in license revenues principally reflected continued acceptance and expansion of our new and existing product offerings, the operational execution of our strategy to focus on license revenues, as well as strength in our energy, chemicals, and engineering and construction end-markets.

Revenues from service and other consist of consulting services, post-contract support on software licenses, training and sales of documentation. Revenues from service and other were relatively

unchanged at $141.3 million for fiscal 2007 and $140.7 for fiscal 2006 as a 3.0% decline in the consulting services business, from $64.6 million to $62.7 million, was offset by a 3.3% increase in maintenance and training revenues, from $76.1 million to $78.6 million.

Cost of Software Licenses. Cost of software licenses consists of royalties, amortization of previously capitalized software costs, costs related to delivery of software, including disk duplication and third-party software costs, printing of manuals and packaging. Cost of software licenses for fiscal 2007 decreased to $14.6 million from $16.8 million in fiscal 2006. Cost of software licenses as a percentage of revenues from software licenses decreased to 7.3% for fiscal 2007 from 10.9% for fiscal 2006. The cost reductions were primarily due to a $1.3 million decrease in amortization of capitalized software costs associated with lower amounts being capitalized in recent periods, as well as a $0.9 million decrease in royalty expense associated with the completion of a long-term fixed royalty contract in June 2006. The reduction in cost as a percentage of revenue is due to the increase in revenue over a base of costs which is primarily fixed. We expect the cost of software licenses to continue to decline in absolute amounts due to the continued decline in amortization of capitalized software.

Cost of Service and Other. Cost of service and other consists of the cost of execution of application consulting services, technical support expenses and the cost of training services. Cost of service and other for fiscal 2007 decreased 0.4% to $72.4 million from $72.7 million for fiscal 2006. Cost of service and other, as a percentage of revenues from service and other, decreased to 51.3% for fiscal 2007 from 51.7% for fiscal 2006. The cost reduction was primarily due to a $1.4 million reduction in reimbursable costs, a $1.7 million reduction in employee compensation costs, and a $0.3 million reduction in rent and facility costs, offset in part by a $1.7 million increase in the reclassification of personnel costs from our development engineers working on a customer application project and a $1.5 million increase in third-party consulting costs. We expect the absolute cost of service and other to remain flat as a percentage of service revenue.

Amortization of Technology Related Intangible Assets. Amortization of technology related intangible assets consists of the amortization from intangible assets from acquisitions. These assets are generally being amortized over a period of three to five years. Amortization expense was $6.5 million in fiscal 2007 and $8.6 million in fiscal 2006. The decline in fiscal 2007 was the result of certain intangible assets becoming fully amortized during the year. As of June 30, 2007, the balance of technology related intangible assets was fully amortized.

Selling and Marketing. Selling and marketing expenses for fiscal 2007 increased 10.5% to $93.4 million from $84.5 million for fiscal 2006, declining as a percentage of total revenues to 27.4% from 28.7%. The increase in cost is primarily due to an increase in commissions of $4.0 million, an increase in payroll costs of $3.4 million and higher rent and facility costs of $1.2 million. The increases in selling and marketing costs are due to, and help to further increase our revenues. We expect selling and marketing expenses to continue to increase in absolute terms, but decline as a percentage of revenue as our revenue base continues to expand.

Research and Development. Research and development expenses consist of personnel and outside consultancy costs required to conduct our product development efforts. Research and development expenses for fiscal 2007 decreased 3.7% to $42.7 million from $44.3 million for fiscal 2006, and decreased as a percentage of total revenues to 12.5% from 15.1%. The expense reduction primarily resulted from the allocation of $1.7 million of personnel costs to cost of services and other for development engineers working on a specific customer application project, a $1.8 million reduction in payroll costs, a $1.1 million reduction in rent and facility costs, a $0.5 million reduction in consultant costs, and a $0.4 million reduction in depreciation expense, partially offset by a $4.0 million decrease in capitalized software development costs. The declines in payroll and facility costs are attributable to cost efficiencies realized as a result of the consolidation of several research and development locations and

re-deployment of resources to more cost effective geographies. Our total research and development headcount was 365 as of June 30, 2007 compared to 335 as of June 30, 2006.

We capitalized software development costs that amounted to 7.6% of our total engineering costs during fiscal 2007, as compared to 13.9% in fiscal 2006. The amount of capitalized costs decreased in fiscal 2007 as the development efforts during the year did not meet the criteria for capitalization, a trend which we expect to continue in fiscal 2008. We expect our research and development expenses to increase in absolute terms as a result of the decline in capitalized software development costs.

General and Administrative. General and administrative expenses consist primarily of personnel costs of administrative, executive, financial and legal personnel, and outside professional fees. General and administrative expenses for fiscal 2007 increased 14.9% to $51.0 million from $44.4 million for fiscal 2006, and decreased as a percentage of total revenues to 15.0% from 15.1%. This increase in costs is due to a $2.5 million increase in compensation and related costs, a $4.5 million increase in legal, accounting and consulting costs associated with the internal review of accounting for stock options by the audit committee, professional fees for financial restatements and other matters, offset in part by a $1.6 million reduction in bad debt expense. We expect our general and administrative expenses to be approximately flat due to continued investments in personnel and systems necessary to remediate our material control weaknesses.

Restructuring Charges and FTC Legal Costs. During fiscal 2007, we recorded $4.6 million in restructuring charges for headcount reductions and office closures associated with the May 2005 plan that occurred during the year, and less than $0.1 million for revisions of estimates associated with lease exit costs and accretion of the discounted restructuring accruals under previous restructuring plans. During fiscal 2006, we recorded $4.0 million in restructuring charges. Of this amount, $1.8 million related to headcount reductions, relocation costs and facility consolidations associated with the May 2005 plan that did not qualify for accrual at June 30, 2005. The remaining $2.2 million relates to revisions of estimates associated with lease exit costs and accretion of the discounted restructuring accruals under previous restructuring plans.

Interest Income. Interest income was $21.9 million in for fiscal 2007 compared to $20.0 million for fiscal 2006. Interest income is generated from investment of excess cash invested in highly liquid short term instruments, and from the accretion of interest for software licenses sold pursuant to long term installment contracts. Under these installment contracts, customers have the option to make annual payments over the license term or to make a single license fee payment at the outset of the term. Historically, a substantial majority of customers have elected to make annual payments. The increase in interest income is due to the increases in our cash balance and an increase in our collateralized receivables, which is partially offset by reductions in installments receivable balances due from customers.

We have pledged a portion of the installments receivable contracts to unrelated financial institutions and unconsolidated entities as collateral for secured borrowings and recorded the value of these installments as collateralized receivables on the accompanying consolidated balance sheets.

Interest Expense. Interest expense is incurred primarily from our secured borrowings. The secured borrowings are derived from our securitizations and borrowing arrangements with unrelated financial institutions. Interest expense in fiscal 2007 decreased to $18.6 million from $19.5 million in fiscal 2006. This decrease in interest expense resulted from a generally lower level of secured borrowings particularly higher interest bearing borrowings, during fiscal 2007

Foreign Currency Exchange Gain (Loss). Foreign currency exchange gains and losses are primarily incurred as a result of the revaluation of intercompany accounts denominated in foreign currencies and reflect movement in exchange rates relative to the U.S. dollar. The revaluation adjustments are primarily unrealized gains and losses as the related intercompany balances typically have not settled in

cash. In fiscal 2007, we recorded a foreign currency exchange loss of $0.7 million, compared to a $2.9 million loss in fiscal 2006. This decrease was primarily due to favorable exchange rate fluctuations.

Provision for/Benefit from Income Taxes. We recorded a provision for income taxes of $12.4 million for fiscal 2007, primarily related to our income in foreign jurisdictions, withholding taxes imposed on license fees paid to us from customers outside the U.S., and changes in estimates for tax contingency reserves, principally from foreign operations. The income tax provision also includes state income taxes. We do not record a federal income tax provision on our domestic income since we are able to reduce such standard provision by net operating loss, or NOL, carryforwards that expire at various dates from 2008 through 2025 and available tax credits. These NOL carryforwards and tax credits have historically been offset by a valuation allowance for accounting purposes, and as a result, the use of an NOL generally results in a current income statement benefit to substantially offset federal provisions. In addition to regular NOL carryforwards, we also have NOL that was generated by excess stock compensation deductions that are recognized when they are realized. The remaining $38.2 million in NOL's at June 30, 2007 includes $36.9 million of excess stock compensation tax benefits that upon realization will be credited to additional paid-in capital.

We recorded a provision for income taxes of $9.9 million for fiscal 2006. The increase in the provision in fiscal 2007 was attributable to higher foreign taxes resulting from increased taxable income outside the U.S. In addition, the provision for tax contingencies was $6.0 million in fiscal 2007 compared to $3.4 million in fiscal 2006.

Comparison of Fiscal 2006 to Fiscal 2005

Revenues. Total revenues for fiscal 2006 increased 9.4% to $294.4 million from $269.1 million in fiscal 2005. Total revenues from customers outside the United States were $168.1 million or 57.1% of total revenues and $162.3 million or 60.3% of total revenues for fiscal 2006 and 2005, respectively. The geographical mix of revenues can vary from period to period.

Software license revenues represented 52.2% and 47.9% of total revenues for fiscal 2006 and 2005, respectively. Revenues from software licenses in fiscal 2006 increased 19.3% to $153.7 million from $128.8 million in fiscal 2005. We believe that the increase principally reflected strength in our energy end-market, as well as continued strength in our chemicals and engineering and construction end-markets, combined with the increased efforts and time that our management were able to dedicate to software license activities, and the increased willingness of our customers to make investments in our products, following the resolution of the FTC proceedings and an audit committee investigation in fiscal 2005.

Revenues from service and other for fiscal 2006 increased 0.3% to $140.7 million from $140.3 million for fiscal 2005. A decrease of 0.9% in the consulting services business was offset by an increase of 1.3% in maintenance and training revenues. Consulting services declined due to the December 2004 sale of a portion of our consulting business to Honeywell, as part of our settlement with the FTC.

Cost of Software Licenses. Cost of software licenses for fiscal 2006 decreased to $16.8 million from $16.9 million in fiscal 2005. Cost of software licenses as a percentage of revenues from software licenses decreased to 10.9% for fiscal 2006 from 13.1% for fiscal 2005. The reduction in cost as a percentage of revenue was due to the increase in revenues over a base of costs, of which many were fixed in nature.

Cost of Service and Other. Cost of service and other for fiscal 2006 decreased 12.1% to $72.7 million from $82.7 million for fiscal 2005. Cost of service and other, as a percentage of revenues from service and other, decreased to 51.7% for fiscal 2006 from 59.0% for fiscal 2005. The decrease in cost is primarily due to decreased payroll costs of $10.4 million and decreased rent and facility costs of $3.5 million related to reductions in headcount and facility consolidations, offset in part by increases of

$0.8 million in reimbursable costs and $2.1 million in stock-based compensation costs and the allocation of $1.0 million of personnel costs for our development engineers working on a customer application project.

Amortization of Technology Related Intangible Assets. Amortization expense was $8.6 million for fiscal 2006 and $8.2 million for fiscal 2005. The increase was primarily the result of changes in foreign currency translation rates affecting amortization expense incurred in subsidiaries operating in currencies other than the U.S. dollar.

Selling and Marketing. Selling and marketing expenses for fiscal 2006 decreased 12.3% to $84.5 million from $96.3 million for fiscal 2005, while decreasing as a percentage of total revenues to 28.7% from 35.8%. The reduction in cost was primarily due to a decrease in payroll costs of $4.0 million, lower rent and facility costs of $5.9 million, lower marketing and advertising costs of $2.2 million, lower travel expenses of $1.5 million and a $2.7 million decrease in advertising costs related to AspenWorld, which took place in October 2004, partially offset by a $3.0 million increase in stock-based compensation costs and a $1.3 million increase in commissions.

Research and Development. Research and development expenses for fiscal 2006 decreased 6.3% to $44.3 million from $47.3 million for fiscal 2005, and decreased as a percentage of total revenues to 15.1% from 17.6%. The decrease was primarily attributable to the allocation of $1.0 million of personnel costs to costs of services for development engineers working on a customer application project, a $0.7 million decrease in payroll costs, a $1.7 million reduction in consultant costs, a $1.0 million reduction in depreciation and a $0.5 million decrease in rent and facility costs, partially offset by a $1.2 million decrease in software costs eligible for capitalization and a $1.5 million increase in stock-based compensation costs.

We capitalized software development costs that amounted to 13.9% of our total engineering costs during fiscal 2006, as compared to 15.3% in fiscal 2005.

General and Administrative. General and administrative expenses for fiscal 2006 decreased 14.5% to $44.4 million from $51.9 million for fiscal 2005, and decreased as a percentage of total revenues to 15.1% from 19.3%. This decrease was due to a $7.1 million reduction in legal, accounting and consulting costs associated with the internal investigation by the audit committee, a $1.9 million decrease in payroll costs and a $1.2 million reduction in rent and facility costs, partially offset by a $3.3 million increase in stock-based compensation costs and increased recruiting costs of $0.7 million.

Restructuring Charges and FTC Legal Costs. During fiscal 2006, we recorded an additional $1.8 million related to headcount reductions, relocation costs and facility consolidations associated with the May 2005 restructuring plan that did not qualify for accrual at June 30, 2005. The remaining $2.2 million related to revisions of estimates associated with lease exit costs and accretion of the discounted restructuring accruals under previous restructuring plans. During fiscal 2005, we recorded $25.0 million in restructuring charges and FTC legal costs. Of this amount, $14.4 million related to headcount reductions and facility consolidations associated with the June 2004 restructuring plan that did not qualify for accrual at June 30, 2004, $3.8 million related to the May 2005 restructuring charge, $0.4 million related to the accretion of discounted restructuring accruals, and $6.5 million related to adjustments to prior restructuring accruals, all offset by $0.2 million in FTC legal costs, related to the FTC challenge of our acquisition of Hyprotech.

Interest Income. Interest income was $20.0 million for fiscal 2006 as compared to $19.0 million in fiscal 2005. The increase in interest income was due to the increases in our cash balance, partially offset by reductions in installments receivable balances due from customers.

We have pledged a portion of the installments receivable contracts to unrelated financial institutions as collateral for secured borrowings and recorded the value of these installments as

collateralized receivables on the accompanying consolidated balance sheets. We pledged a lower volume of customer installments receivable in fiscal 2007 than the prior year due to our improved working capital position and increases in our profitability and cash flows from operations.

Interest Expense. Interest expense is incurred primarily from our secured borrowings. The secured borrowings are derived from our securitizations and borrowing arrangements with unrelated financial institutions. Interest expense in fiscal 2006 increased to $19.5 million from $16.8 million in fiscal 2005. This increase in interest expense resulted from a generally higher level of secured borrowings during fiscal 2007.

Foreign currency exchange gain (loss). Foreign currency exchange loss for fiscal 2006 decreased to $2.9 million from $3.4 million for fiscal 2005 primarily due to favorable exchange rate fluctuations.

Provision for/Benefit from Income Taxes. We recorded a provision for income taxes of $9.9 million for fiscal 2006 compared to $8.8 million for fiscal 2005. The increase in the provision in fiscal 2006 was attributable to higher foreign taxes resulting from increased taxable income outside the U.S.

Quarterly Results

Our operating results and cash flow have fluctuated in the past and may fluctuate significantly in the future as a result of a variety of factors, including purchasing patterns, timing of introductions of new solutions and enhancements by us and our competitors, and fluctuating economic conditions. Because license fees for our software products are substantial and the implementation of our solutions often involve the services of engineers over an extended period of time, the sales process for our solutions is lengthy and can exceed one year. Accordingly, software revenues are difficult to predict, and the delay of any order could cause our quarterly revenues to fall substantially below expectations. Moreover, to the extent that we succeed in shifting customer purchases away from point solutions and toward integrated solutions, the likelihood of delays in ordering may increase and the effect of any delay may become more pronounced.

We ship software products within a short period after receipt of an order and usually do not have a material backlog of unfilled orders of software products. Consequently, revenues from software licenses, including license renewals, in any quarter are substantially dependent on orders booked and shipped in that quarter. Historically, a majority of each quarter's revenues from software licenses has been derived from license agreements that have been consummated in the final weeks of the quarter. Therefore, even a short delay in the consummation of an agreement may cause revenues to fall below expectations for that quarter. Since our expense levels are based in part on anticipated revenues, we may be unable to adjust spending in a timely manner to compensate for any revenue shortfall and any revenue shortfall would likely have a disproportionately adverse effect on net income. We expect that these factors will continue to affect our operating results for the foreseeable future.

The following tables present previously reported and restated quarterly consolidated statement of operations data for fiscal 2007 and 2006. These data are unaudited but, in our opinion, reflect all adjustments necessary for a fair presentation of these data in accordance with US GAAP. See Note 17 of the Notes to the Consolidated Financial Statements for a discussion of the restatement.

	Three Months ended September 30, 2005			Three Months ended December 31, 2005		
	As previously reported	Adjustments	As Restated	As previously reported	Adjustments	As Restated
	(In thousands, except per share data)					
Revenues:						
Software licenses	$ 24,037	$ 284	$ 24,321	$ 41,870	$ 166	$ 42,036
Service and other	35,797	79	35,876	34,751	20	34,771
Total revenues	59,834	363	60,197	76,621	186	76,807
Cost of revenues:						
Cost of software licenses	3,875	—	3,875	4,244	—	4,244
Cost of service and other	17,343	—	17,343	17,962	—	17,962
Amortization of technology related intangible assets	2,106	—	2,106	2,128	—	2,128
Total cost of revenues	23,324	—	23,324	24,334	—	24,334
Gross profit	36,510	363	36,873	52,287	186	52,473
Operating costs:						
Selling and marketing	18,758	—	18,758	20,759	—	20,759
Research and development	10,183	—	10,183	11,826	—	11,826
General and administrative	10,469	381	10,850	10,101	451	10,552
Restructuring charges and FTC legal costs	2,199	—	2,199	995	—	995
Loss (gain) on sales and disposals of assets	61	13	74	316	(263)	53
Total operating costs	41,670	394	42,064	43,997	188	44,185
Income (loss) from operations	(5,160)	(31)	(5,191)	8,290	(2)	8,288
Interest income	1,047	4,120	5,167	961	4,108	5,069
Interest expense	(231)	(4,733)	(4,964)	(207)	(4,827)	(5,034)
Foreign currency exchange gain (loss)	(3,297)	104	(3,193)	811	(104)	707
Income (loss) before provision for taxes	(7,641)	(540)	(8,181)	9,855	(825)	9,030
Benefit from (provision for) income taxes	309	(807)	(498)	(2,011)	(807)	(2,818)
Income (loss)	(7,332)	(1,347)	(8,679)	7,844	(1,632)	6,212
Accretion of preferred stock discount and dividend	(3,778)	—	(3,778)	(3,843)	—	(3,843)
Income (loss) applicable to common stockholders	$ (11,110)	$ (1,347)	$ (12,457)	$ 4,001	$ (1,632)	$ 2,369
Basic income (loss) per share applicable to common shareholders	$ (0.26)	$ (0.03)	$ (0.29)	$ 0.09	$ (0.04)	$ 0.05
Basic weighted average shares outstanding	43,237	—	43,237	43,743	—	43,743
Diluted income (loss) per share applicable to common shareholders	$ (0.26)	$ (0.03)	$ (0.29)	$ 0.08	$ (0.04)	$ 0.04

Diluted weighted average shares outstanding	43,237	—	43,237	52,765	—	52,765

	Three Months ended March 31, 2006			Three Months ended June 30, 2006		
	As previously reported	Adjustments	As Restated	As previously reported	Adjustments	As Restated
	(In thousands, except per share data)					
Revenues:						
Software licenses	$ 42,392	$ 420	$ 42,812	$ $44,474	$ 87	$ 44,561
Service and other	34,737	306	35,043	35,090	(94)	34,996
Total revenues	77,129	726	77,855	79,564	(7)	79,557
Cost of revenues:		—				
Cost of software licenses	4,518	—	4,518	4,168	—	4,168
Cost of service and other	18,542	—	18,542	18,843	—	18,843
Amortization of technology related intangible assets	2,162	—	2,162	2,163	—	2,163
Total cost of revenues	25,222	—	25,222	25,174	—	25,174
Gross profit	51,907	726	52,633	54,390	(7)	54,383
Operating costs:						
Selling and marketing	21,615	—	21,615	23,373	—	23,373
Research and development	12,005	—	12,005	10,308	—	10,308
General and administrative	9,791	636	10,427	12,168	411	12,579
Restructuring charges and FTC legal costs	534	—	534	265	—	265
Loss (gain) on sales and disposals of assets	103	(96)	7	418	(252)	166
Total operating costs	44,048	540	44,588	46,532	159	46,691
Income (loss) from operations	7,859	186	8,045	7,858	(166)	7,692
Interest income	1,332	3,560	4,892	1,694	3,156	4,850
Interest expense	(275)	(4,627)	(4,902)	(272)	(4,360)	(4,632)
Foreign currency exchange gain (loss)	793	80	873	(1,667)	406	(1,261)
Income (loss) before provision for taxes	9,709	(801)	8,908	7,613	(964)	6,649
Benefit from (provision for) income taxes	(3,095)	(807)	(3,902)	(1,916)	(807)	(2,723)
Income (loss)	6,614	(1,608)	5,006	5,697	(1,771)	3,926
Accretion of preferred stock discount and dividend	(3,888)	—	(3,888)	(3,874)	—	(3,874)
Income (loss) applicable to common stockholders	$ 2,726	$ (1,608)	$ 1,118	$ 1,823	$ (1,771)	$ 52
Basic income (loss) per share applicable to common shareholders	$ 0.06	$ (0.03)	$ 0.03	$ 0.04	$ (0.04)	$ 0.00
Basic weighted average shares outstanding	44,561	—	44,561	46,989	—	46,989
Diluted income (loss) per share applicable to common shareholders	$ 0.05	$ (0.03)	$ 0.02	$ 0.03	$ (0.03)	$ 0.00
Diluted weighted average shares outstanding	55,497	—	55,497	58,646	—	58,646

	Three Months ended September 30, 2006			Three Months ended December 31, 2006		
	As previously reported	Adjustments	As Restated	As previously reported	Adjustments	As Restated
	(In thousands, except per share data)					
Revenues:						
Software licenses	$ 28,076	$ 42	$ 28,118	$ 60,866	$ (405)	$ 60,461
Service and other	36,246	(199)	36,047	35,549	(16)	35,533
Total revenues	64,322	(157)	64,165	96,415	(421)	95,994
Cost of revenues:						
Cost of software licenses	3,149	—	3,149	3,709	—	3,709
Cost of service and other	17,481	—	17,481	18,610	(147)	18,463
Amortization of technology related intangible assets	1,902	—	1,902	1,672	—	1,672
Total cost of revenues	22,532	—	22,532	23,991	(147)	23,844
Gross profit	41,790	(157)	41,633	72,424	(274)	72,150
Operating costs:						
Selling and marketing	21,210	—	21,210	22,118	—	22,118
Research and development	8,490	—	8,490	10,729	—	10,729
General and administrative	10,084	435	10,519	13,581	525	14,106
Restructuring charges and FTC legal costs	1,446	—	1,446	589	—	589
Loss (gain) on sales and disposals of assets	5,769	(5,784)	(15)	(194)	282	88
Total operating costs	46,999	(5,349)	41,650	46,823	807	47,630
Income (loss) from operations	(5,209)	5,192	(17)	25,601	(1,081)	24,520
Interest income	1,248	3,872	5,120	2,948	2,405	5,353
Interest expense	(481)	(4,107)	(4,588)	(128)	(4,610)	(4,738)
Foreign currency exchange gain (loss)	(94)	27	(67)	2,643	471	3,114
Income (loss) before provision for taxes	(4,536)	4,984	448	31,064	(2,815)	28,249
Benefit from (provision for) income taxes	(881)	(1,165)	(2,046)	(2,449)	(1,707)	(4,156)
Income (loss)	(5,417)	3,819	(1,598)	28,615	(4,522)	24,093
Accretion of preferred stock discount and dividend	(3,736)	—	(3,736)	(3,408)	—	(3,408)
Income (loss) applicable to common stockholders	$ (9,153)	$ 3,819	$ (5,334)	$ 25,207	$ (4,522)	$ 20,685
Basic income (loss) per share applicable to common shareholders	$ (0.17)	$ 0.07	$ (0.10)	$ 0.44	$ (0.08)	$ 0.36
Basic weighted average shares outstanding	52,801	—	52,801	57,059	—	57,059
Diluted income (loss) per share applicable to common shareholders	$ (0.17)	$ 0.07	$ (0.10)	$ 0.32	$ (0.05)	$ 0.27
Diluted weighted average shares outstanding	52,801	—	52,801	90,534	—	90,534

	Three Months ended March 31, 2007			
	As previously reported	Adjustments	As Restated	Three Months Ended June 30, 2007
	(In thousands, except per share data)			
Revenues:				
Software licenses	$ 43,608	$ (309)	$ 43,299	$ 67,883
Service and other	36,682	(481)	36,201	33,487
Total revenues	80,290	(790)	79,500	101,370
Cost of revenues:				
Cost of software licenses	3,571	—	3,571	4,159
Cost of service and other	18,620	—	18,620	17,862
Amortization of technology related intangible assets	1,632	—	1,632	1,340
Total cost of revenues	23,823	—	23,823	23,361
Gross profit	56,467	(790)	55,677	78,009
Operating costs:				
Selling and marketing	23,505	—	23,505	26,554
Research and development	12,120	—	12,120	11,364
General and administrative	10,857	545	11,402	14,983
Restructuring charges and FTC legal costs	1,597	—	1,597	1,002
Loss (gain) on sales and disposals of assets	695	(534)	161	98
Total operating costs	48,774	11	48,785	54,001
Income (loss) from operations	7,693	(801)	6,892	24,008
Interest income	2,652	2,982	5,634	5,802
Income expense	(174)	(4,495)	(4,669)	(4,618)
Foreign currency exchange gain (loss)	(130)	(46)	(176)	(3,605)
Income (loss) before provision for taxes	10,041	(2,360)	7,681	21,587
Benefit from (provision for) income taxes	(1,322)	(1,273)	(2,595)	(3,650)
Income (loss)	8,719	(3,633)	5,086	17,937
Accretion of preferred stock discount and dividend	(146)	—	(146)	—
Income (loss) applicable to common stockholders	$ 8,573	$ (3,633)	$ 4,940	$ 17,937
Basic income (loss) per share applicable to common shareholders	$ 0.10	$ (0.04)	$ 0.06	$ 0.20
Basic weighted average shares outstanding	86,228	—	86,228	88,472
Diluted income (loss) per share applicable to common shareholders	$ 0.10	$ (0.04)	$ 0.06	$ 0.19
Diluted weighted average shares outstanding	91,614	262	91,876	93,299

(1) See Note 17 of the Notes to the Consolidated Financial Statements.

Liquidity and Capital Resources

Resources

We historically have financed our operations through cash generated from operating activities, public offerings of our convertible debentures and common stock, private offerings of our preferred stock and common stock, borrowings secured by our installment receivable contracts and borrowings under bank credit facilities. As of June 30, 2007, we had cash and cash equivalents totaling $132.3 million. We believe our current cash balances, future cash flows from our operations, and cash from future borrowings secured by installment receivable contracts will be sufficient to meet our anticipated cash needs for at least the next twelve months. However, we may need to obtain additional financing thereafter or earlier if our current plans and projections prove to be inaccurate or our expected cash flows prove to be insufficient to fund our operations because of lower-than-expected revenues, unanticipated expenses or other unforeseen difficulties. In addition, we may seek to take advantage of favorable market conditions by raising additional funds from time to time through public or private security offerings, debt financings, strategic alliances or other financing sources. Our ability to obtain additional financing will depend on a number of factors, including market conditions, our operating performance and investor interest. These factors may make the timing, amount, terms and conditions of any financing unattractive. They may also result in our incurring additional indebtedness or accepting stockholder dilution. If adequate funds are not available or are not available on acceptable terms, we may have to forego strategic acquisitions or investments, reduce or defer our development activities, or delay our introduction of new products and services. Any of these actions may seriously harm our business and operating results.

Operating Cash Flow

In fiscal 2007, operating activities provided $55.7 million of cash as net income, plus non-cash expenses for stock-based compensation and depreciation and amortization totaling $30.5 million, was partially offset by a $30.9 million increase in installments receivables, primarily related to the sale of receivables to Key Bank, the proceeds from which are presented as a component of cash from financing activities. Accrued expenses increased by $1.8 million due to increases in accruals for income taxes and professional fees associated with the restatement of our financial statements.

Financing Activities

In fiscal 2007, cash used in by financing activities was $2.2 million primarily due to the cash payment of $34.0 million for accumulated dividends upon the conversion of Series D-1 and Series D-2 preferred into common stock in December 2006 and January 2007. This was partially offset by $8.5 million in proceeds from employee stock plans along with net proceeds in excess of secured borrowing payments which was $23.7 million, primarily resulting from the $20.0 million of proceeds upon the closing of the securitization facility in the first quarter of fiscal 2007.

Historically, we have financed our operations principally through cash generated from public offerings of our convertible debentures and common stock, private offerings of our preferred stock and common stock, operating activities, and borrowings secured by our installment receivable contracts.

Borrowings collateralized by receivable contracts

Traditional Programs

We historically have maintained arrangements with financial institutions providing for borrowings that are secured by our installment and other receivable contracts, and for which limited recourse exists against us. Under our arrangements with General Electric Capital Corporation, Bank of America and Silicon Valley Bank, which we refer to as the Traditional Programs, both parties must agree to enter

into each transaction and negotiate the borrowing amount and interest rate secured by each receivable. The customers' payments of the underlying receivables fund the repayment of the related borrowing amount. The weighted average interest rate on the secured borrowings was 7.5% at June 30, 2007.

The amount of total collateralized receivables for the Traditional Programs approximates the amount of the secured borrowings recorded in the consolidated balance sheet. The collateralized receivables earn interest income and the secured borrowings accrue borrowing costs at approximately the same interest rates. The secured borrowings and collateralized receivables are reduced as the related customer receivable is collected. The terms of the customer accounts receivable range from amounts that are due within 30 days to installment receivables that are due over five years. We act as the servicer for the receivables in one of the three arrangements.

Under these arrangements, we received aggregate cash proceeds of $115.7 million, $110.5 million and $148.9 million during fiscal 2005, 2006 and 2007, respectively. As of June 30, 2007, we had outstanding secured borrowings of $180.3 million that were secured by collateralized receivables totaling $183.2 million.

Availability under these arrangements is dependent upon our generation of additional customer receivables and the financial institutions' willingness to continue to enter into these transactions. We estimate that there was in excess of $64.0 million available under the Traditional Programs at June 30, 2007. We expect to continue to have the ability to borrow under the Traditional Programs, as the collection of the collateralized receivables and resulting payment of the borrowing obligation will reduce the outstanding balance, and the availability under the arrangements can be increased.

Under the terms of the Traditional Programs, we have transferred the receivables to the financial institutions with limited financial recourse. Potential recourse obligations are primarily related to one program that requires us to pay interest to the financial institution when the underlying customer has not paid by the installment due date. This recourse is limited to a maximum period of 90 days after the due date. The amount of outstanding installment receivables that has this potential recourse obligation is $51.5 million at June 30, 2007. This recourse obligation is recognized as interest expense as incurred and totaled $0.5 million, $0.4 million, and $0.7 million for the years ended June 30, 2005, 2006, and 2007, respectively. In addition, we have recourse obligations totaling $1.5 million at June 30, 2007 if the underlying installment receivable is not paid by the customer. This recourse obligation is in the form of a deferred payment by the financial institution that is withheld until customer payments are received. Otherwise, recourse generally results from circumstances in which we failed to perform requirements related its contracts with the customer. Other than the specific items noted above, the financial institutions bear the credit risk associated with the customer whose receivable it purchased.

Securitization of Accounts Receivable

The securitization transactions in fiscal 2005 and 2007 described below include collateralized receivables whose value exceeds the related borrowings from the financial institutions. We receive and retain collections on these securitized receivables after all borrowing and related costs are paid to the financial institution. The financial institutions' rights to repayment are limited to the payments received from the collateralized receivables. The carrying value of the collateralized receivables at June 30, 2007 under these arrangements was $61.9 million and the secured borrowings totaled $25.8 million. The collateralized receivables earn interest income and the secured borrowings result in interest expense. The secured borrowings incur a higher interest rate than the implicit rates in the receivables. We act as the servicer under both of these arrangements and the customer collections are used to repay the secured borrowings, interest, and related costs.

Fiscal 2005 Securitization

On June 15, 2005, we securitized and transferred installments receivable with a net carrying value of $71.9 million and received cash proceeds of $43.8 million. The transfers of installments receivable to the securitization facility did not qualify as a sale for accounting purposes and has been accounted for as a secured borrowing. These borrowings are secured by collateralized receivables and the debt and borrowing costs are repaid as the receivables are collected. We capitalized $2.1 million of debt issuance costs associated with this transaction and these costs are being recognized in interest expense using the effective interest method. Accumulated amortization of the debt issue costs were $1.2 million and $1.9 million at June 30, 2006 and 2007, respectively. Amortization expense of the debt issuance costs was $1.1 million and $0.7 million for the years ended June 30, 2006 and 2007, respectively.

Fiscal 2007 Securitization

On September 29, 2006, we entered into a three-year revolving securitization facility and securitized and transferred installments receivable with a net carrying value of $32.1 million and received cash proceeds of $20.0 million. The transfers of installments receivable to the securitization facility did not qualify as a sale for accounting purposes and have been accounted for as a secured borrowing. These borrowings are secured by collateralized receivables and the debt and borrowing costs are repaid as the receivables are collected. We capitalized $1.1 million of debt issuance costs associated with this transaction and these costs are being recognized in interest expense using the effective interest method. Accumulated amortization of the debt issue costs was $0.4 million at June 30, 2007.

In December 2007, we paid the outstanding amount of the Fiscal 2005 securitization at its carrying value. The unamortized debt issue costs were charged to expense at the time.

We had been in violation of certain covenants related to the Fiscal 2007 Securitization due to the delay in filing our financial statements and other violations. The secured borrowings under this arrangement have been classified in the current portion of secured borrowings. In March 2008, we paid the outstanding amount of the Fiscal 2007 Securitization at its carrying value plus a termination fee of $0.8 million, and this securitization is no longer available. The unamortized debt issue costs were charged to expense at the time.

Credit Facility

In January 2003 and through subsequent amendments, we executed a loan arrangement with Silicon Valley Bank. This arrangement provides a line of credit of up to the lesser of (1) $15.0 million or (2) 70% of eligible domestic receivables, and a line of credit of up to the lesser of (1) $10.0 million or (2) 80% of eligible foreign receivables. The lines of credit bear interest at the bank's prime rate (8.25% at June 30, 2007). We are required to maintain a $4.0 million compensating cash balance with the bank, or be subject to an unused line of credit fee and collateral handling fees. The lines of credit are collateralized by nearly all of our assets, and upon achieving certain net income targets, the collateral will be reduced to a lien on our accounts and installments receivable that are not already pledged as collateral against the secured borrowings. We are required to meet certain financial covenants, including minimum tangible net worth, minimum cash balances and an adjusted quick ratio. The terms of the loan arrangement restrict our ability to pay dividends, with the exception of dividends paid in common stock or preferred stock dividends in cash.

As of June 30, 2007, there were $7.4 million in letters of credit outstanding under the line of credit, and there was $13.1 million available for future borrowing. On October 16, 2007, we executed an amendment to the Loan Arrangement that adjusted the terms of certain financial covenants, including modifying the date we must provide monthly unaudited and annual audited financial statements to the bank. The loan arrangement expires in May 2008. We are currently in negotiations to

either: (i) extend this line of credit with our current lender and amend the terms of the facility; or (ii) obtain a facility from another lender.

Requirements

Capital Expenditures

In fiscal 2007, investing activities used $7.9 million of cash primarily as a result of the capitalization of internal use computer software development costs and the ordinary purchases of property and equipment. In fiscal 2005 and 2006, investing activities used $11.8 million and $10.5 million of cash, respectively. We expect to spend $8.0 million for capital expenditures in fiscal 2008, primarily for additional purchases of internal use software and computer equipment. We are not currently party to any purchase contracts related to future capital expenditures.

Management is currently implementing a computer system and other related changes, which are being designed and implemented in part to remediate our material weaknesses and significant deficiencies. Management currently believes that the costs for such remediation activities, a substantial portion of which are expected to be incurred to upgrade our existing financial applications, could be material.

Contractual obligations and requirements

As described above, we have transferred receivables under our receivable sale facilities and these transactions have been classified as secured borrowings for accounting purposes. Repayment of these borrowings are funded by the payments made by the customer either directly to the applicable financial institution or to us as agent, with limited or no financial recourse to us. Accordingly, we do not have any contractual obligation to fund these payments, as the scheduled payments are not our obligation and there are no financial guarantees issued in relation to these transactions. The table below excludes these transactions as we do not have a contractual payment obligation.

Our contractual obligations at June 30, 2007 primarily consisted of operating leases for our headquarters and other facilities, sub-contractor purchase commitments, and other debt obligations. Other than these, there were no other commitments for capital or other expenditures. Our obligations related to these items at June 30, 2007 were as follows (in thousands):

	2008	2009	2010	2011	2012	Thereafter	Total
Operating leases	$ 13,317	$ 11,309	$ 9,674	$ 8,631	$ 7,395	$ 11,616	$ 61,942
Purchase commitment	750	—	—	—	—	—	750
Term debt	193	—	—	—	—	—	193
Total commitments	$ 14,260	$ 11,309	$ 9,674	$ 8,631	$ 7,395	$ 11,616	$ 62,885

Total contractual future sublease rental income as of June 30, 2007 was $7.2 million, which is not included in the above table.

On September 5, 2007, we entered into an additional sublease agreement related to our former office space in Cambridge, Massachusetts, effective October 1, 2007 for approximately 50,000 square feet that expires on September 30, 2012. This new sublease agreement represents $5.5 million of scheduled sublease payments not included in the above table.

Effective September 1, 2007, the landlord terminated a portion of our lease in Houston, Texas with respect to approximately 14,000 square feet of the original leased space. This termination agreement has not been included in the above table and represents future reductions of $2.6 million in lease payments.

See Note 12 of the Notes to the Consolidated Financial Statements under the caption of "Operating Leases" for additional disclosure.

Income Taxes

We have recorded $28.7 million for estimated tax liabilities including $22.0 million for estimated tax contingencies as further described in Note 11 of the Notes to the Consolidated Financial Statements. The actual amounts incurred upon settlement of these estimated liabilities could be materially different than the estimates recorded, and the timing of potential settlement for the matters which comprise the estimated liability is not presently known.

Dividends

In accordance with our charter, upon each conversion of shares of our Series D-1 or D-2 convertible preferred stock into common stock, we paid a cash dividend in the amount of the dividends accumulated with respect to those shares from their original issue date to the conversion date. We paid to the holders of those shares a total of $2.4 million upon the conversion of 30,000 shares of Series D-1 convertible preferred stock into 3,000,000 shares of common stock in May 2006 and an additional $27.4 million upon the conversion of the remaining 270,300 shares of Series D-1 convertible preferred stock into 27,030,000 shares of common stock in December 2006. We paid $6.6 million to the holder of our Series D-2 convertible preferred stock upon conversion of all of the 63,064 outstanding shares of such preferred stock into 6,306,400 shares of common stock in January 2007.

Retirement of Convertible Debt

On June 15, 2005, we paid $58.2 million to retire the entire outstanding principal amount of our convertible debentures, together with interest accrued thereon. We funded this payment with (a) $8.6 million of our existing cash, (b) $5.8 million obtained from borrowings secured by our sales of installments receivable under our existing receivables programs with Silicon Valley Bank and GE Capital Corporation, and (c) $43.8 million through the Fiscal 2005 securitization transaction described above.

Inflation

Inflation has not had a significant impact on our operating results to date and we do not expect inflation to have a significant impact during fiscal 2008.

New Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, "Accounting for Uncertain Tax Positions, an Interpretation of FASB Statement No. 109," or FIN 48, which clarifies the criteria for recognition and measurement of benefits from uncertain tax positions. Under FIN 48, an entity should recognize a tax benefit when it is "more-likely-than-not," based on the technical merits, that the position would be sustained upon examination by a taxing authority. The amount to be recognized, if the "more-likely-than-not" threshold was passed, should be measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. Furthermore, any change in the recognition, derecognition or measurement of a tax position should be recognized in the period in which the change occurs.

We adopted FIN 48 as of July 1, 2007, and any change in net assets as a result of applying FIN 48 is recognized as an adjustment to accumulated deficit on that date. As a result of the implementation of FIN 48 on July 1, 2007, we recognized an increase of approximately $3.0 million in the liability for unrecognized tax benefits, which was accounted for as an increase to the accumulated deficit. In

addition, as of July 1, 2007, we had $7.4 million of deferred tax assets which have been derecognized upon adoption of FIN 48. These amounts did not result in an adjustment to the accumulated deficit at July 1, 2007 as a result of the full valuation allowance recorded against these deferred tax assets.

We have historically accounted for interest and penalties related to uncertain tax positions as part of our provision for income taxes. Upon adoption of FIN 48, we will continue this classification. As of June 30, 2007, we had accrued $6.9 million of interest and penalties related to uncertain tax positions. Prior to July 1, 2007, we classified income taxes payable as a current liability. Under FIN 48, we are required to classify those obligations that are expected to be paid within the next twelve months as a current obligation and the remainder as a non-current obligation. As of July 1, 2007, we classified $10.6 million as non-current obligations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." SFAS No. 157 establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 emphasizes that fair value measurement is market-based, not entity-specific, and establishes a fair value hierarchy in which the highest priority is quoted prices in active markets. Under SFAS No. 157, fair value measurements are disclosed according to their level within this hierarchy. SFASNo. 157 is effective for fiscal years beginning after November 15, 2007 except for nonrecurring fair value measurements of nonfinancial assets and nonfinancial liabilities, for which the effective date is fiscal years beginning after November 15, 2008. We have not yet determined the effect that the application of SFAS No. 157 will have on our consolidated financial statements.

In February 2007 the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS No. 159 permits entities to measure many financial instruments and certain other items at fair value and provides entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. Once an entity has elected the fair value option for designated financial instruments and other items, changes in fair value must be recognized in the statement of operations. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. We have not yet determined the effect that theapplication of SFAS No. 159 will have on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations," which replaces SFAS No. 141. SFAS No. 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. The Statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective for fiscal years beginning after December 15, 2008. We expect SFAS No. 141R will have an impact on accounting for business combinations once adopted but the effect will be primarily dependent upon future acquisitions.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements—an amendment of Accounting Research Bulletin No. 51," ("SFAS No. 160") which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. We have not yet determined the effect that the application of SFAS No. 160 will have on our consolidated financial statements, although no minority interests are reported as of June 30, 2007.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133." This statement changes the disclosure requirements for derivative instruments and hedging activities. SFAS No. 161 requires enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. We have not yet determined the effect that the application of SFAS No. 161 will have on our consolidated financial statements.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

Investment Portfolio

We do not use derivative financial instruments in our investment portfolio. We place our investments in instruments that meet high credit quality standards, as specified in our investment policy guidelines. We do not expect any material loss with respect to our investment portfolio from changes in market interest rates or credit losses. At June 30, 2007, all of the instruments in our investment portfolio were included in cash and cash equivalents.

Impact of Foreign Currency Rate Changes

During fiscal 2007, the U.S. dollar weakened against currencies for countries in which we have local operations, primarily in Europe, Canada and the Asia-Pacific region. The remeasurement of our intercompany receivables and payables are recorded as unrealized transactions gains or losses in our consolidated statement of operations as foreign currency exchange gain (loss) unless such intercompany foreign currency balances qualify for accounting as a translation adjustment within stockholders' equity. Our primary foreign currency exposures relate to customer installment receivables, which are foreign denominated. Foreign exchange forward contracts are purchased to hedge certain customer accounts and installments receivable contract amounts (both held and transferred) that are denominated in a foreign currency.

Foreign Exchange Hedging

We enter into foreign exchange forward contracts to mitigate our exposure to currency fluctuations on customer installments receivable contracts denominated in foreign currencies. We do not use derivative financial instruments for speculative or trading purposes, however, our derivative positions are not accounted for as accounting hedges. We had $26.9 million of foreign exchange forward contracts denominated in British, Japanese, Swiss, Euro and Canadian currencies, which related to underlying customer installments receivable transactions at June 30, 2007. The underlying customer installments receivable transactions consisted of assets carried on our balance sheet, for which we retain the exposure associated with changes in foreign exchange rates. At each balance sheet date, the foreign exchange forward contracts and the related installment receivable contracts denominated in foreign currencies are revalued based on the current market exchange rates. Resulting gains and losses are included in earnings. Gains and losses related to these instruments for fiscal 2007 were not material to our financial position. We do not anticipate any material adverse effect on our consolidated financial position, operating results or cash flows resulting from the use of these instruments. There can be no assurance, however, that these strategies will be effective or that transaction losses can be limited or forecasted accurately.

The following table summarizes our forward contracts to sell foreign currencies for U.S. dollars at June 30, 2007. All of these contracts represented customer accounts and installments receivable contracts. The table presents the value of the contracts in U.S. dollars at the contract exchange rate as

of the contract maturity date. The fair value of the contracts as of June 30, 2007 was a loss of $0.6 million.

Currency	Forward Amount in U.S. Dollars	Contract Origination Date	Contract Maturity Date
	($ in thousands)		
Euro	$ 17,610	Various: July 06-June 07	Various: July 07-April 08
British Pound Sterling	4,619	Various: July 06-June 07	Various: July 07-March 08
Japanese Yen	2,787	Various: July 06-June 07	Various: July 07-May 08
Canadian Dollar	1,611	Various: September 06-June 07	Various: July 07-March 08
Swiss Franc	306	Various: May 07-June 07	Various: August 07-September 07
Total	$ 26,933		

Installment receivable contracts

The installment receivable contracts are financial instruments subject to market risk from changes in interest rates. Fluctuations in interest rates of 1% would result in approximately a $3.5 million dollar change on the fair market value of the receivables.

Item 8. ***Financial Statements and Supplementary Data***

Our consolidated financial statements are filed as a part of this Form 10-K beginning on page F-1 and are incorporated herein by reference.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

On January 10, 2008, Deloitte & Touche LLP ("Deloitte") informed our Audit Committee that Deloitte declined to stand for re-appointment as our independent registered public accounting firm for the fiscal 2008 audit. However, Deloitte agreed to be engaged for the review of our interim consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2007. On March 12, 2008, the Audit Committee appointed KPMG LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2008.

During the fiscal years ended June 30, 2006 and 2007 and through the subsequent interim period preceding such resignation, there was no disagreement between us and Deloitte on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that, if not resolved to Deloitte's satisfaction, would have caused Deloitte to make reference to the subject matter of the disagreement in connection with its audit report. There were no "reportable events" as that term is described in Item 304(a)(1)(v) of Regulation S-K during the fiscal years ended June 30, 2006 and 2007 or the subsequent interim periods through September 30, 2007, except for the material weaknesses in our internal control over financial reporting as of June 30, 2007 reported in Item 9A of this Form 10-K. Deloitte has not expressed any opinion on our internal control over financial reporting on any date subsequent to June 30, 2007.

Item 9A. ***Controls and Procedures***

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2007. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act, means controls and other procedures of a company that are designed to ensure that

information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2007, and due to the material weaknesses in our internal control over financial reporting described in our accompanying *Management's Report on Internal Control over Financial Reporting*, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were not effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Exchange Act, as a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

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

Our management, including our chief executive officer and chief financial officer, assessed the effectiveness of our internal controls over financial reporting as of June 30, 2007. In connection with this assessment, we identified the following five material weaknesses in internal control over financial reporting as of June 30, 2007. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework*. Because of the material weaknesses described below, management believes that, as of June 30, 2007, our internal control over financial reporting was not effective based on this criteria.

1) *Inadequate and ineffective controls over the periodic financial close process*

We did not have adequate design or operation of controls that provided reasonable assurance that financial statements could be prepared in accordance with GAAP. Specifically, we did not have adequate controls and procedures with respect to the (a) accounting for complex non-routine transactions, including the accounting for transfers of installment and accounts receivable as discussed below; (b) sufficient personnel with an appropriate level of technical accounting knowledge, experience, and training; (c) review of manual journal entries recorded; (d) timely preparation and review of period-end account analyses and timely disposition of any required adjustments; (e) proper consolidation and accounting for all intercompany activities including those denominated in local currencies; and (f) timely reconciliation and recording of stock-based awards. This material weakness contributed to the restatement of the financial statements for fiscal 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in the financial statements as of and for fiscal 2007. These adjustments resulted in changes to assets, liabilities, stockholders' equity, revenues and expenses.

2) *Inadequate and ineffective controls over the accounting for transfers of customer installment and accounts receivables under receivable sale facilities*

We did not have adequate design or operation of controls to provide reasonable assurance that the amount or method of consolidation of new and outstanding installment and accounts receivables was allowable and properly accounted for as a sale of assets or a secured borrowing under the terms of the applicable receivable sale facilities. Controls also did not operate to ensure that only eligible assets were initially transferred under the receivable sale facilities. This weakness contributed to the restatement of the financial statements for fiscal 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in the financial statements as of and for fiscal 2007. These adjustments caused changes in collateralized receivables, retained interest in sold receivables, prepaid expenses, other assets, accrued expenses, secured borrowings, gain or loss on disposals of assets, general and administrative expenses, interest income, interest expense, and currency gains and losses on retained assets which are reflected in the accompanying financial statements.

3) *Inadequate and ineffective controls over income tax accounting and disclosure*

We did not have adequate design or operation of controls to provide reasonable assurance that the accounting for income taxes and related disclosures were prepared in accordance with GAAP. This material weakness contributed to the restatement of the financial statements for fiscal 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in the financial statements as of and for fiscal 2007. These adjustments caused changes to income taxes payable, deferred income tax assets and liabilities, valuation allowance, income tax provision, and disclosures of such amounts.

4) *Inadequate and ineffective controls over the recognition of revenue*

We did not have adequate design or operation of controls to provide reasonable assurance that (a) non-routine revenue arrangements are properly documented and accounted for; (b) license revenue as part of multiple-element service arrangements, where such services are bundled, is properly accounted for under GAAP; (c) estimated total costs for fixed price services arrangements are updated on a timely basis; (d) creditworthiness of customers is adequately assessed and documented; and (e) the present value of license contracts with extended payment terms is recorded using a discount rate appropriate for the customer. This material weakness contributed to the restatement of the financial statements for fiscal 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in

the financial statements as of and for fiscal 2007. These adjustments caused changes in revenue, interest income, accounts receivable, unbilled services, and deferred revenue.

5) *Ineffective and inadequate controls over the accounts receivable function*

We did not have adequate design or operation of controls to provide reasonable assurance that accounts receivable ledgers were properly maintained and valuation adjustments were properly recognized. Specifically, our controls did not ensure that (a) accurate and complete information as to our ability to collect outstanding installment and accounts receivables is captured and used to record sufficient provisions for doubtful accounts; (b) interest income on installment receivables is appropriately classified within the statement of operations; (c) credits and adjustments for sales and withholding taxes are properly recorded; and (d) professional services delivered but not billed are properly presented in the balance sheet. This material weakness contributed to the restatement of the financial statements for fiscal 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in the financial statements as of and for fiscal 2007. These adjustments caused changes in the valuation of accounts and installments receivable, unbilled receivables, accrued expenses, deferred revenue, revenue, general and administrative expenses and interest income.

Deloitte & Touche LLP, our independent registered public accounting firm, has issued an attest report on our assessment of our internal control over financial reporting. This report appears below.

Changes in Internal Control Over Financial Reporting

For the first three quarters of the year ended June 30, 2007, we reported within the applicable Form 10-Q material changes made to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) intended to address our previously reported material weaknesses. During the quarter ended June 30, 2007, no additional changes were identified to our internal control over financial reporting that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting except for the material weaknesses related to the accounting for transfers of customer installments and accounts receivables under receivable sale facilities and recognition of revenue discussed above.

Although the remedial measures implemented and reported in prior quarters improved our internal control over financial reporting in certain respects, our processes and systems require further improvement and are dependent upon the training and effectiveness of a number of qualified finance and accounting staff that were hired in the fiscal year. As discussed above, our management expects to continue to develop our remediation plans and implement additional changes to our internal control over financial reporting during fiscal 2008 and possibly into fiscal 2009.

Remediation Plans

Management has identified the following measures to strengthen our internal control over financial reporting and to address the material weaknesses described above. We began implementing certain of these measures prior to the filing of this Form 10-K but changes made to our internal controls have not yet been in place for a sufficient time to have had a significant effect. We expect to continue to develop our remediation plans and implement additional measures during our fiscal year 2008 and possibly into fiscal 2009.

In order to improve controls over the periodic financial close process, we intend to:

- Complete the upgrade of our existing financial applications, which is designed to streamline the capturing of relevant data, improve the general ledger and entity account level reporting structures and enhance the information query and reporting capability for the consolidated books worldwide;

- Complete the consolidation of financial operations into three global centers;
- Continue to assess training requirements and adequacy and expertise of the finance and accounting staff on a global basis;
- Further improve the periodic financial close process through the use of a detailed financial close plan and enhanced review of manual journal entries, account reconciliations, estimates and judgments and consolidation schedules;
- Assess the adequacy of the systems and procedures used to track and account for stock-based awards;
- Further simplify the legal entity structure; and
- Further enhance procedures to help ensure that the proper accounting for all complex non-routine transactions is researched, detailed in memoranda and reviewed by senior management prior to recording.

In order to improve controls over the accounting for transfers of customer installment and accounts receivables under receivable sale facilities, we intend to:

- Enhance procedures, including increased management review and approval of receivable transfers under receivable sale facilities and development of appropriate systems and reporting mechanisms, to ensure that transactions are allowable and properly accounted for as a sale of assets or secured borrowing under the terms of the receivable sale facilities;
- Enhance receivable reconciliation procedures to ensure that only valid receivables are included on internal reports used to identify receivables eligible for transfer; and,
- Improve reporting and review procedures between the company and the financial institutions who participate in the receivable sales facilities.

In order to improve controls over income tax accounting and disclosure, we intend to:

- Enhance our policies and procedures for determining and documenting income tax liabilities and contingencies;
- Enhance our policies and procedures for determining, documenting and calculating our tax provisions in accordance with the applicable tax code and the determination of deferred income tax assets and liabilities including stock based compensation, tax credits, net operating loss carryforwards and limitations thereto as defined under section 382 of the Internal Revenue Code of 1986, as amended; and
- Increase the number of personnel or use of outside advisors with specialized corporate and international tax expertise.

In order to improve controls over the recognition of revenue, we intend to:

- Increase the frequency, scope and tracking of training on revenue recognition for our sales and services organizations, executive management, regional finance, accounting and operations personnel;
- Hire additional personnel in regional finance and revenue accounting with expertise in software revenue recognition;
- Enhance review procedures for contracts containing both license and service elements;
- Enhance the process used to determine the estimated discount rate for the present value of license contracts with extended payment terms;

- Enhance contract review documentation and procedures to identify and accurately account for non-routine arrangements with customers;

- Revise the credit approval policy to include guidelines for the establishment and approval of customer credit limits and further define procedures for the ongoing monitoring of customer receivable balances;

- Improve procedures to identify and monitor customers who are approved on a pre-payment basis and ensure the underlying revenue transactions are accurately accounted for; and

- Formalize and document a quarterly review of estimated total costs for fixed price professional services projects and analyze significant variances to actual costs.

In order to improve controls over the accounts receivable function we intend to:

- Enhance procedures for the review and approval of customer credit memos and adjustments including a monthly reconciliation of authorized amounts to actual credits and adjustments recorded;

- Increase the level and frequency of review of professional services projects with unbilled and unearned balances to ensure that amounts recorded as unbilled services or deferred revenue are valid and accurate and provisions for uncollectible amounts are sufficient;

- Increase the level and frequency of review of past due accounts and related installments in the accounts receivable aging on a global basis;

- Assess training requirements and adequacy and expertise of the collections and accounts receivable staff on a global basis; and

- Assess the adequacy of the accounting applications deployed to service accounts receivable which have been sold.

If the remedial measures described above are insufficient to address any of the identified material weaknesses, or additional deficiencies that may arise in the future, material misstatements in our interim or annual financial statements may occur in the future. We are currently implementing an enhanced controls environment intended to address the material weaknesses in our internal control over financial reporting and to remedy the ineffectiveness of our disclosure controls and procedures. While this implementation phase is underway, we are relying on extensive manual procedures, including regular reviews, to assist us with meeting the objectives otherwise fulfilled by an effective internal control environment. Among other things, any unremediated material weaknesses could result in material post-closing adjustments in future financial statements. Furthermore, any such unremediated material weaknesses could have the effects described in "Item 1A. Risk Factors—In preparing our consolidated financial statements, we identified material weaknesses in our internal control over financial reporting, and our failure to remedy effectively the five material weaknesses identified as of June 30, 2007 could result in material misstatements in our financial statements" in Part I of this Form 10-K.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Aspen Technology, Inc.
Burlington, Massachusetts

We have audited management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Aspen Technology, Inc. and subsidiaries (the "Company") did not maintain effective internal control over financial reporting as of June 30, 2007, because of the effect of the material weaknesses identified in management's assessment based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

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

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

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

1. ***Inadequate and ineffective controls over the periodic financial close process***

The Company did not have adequate design or operation of controls that provided reasonable assurance that financial statements could be prepared in accordance with accounting principles

generally accepted in the United States of America ("GAAP"). Specifically, the Company did not have adequate controls and procedures with respect to the (a) accounting for complex non-routine transactions, including the accounting for transfers of installment and accounts receivable as discussed below; (b) sufficient personnel with an appropriate level of technical accounting knowledge, experience, and training; (c) review of manual journal entries recorded; (d) timely preparation and review of period-end account analyses and timely disposition of any required adjustments; (e) proper consolidation and accounting for all intercompany activities including those denominated in local currencies; and (f) timely reconciliation and recording of stock-based awards. This material weakness contributed to the restatement of the Company's financial statements for the years ended June 30, 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in the Company's financial statements as of and for the year ended June 30, 2007. These adjustments resulted in changes to assets, liabilities, stockholders' equity, revenues and expenses. This weakness could continue to materially impact the Company's financial statements.

2. ***Inadequate and ineffective controls over the accounting for transfers of customer installment and accounts receivables under receivable sale facilities***

The Company did not have adequate design or operation of controls to provide reasonable assurance that the amount or method of consolidation of new and outstanding installment and accounts receivables was allowable and properly accounted for as a sale of assets or a secured borrowing under the terms of the applicable receivable sale facilities. Controls also did not operate to ensure that only eligible assets were initially transferred under the receivable sale facilities. This weakness contributed to the restatement of the Company's financial statements for the years ended June 30, 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in the Company's financial statements as of and for the year ended June 30, 2007. These adjustments caused changes in collateralized receivables, retained interest in sold receivables, prepaid expenses, other assets, accrued expenses, secured borrowings, gain or loss on disposals of assets, general and administrative expenses, interest income, interest expense, and currency gains and losses on retained assets which are reflected in the accompanying financial statements. This weakness could continue to materially impact the balances in the accounts previously mentioned.

3. ***Inadequate and ineffective controls over income tax accounting and disclosure***

The Company did not have adequate design or operation of controls to provide reasonable assurance that the accounting for income taxes and related disclosures were prepared in accordance with GAAP. This material weakness contributed to the restatement of the Company's financial statements for the years ended June 30, 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in the Company's financial statements as of and for the year ended June 30, 2007. These adjustments caused changes to income taxes payable, deferred income tax assets and liabilities, valuation allowance, income tax provision, and disclosures of such amounts. This weakness could continue to materially impact the balances in the accounts previously mentioned.

4. ***Inadequate and ineffective controls over the recognition of revenue***

The Company did not have adequate design or operation of controls to provide reasonable assurance that (a) non-routine revenue arrangements are properly documented and accounted for; (b) license revenue as part of multiple-element service arrangements, where such services are bundled, is properly accounted for under GAAP; (c) estimated total costs for fixed price services arrangements are updated on a timely basis; (d) creditworthiness of customers is adequately assessed and documented; and (e) the present value of license contracts with extended payment terms is recorded using a discount rate appropriate for the customer. This material weakness

contributed to the restatement of the Company's financial statements for the years ended June 30, 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in the Company's financial statements as of and for the year ended June 30, 2007. These adjustments caused changes in revenue, interest income, accounts receivable, unbilled services, and deferred revenue. This weakness could continue to materially impact the balances in the accounts previously mentioned.

5. ***Ineffective and inadequate controls over the accounts receivable function***

The Company did not have adequate design or operation of controls to provide reasonable assurance that accounts receivable ledgers were properly maintained and valuation adjustments were properly recognized. Specifically, the Company's controls did not ensure that (a) accurate and complete information as to the Company's ability to collect outstanding installment and accounts receivables is captured and used to record sufficient provisions for doubtful accounts; (b) interest income on installment receivables is appropriately classified within the statement of operations; (c) credits and adjustments for sales and withholding taxes are properly recorded; and (d) professional services delivered but not billed are properly presented in the balance sheet. This material weakness contributed to the restatement of the Company's financial statements for the years ended June 30, 2005 and 2006, as discussed in Note 17 of the Notes to the Consolidated Financial Statements, and material post closing adjustments reflected in the Company's financial statements as of and for the year ended June 30, 2007. These adjustments caused changes in the valuation of accounts and installments receivable, unbilled receivables, accrued expenses, deferred revenue, revenue, general and administrative expenses and interest income. This weakness could continue to materially impact the balances of all of the accounts previously mentioned.

These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended June 30, 2007 of the Company, and this report does not affect our report on such financial statements.

In our opinion, management's assessment that the Company did not maintain effective internal control over financial reporting as of June 30, 2007, is fairly stated, in all material respects, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of June 30, 2007, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended June 30, 2007, of the Company and our report dated April 11, 2008 expressed an unqualified opinion on those financial statements and included an explanatory paragraph relating to the restatement of the Company's consolidated financial statements described in Note 17.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
April 11, 2008

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors and Executive Officers of the Registrant***

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors, including their ages, as of November 1, 2007:

Mark E. Fusco *President, Chief Executive Officer, and Director*	Mr. Fusco has served as our President and Chief Executive Officer since January 2005 and as one of our directors since December 2003. Mr. Fusco served as president and chief operating officer of Ajilon Consulting, an information technology consulting firm, from May 2002 to January 2005, and as executive vice president of Ajilon Consulting from 1999 to May 2002. Mr. Fusco was a co-founder of Software Quality Partners, an information technology consulting firm specializing in software quality assurance and testing that was acquired by Ajilon Consulting in 1999, and served as president of Software Quality Partners from 1994 to 1999. From 1994 to 1999, Mr. Fusco also served as president of Analysis and Computer Systems, Inc., a producer of simulation and test equipment for digital communications in the defense industry. Prior to his business career, Mr. Fusco was a professional ice hockey player for the National Hockey League team the Hartford Whalers and was a member of the 1984 U.S. Olympic ice hockey team. He holds a B.A. in Economics from Harvard College and an M.B.A. from the Harvard Graduate School of Business Administration. Mr. Fusco is 46 years old.
Antonio J. Pietri *Executive Vice President, Field Operations*	Mr. Pietri has served as our Executive Vice President, Field Operations since July 2007. Mr. Pietri served as our Senior Vice President and Managing Director for the APAC Region from 2002 to June 2007. From 1996 until 2002, he held various positions with our company. From 1992 to 1996, he was at Setpoint Systems, Inc., which we acquired, and before that he worked at ABB Simcon and AECTRA Refining and Marketing, Inc. He holds an M.B.A. from the University of Houston and a B.S. in Chemical Engineering from the University of Tulsa. Mr. Pietri is 42 years old.
Bradley T. Miller *Senior Vice President and Chief Financial Officer*	Mr. Miller has served as our Senior Vice President and Chief Financial Officer since September 2006. From September 2005 to September 2006, Mr. Miller served as senior vice president and chief financial officer of Viisage Technology, Inc., an identity solutions technology company. From May 2004 to August 2005, Mr. Miller was vice president of finance, corporate controller and chief accounting officer of Sonus Networks, Inc., a provider of voice infrastructure products. From 2000 through May 2004, Mr. Miller was with Sapient

	Corporation, an information technology and business consulting firm, initially as corporate controller. He was subsequently appointed vice president in 2001 and chief accounting officer in November 2002. Mr. Miller previously was a member of the audit practice with Coopers & Lybrand, where he earned his C.P.A. license. He has a B.A. from the College of William and Mary and an M.B.A. from the University of New Hampshire. Mr. Miller is 46 years old.
Frederic G. Hammond *Senior Vice President, General Counsel and Secretary*	Mr. Hammond has served as our Senior Vice President, General Counsel and Secretary since July 2005. From February to June 2005, Mr. Hammond was a partner at the law firm of Hinckley, Allen & Snyder LLP in Boston, Massachusetts. From 1999 through August 2004, Mr. Hammond served as vice president, business affairs and general counsel of Gomez Advisors, Inc., a performance management and benchmarking technology services firm. From 1992 to 1999, Mr. Hammond served as general counsel of Avid Technology, Inc., a provider of digital media creation, management and distribution solutions. Prior to Avid Technology, Mr. Hammond was an attorney with the law firm of Ropes & Gray LLP in Boston, Massachusetts. He holds a B.A. from Yale College and a J.D. from Boston College Law School. Mr. Hammond is 47 years old.
Manolis E. Kotzabasakis *Senior Vice President, Sales and Strategy*	Mr. Kotzabasakis has served as our Senior Vice President, Worldwide Sales and Strategy since July 2007. Mr. Kotzabasakis served as our Senior Vice President, Worldwide Sales and Business Development from January 2005 to June 2007, Senior Vice President, Marketing and Strategy from July 2004 to December 2004, Senior Vice President, Engineering Business Unit from September 2002 to June 2004, Vice President of our Aspen Engineering Suite of Products, Research and Development from 1998 to August 2002 and Director of our Advanced Process Design Group from 1997 to 1998. He holds a B.Sc. in Chemical Engineering from the National Technical University of Athens and an M.Sc. and Ph.D. in Chemical Engineering from the University of Manchester Institute of Science and Technology. Mr. Kotzabasakis is 48 years old.
Blair F. Wheeler *Senior Vice President, Marketing*	Mr. Wheeler has served as our Senior Vice President, Marketing since February 2005. From 2000 to January 2005, Mr. Wheeler served as vice president, marketing of Relicore, Inc., a provider of enterprise information technology infrastructure management software that he co-founded. From 1998 to 2000, Mr. Wheeler served as vice president, business development for Webline Communications Corp., an Internet communications infrastructure and applications company that was acquired by Cisco Systems, Inc. in 1999. From 1993 to 1998, Mr. Wheeler was head of product marketing and business development for the broadcast products division of

	Avid Technology, Inc., a provider of digital media creation, management and distribution solutions. Mr. Wheeler was also previously a management consultant with The Boston Consulting Group and a geologist for Amoco Production Company International. He holds a B.S. in Geology and Geophysics from Yale College and an M.B.A. from the Harvard Graduate School of Business Administration. Mr. Wheeler is 49 years old.
Donald P. Casey *Director*	Mr. Casey has served as one of our directors since April 2004. Since August 2004, Mr. Casey has served as chairman of Mazu Networks, Inc., a network security software company. From 2001 to August 2004, Mr. Casey served as an information strategy and operations consultant to technology and financial services companies. From 2000 to 2001, Mr. Casey served as president and chief operating officer of Exodus Communications, Inc., an internet infrastructure services provider. From 1991 to 1999, Mr. Casey served as chief technology officer and president of Wang Global, Inc. Mr. Casey previously held executive management positions at Lotus Development Corporation, Apple Computer, Inc. and International Business Machines Corporation. He holds a B.S. in Mathematics from St. Francis College. Mr. Casey is 61 years old.
Gary E. Haroian *Director*	Mr. Haroian has served as one of our directors since December 2003. Since December 2002, Mr. Haroian has been a consultant to emerging technology companies. From 2000 to December 2002, Mr. Haroian served in various positions, including as chief financial officer, chief operating officer and chief executive officer, at Bowstreet, Inc., a provider of software application tools. From 1997 to 2000, Mr. Haroian served as senior vice president of finance and administration and chief financial officer of Concord Communications, Inc., a network management software company. From 1983 to 1996, Mr. Haroian served in various positions, including chief financial officer, president, chief operating officer and chief executive officer, at Stratus Computer, Inc., a provider of continuous availability solutions. He serves as a director of Embarcadero Technologies, Inc., a provider of data lifecycle management solutions, Lightbridge, Inc., a provider of transaction and payment processing services, Network Engines, Inc., a provider of server appliance software solutions and Phase Forward Incorporated, a provider of clinical trials and drug safety software. He is a Certified Public Accountant and holds a B.S. in Economics and Accounting from the University of Massachusetts Amherst. Mr. Haroian is 56 years old.
Stephen M. Jennings *Director*	Mr. Jennings has served as Chairman of the Board since January 2005 and as one of our directors since 2000. Mr. Jennings has been a director of The Monitor Group, a

	strategy consulting firm, since 1996. He also serves as a director of LTX Corporation, a semiconductor test equipment manufacturer. He holds a B.A. in Economics from Dartmouth College and an M.A. (Oxon) from Oxford University, where he studied Philosophy, Politics and Economics as a Marshall Scholar. Mr. Jennings is 46 years old.
Joan C. McArdle *Director*	Ms. McArdle has served as one of our directors since 1994. Ms. McArdle has served as a senior vice president of Massachusetts Capital Resource Company, an investment company, since 2001, and served as a vice president of Massachusetts Capital Resource Company from 1985 to 2001. She holds an A.B. in English from Smith College. Ms. McArdle is 56 years old.
David M. McKenna *Director*	Mr. McKenna has served as one of our directors since September 2006. Since June 2003, Mr. McKenna has been a partner of Advent International. Prior to returning to Advent International, Mr. McKenna was a principal at Bain Capital from 2000 to April 2003. From 1992 to 2000, Mr. McKenna held various positions with Advent International. He holds a B.A. in English from Dartmouth College. Mr. McKenna is 40 years old.
Michael Pehl *Director*	Mr. Pehl has served as one of our directors since August 2003. Since 2007 he has been a partner of North Bridge Growth Equity, an early-stage venture capital fund based in the Boston, Massachusetts and San Mateo, California areas. Before joining North Bridge, Mr. Pehl was an operating partner of Advent International Corporation, a venture private equity firm, since 2001. From 1999 to 2000, Mr. Pehl held various positions, including president, chief operating officer and director, at Razorfish, Inc., a strategic, creative and technology solutions provider for digital businesses. From 1996 to 1999, Mr. Pehl was chairman and chief executive officer of International Integration, Inc. (i-Cube), which was acquired by Razorfish, Inc. Prior to joining i-Cube, Mr. Pehl was a founder of International Consulting Solutions, Inc., an SAP implementation and business process consulting firm. Mr. Pehl serves as a director of MTI Technology Corporation, a storage solutions and services company. Mr. Pehl is 46 years old.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires our executive officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file changes in ownership on Form 4 or 5 with the SEC. These executive officers, directors and 10% stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) reports they file. Based solely on our review of the copies of these forms, we believe that all Section 16(a) reports applicable to our executive officers, directors and ten-percent stockholders with respect to reportable transactions during fiscal 2007 were filed on a timely basis.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. We have posted a copy of the code in the corporate governance section of our website, *www.aspentech.com.* We intend to satisfy disclosure requirements regarding amendments to, or waivers from, our code by posting such information on our website.

Audit Committee

Our board of directors has a separately designated standing audit committee in accordance with Section 3(a)(58)(A) of the Securities Exchange Act. The responsibilities of the audit committee include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including the receipt and consideration of reports from such firm;
- reviewing and discussing our annual and quarterly financial statements and related disclosures with management and our independent registered public accounting firm;
- monitoring our internal control over financial reporting and our disclosure controls and procedures, as well as the implementation of our code of business conduct and ethics;
- overseeing our internal audit function;
- discussing and assessing our risk management policies;
- establishing policies regarding hiring employees from our independent registered public accounting firm and procedures for the receipt and retention of accounting-related complaints and concerns;
- meeting independently with members of our internal auditing staff, independent registered public accounting firm and management; and
- preparing the audit committee report required by SEC rules.

The current members of the audit committee are Donald P. Casey, Gary E. Haroian and Joan C. McArdle. The board of directors has determined that Mr. Haroian is an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K and qualifies as "independent" under applicable Nasdaq rules. The audit committee met 35 times during fiscal 2007, either in person or by teleconference. Each member attended at least 75% of the meetings held by the audit committee in fiscal 2007.

Item 11. Executive Compensation

Compensation Discussion and Analysis

The compensation committee of our board of directors oversees our executive compensation program. In this role, the compensation committee is responsible for determining compensation of our executive officers for each fiscal year.

Objectives and Philosophy of Our Executive Compensation Program

AspenTech has a total compensation philosophy designed to provide compensation that is linked to performance, competitive with other companies in the markets in which we compete, and perceived to

be fair and equitable, and that can be sustained in all business environments. The compensation policies established by the compensation committee have been designed to link executive compensation to the attainment of specific performance goals and to align the interests of executive officers with those of our stockholders. The policies are also designed to allow us to attract and retain senior executives critical to our long-term success by providing competitive compensation packages and recognizing and rewarding individual contributions, to ensure that executive compensation is aligned with corporate strategies and business objectives, and to promote the achievement of key strategic and financial performance measures.

To achieve these objectives, the compensation committee evaluates our executive compensation program with the goal of setting compensation at levels the compensation committee believes are competitive with those of other companies in our industry and regions that compete with us for executive talent. In addition, our executive compensation program ties a substantial portion of each executive's overall compensation to key strategic, financial and operational goals such as growth and penetration of customer base and financial and operational performance, as measured by metrics such as revenue and profitability. We also provide a portion of our executive compensation in the form of stock options and restricted stock units that vest over time, which we believe helps to retain our executives and aligns their interests with those of our stockholders by allowing them to participate in the longer term success of our company through stock price appreciation.

In making compensation decisions, the compensation committee reviewed information on practices, programs and compensation levels implemented by publicly traded software companies. This peer group consists of companies the compensation committee believes are generally comparable to our company and against which the compensation committee believes we compete for executive talent. The composition of the peer group is reviewed and updated periodically by the compensation committee. The companies included in this peer group as of June 30, 2007 were:

Agile Software	Parametric Technology
Ansys	Progress Software
Epicor Software	QAD
i2 Technologies	TIBCO Software
Informatica	webMethods
JDA Software	
Lawson Software	
Manhattan Associates	
Mentor Graphics	

For fiscal 2007, the compensation committee also reviewed an analysis provided by Watson Wyatt Worldwide, an independent compensation consultant, in determining the compensation package of our chief executive officer.

We consider actual realized compensation received in determining if our compensation programs are meeting their objectives. We do not typically reduce compensation plan targets because of compensation realized from prior awards, however, as we do not want to create a disincentive for exceptional performance.

Components of Our Executive Compensation Program

Our executive compensation program includes the following elements:

- base salary;
- annual discretionary and performance-based cash bonuses;
- stock options and restricted stock units;

- insurance, retirement and other employee benefits; and

- severance and change-of-control benefits.

We have no formal or informal policy or target for allocating compensation between long-term and short-term compensation, between cash and non-cash compensation or among the different forms of non-cash compensation. Instead, the compensation committee exercises its judgment and discretion in determining what it believes to be the appropriate level and mix of the various compensation components. The committee also has a practice of reviewing its recommendations with the full board before making its final compensation determinations.

Base Salary

We establish base salaries at competitive market rates to attract and retain the caliber of talent necessary for our success. Base salary is used to recognize the performance, skills, knowledge, experience and responsibilities required of all our employees, including our executive officers. When establishing base salaries of our executive officers for fiscal 2007 and 2008, the compensation committee considered the survey data of compensation in the peer group, as well as a variety of other factors, including the experience and performance of the executive, the scope of the executive's responsibility, and the base salary of the executive at his prior employment, where applicable. Generally, we believe that our executives' base salaries should be targeted near the median of the range of salaries for executives in similar positions at comparable companies.

The compensation committee reviews the base salaries of our executive officers at least annually, and adjusts base salaries from time-to-time to realign salaries with market levels after taking into account individual responsibilities, performance and experience.

Annual Cash Bonus

We have two annual incentive bonus plans for our executives: the Executive Annual Incentive Bonus Plan, which we refer to below as the Executive Plan, and the Operations Executives Plan, which we refer to as the Operations Plan. The participants in the Executive Plan consist of our chief executive officer and the executives reporting directly to our chief executive officer, except for executives who participate in the Operations Plan. Each of Mark E. Fusco, Bradley T. Miller, Manolis E. Kotzabasakis, C. Steven Pringle and Blair F. Wheeler, who constituted our "named executive officers"as of June 30, 2007 as described below under "Summary Compensation," participated in the Executive Plan for fiscal 2007, except for Mr. Kotzabasakis, who participated in the Operations Plan. Messrs. Fusco, Miller and Wheeler will participate in the Executive Plan for fiscal 2008, and Messrs. Kotzabasakis and Pringle will participate in the Operations Plan.

Executive Plan

Amounts earned under the executive bonus plan are payable in cash and directly tied to achievement of corporate financial targets and attainment of individual performance goals.

Amounts payable under the executive bonus plan are based in part on meeting corporate operating income targets. The corporate operating income component, weighted at 30% to 70% for both fiscal 2007 and fiscal 2008, measures the extent to which we achieve a corporate operating income target amount. For both fiscal 2007 and fiscal 2008, the Executive Plan includes both a minimum operating income threshold of 80% of the target amount, which must be met in order for any bonus to be paid under the Executive Plan, and a maximum operating income threshold, above which no additional bonus would be earned. Amounts payable under the Executive Plan correspond to the applicable executive's base salary, with those with broader scope typically being compensated at a higher level.

The annual corporate operating income target is contained in the business plan adopted by the board of directors. Bonuses attributable to the corporate operating income component are paid annually.

Amounts payable under the Executive Plan are also based in part on whether an executive met specific performance goals. Individual objectives, weighted at 30% to 70% for both fiscal 2007 and fiscal 2008, measured the extent to which an individual achieved performance objectives established specifically for that executive officer. The performance objectives were necessarily tied to the particular functional responsibilities of the executive, and the executive's performance in fulfilling those responsibilities.

The compensation committee reviews with the board and approves the individual performance goals for each executive under the Executive Plan. The chief executive officer develops individual goals for the executives reporting to him, subject to the compensation committee's review and approval. The compensation committee establishes goals for the chief executive officer. We do not have a general policy regarding the adjustment of compensation following a restatement or adjustment of our performance measures. The threshold level for being awarded a bonus pursuant to the Executive Plan can be characterized as demanding, while the maximum goal contemplates compliance with challenging requirements.

Operations Plan

Amounts earned under the Operations Plan are payable in cash and directly tied to achievement of corporate financial targets and regional performance objectives.

Amounts payable under the Operations Plan are based in part on meeting corporate operating income targets. The corporate operating income component, which was weighted at 20% for fiscal 2007 and fiscal 2008, measures the extent to which we achieve a corporate operating income target amount. For both fiscal 2007 and fiscal 2008, the plan includes both a minimum operating income threshold of 80% of the target amount, which was required to be met in order for any bonus to be paid under the Operations Plan, and a maximum operating income threshold, above which no additional bonus would be earned. Bonuses attributable to the corporate operating income component are paid annually.

The regional performance component, which was weighted at 75% for both fiscal 2007 and fiscal 2008, measures the extent to which we achieved performance objectives for the region or regions for which the executive is responsible. Mr. Kotzabasakis had oversight responsibility for all regions in fiscal 2007, including responsibility for global accounts. Bonuses attributable to the regional performance component are paid as quarterly commissions based on quarterly regional financial results.

Amounts payable under the Operations Plan are also based in part on whether an individual met specific performance goals. Individual objectives, weighted at 5% for both fiscal 2007 and fiscal 2008, measured the extent to which an individual achieved performance objectives established specifically for that executive officer. Payments based on this component were capped at the executive officers' respective target bonus amounts. The performance objectives are necessarily tied to the particular functional responsibilities of the individual and his performance in fulfilling those responsibilities.

The compensation committee approves the performance goals for each executive, the weighting of various goals for each executive, and the formula for determining potential bonus amounts based on achievement of those goals. Our chief executive officer was responsible for developing, and assessing compliance with, the individual performance goals for each executive participating in the Operations Plan for fiscal 2007. In fiscal 2008, our chief executive officer and the executive vice president for field operations are responsible for developing, and assessing compliance with, the individual performance goals for each executive participating in the Operations Plan. The threshold level for being awarded a bonus pursuant to the Operations Plan can be characterized as demanding, while the maximum goal contemplates compliance with challenging requirements.

Stock Options and Restricted Stock Units

Our equity award program is the primary vehicle for offering long-term incentives to our executives. We believe that equity grants help to align the interests of our executives and our stockholders, provide our executives with a strong link to our long-term performance and create an ownership culture. In addition, the vesting feature of our equity grants should further our goal of executive retention by providing an incentive to an executive to remain in our employ during the vesting period. In determining the size of equity grants to our executives, our compensation committee considers comparative share ownership of executives in our compensation peer group, our company-level performance, the individual executive's performance, the amount of equity previously awarded to the executive, the vesting status of the previous awards and the recommendations of the chief executive officer.

We typically make an initial equity award of stock options to new executives and an annual equity program grant as part of our overall compensation program. All grants of options and restricted stock units to our executives are approved by the compensation committee.

Our equity awards typically have taken the form of stock options and restricted stock units. The compensation committee reviews all components of an executive's compensation when determining annual equity awards to ensure that the executive's total compensation conforms to our overall philosophy and objectives.

We set the exercise price of all stock option grants to equal the prior day's closing price of our common stock. Typically, the stock options we grant to our executives vest pro rata over the first sixteen quarters of a ten-year option term. Vesting and exercise rights cease shortly after termination of employment except in the case of death or disability. Prior to the exercise of an option, the holder has no rights as a stockholder with respect to the shares subject to such option, including voting rights and the right to receive dividends or dividend equivalents.

In October 2006, the compensation committee approved grants to named executive officers of stock options having an exercise price of $10.42 per share of common stock and vesting in sixteen quarterly installments, and restricted stock units that would vest, subject to our achieving specified performance goals in the fiscal year ending June 30, 2007, as to 25% upon announcement of our earnings for fiscal 2007 with the balance vesting in 12 equal quarterly installments thereafter. In approving these grants, the compensation committee considered each named executive officer's level of responsibility within our company, the individual performance of the officer and competitive industry practice, as indicated by market data for companies that the compensation committee identified as being comparable. In accordance with their terms, 25% of the restricted stock units vested in September 2007, and additional units vested in October 2007 and January 2008.

Stock awards to our executives are typically granted annually in conjunction with the review of their individual performance. Going forward, the committee has decided to make the annual program grant contemporaneously with all other compensation changes for the year. This review typically takes place at the regularly scheduled meeting of the compensation committee held in the fourth quarter of each fiscal year. We have had a practice not to award program grants or grants to officers during blackout periods.

We do not have any equity ownership guidelines for our executives.

Benefits and Other Compensation

We maintain broad-based benefits that are provided to all employees, including health and dental insurance, life and disability insurance and a 401(k) plan. Executives are eligible to participate in all of our employee benefit plans, in each case on the same basis as other employees. Our named executive officers are not entitled to benefits that are not otherwise available to all employees.

Severance and Change-in-Control Benefits

Pursuant to executive retention agreements we have entered into with each of our named executive officers and to the provisions of our option agreements, those executives are entitled to specified benefits in the event of the termination of their employment under specified circumstances, including termination following a change in control of our company. We have provided more detailed information about these benefits, along with estimates of their value under various circumstances, under the caption "Potential Payments Upon Termination or Change in Control" below.

We believe these agreements assist in maintaining a competitive position in terms of attracting and retaining key executives. The agreements also support decision-making that is in the best interests of our stockholders, and enable our executives to focus on company priorities. We believe that our severance and change in control benefits are generally in line with prevalent peer practice with respect to severance packages offered to executives.

Except with respect to our chief executive officer, our practice in the case of change-of-control benefits under the executive retention agreements has been to structure these as "double trigger" benefits. In other words, the change in control does not itself trigger benefits; rather, benefits are paid only if the employment of the executive is terminated under the circumstances described below during a specified period after the change in control. We believe a "double trigger" benefit maximizes shareholder value because it prevents an unintended windfall to executives in the event of a friendly change in control, while still providing them appropriate incentives to cooperate in negotiating any change in control in which they believe they may lose their jobs.

Role of Executive Officers in the Compensation Process

Our senior vice president, human resources confers with the chief executive officer and the compensation committee to provide a market perspective on the competitive landscape and needs of the business and compensation levels in the peer group and relevant market surveys.

Our chief executive officer provides the compensation committee with his perspective on the performance of other executive officers. Based on his judgment and experience, our chief executive officer recommends specific compensation amounts and awards for the other executive officers, and the compensation committee considers those recommendations and makes the ultimate decision.

Our chief executive officer also provides the compensation committee with a self-assessment of his performance. The compensation committee independently establishes the compensation of the chief executive officer, who is not present during discussions where his compensation is established.

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to a publicly traded company for certain compensation in excess of $1,000,000 paid to our chief executive officer and our four other most highly compensated executive officers. Qualifying performance-based compensation is not subject to the deduction limitation if specified requirements are met.

We periodically review the potential consequences of Section 162(m), and we generally intend to structure the performance-based portion of our executive compensation, where feasible, to comply with exemptions in Section 162(m) so that the compensation remains tax deductible to us. The compensation committee in its judgment may, however, authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent.

Potential Payments Upon Termination or Change in Control

On December 7, 2004, we entered into an employment agreement with Mark E. Fusco, pursuant to which Mr. Fusco agreed to serve as our President and Chief Executive Officer. Under this agreement, in the event of termination of Mr. Fusco's employment (other than for the reasons set forth below), including termination of his employment after a change in control (as defined below) or termination of employment by Mr. Fusco for "good reason" (which includes constructive termination, relocation, or reduction in salary or benefits), Mr. Fusco will be entitled to a lump sum severance payment equal to two times the sum of:

- the amount of Mr. Fusco's annual base salary in effect immediately prior to notice of termination (or in the event of termination after a change in control, then the amount of his annual base salary in effect immediately prior to the change in control, if higher); and

- the amount of the average of the annual bonuses paid to Mr. Fusco for the three years (or the number of years employed, if less) immediately preceding the notice of termination (or in the event of termination after a change in control, then the amount of the average annual bonuses paid to Mr. Fusco for the three years (or the number of years employed, if less) immediately prior to the change in control, if higher) or the occurrence of a change in control, as the case may be.

In addition, in lieu of any further life, disability, and accident insurance benefits otherwise due to Mr. Fusco following his termination (other than for the reasons set forth below), including termination after a change in control, we will pay Mr. Fusco a lump sum amount equal to the estimated cost (as determined in good faith by us) to Mr. Fusco of providing such benefits, to the extent that Mr. Fusco is eligible to receive such benefits immediately prior to notice of termination, for a period of two years commencing on the date of termination. We will also pay all health insurance due to Mr. Fusco for a period of two years commencing on the date of termination.

Mr. Fusco's employment agreement provides that the payments received by him relating to termination of his employment will be increased in the event that these payments would subject him to excise tax as a parachute payment under Section 4999 of the Internal Revenue Code. The increase would be equal to an amount necessary for Mr. Fusco to receive, after payment of such tax, cash in an amount equal to the amount he would have received in the absence of such tax. However, the increased payment will not be made if the total severance payment, if so increased, would not exceed 110% of the highest amount that could be paid without causing an imposition of the excise tax. In that event, in lieu of an increased payment, the total severance payment will be reduced to such reduced amount. We have indemnified Mr. Fusco for the amount of any penalty applicable to any payments Mr. Fusco receives from us as a result of his termination that are imposed by Section 409A of the Internal Revenue Code.

However, in the event that Mr. Fusco's employment is terminated for one or more of the following reasons, then Mr. Fusco will not be entitled to the severance payments described above:

- by us for "cause" (as defined below);

- by reason of Mr. Fusco's death or disability;

- by Mr. Fusco without good reason (unless such resignation occurs within six months following a change in control); or

- after Mr. Fusco shall have attained age 70.

Under the terms of Mr. Fusco's employment agreement, in the event of a "potential change in control" (as defined below), Mr. Fusco agrees to remain in our employment until the earliest of:

- three months after the date of such potential change in control;

- the date of a change in control;
- the date of termination by Mr. Fusco of his employment for good reason or by reason of death or retirement; and
- our termination of Mr. Fusco's employment for any reason.

For the purposes of Mr. Fusco's employment agreement, "cause" for our terminating Mr. Fusco means:

- the willful and continued failure by Mr. Fusco to substantially perform his duties after written demand by the board;
- willful engagement by Mr. Fusco in gross misconduct materially injurious to us; or
- a plea by Mr. Fusco of guilty or no contest to a felony charge.

For the purposes of Mr. Fusco's employment agreement, a "change in control" is deemed to have occurred if any of the following conditions shall have been satisfied:

- continuing directors cease to constitute more than two-thirds of the membership of the board;
- any person or entity acquires, directly or indirectly, beneficial ownership of 50% or more of the combined voting power of our then outstanding voting securities;
- a change in control occurs of a nature that we would be required to report on a current report on Form 8-K or pursuant to Item 6(e) of Schedule 14A of Regulation 14A or any similar item, schedule or form under the Securities Exchange Act, as in effect at the time of the change, whether or not we are then subject to such reporting requirement, including our merger or consolidation with any other corporation, other than:
- a merger or consolidation where (1) our voting securities outstanding immediately prior to such transaction continue to represent 51% or more of the combined voting power of the voting securities of the surviving or resulting entity outstanding immediately after such transaction, and (2) our directors immediately prior to such merger or consolidation continue to constitute more than two-thirds of the membership of the board of directors of the surviving or combined entity following such transaction; or
- a merger or consolidation effected to implement our recapitalization of (or similar transaction) in which no person or entity acquires 25% or more of the combined voting power of our then outstanding securities; or
- our stockholders approve a plan of complete liquidation or an agreement for the sale or disposition of all or substantially all of our assets (or any transaction having a similar effect).

For the purposes of Mr. Fusco's employment agreement, a "potential change in control" is deemed to have occurred if any of the following conditions shall have been satisfied:

- we enter into an agreement, the consummation of which would result in the occurrence of a change in control;
- we or anyone else publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a change in control;
- any person or entity becomes the beneficial owner, directly or indirectly, of 15% or more of the combined voting power of our then outstanding securities (entitled to vote generally for the election of directors); or
- the board adopts a resolution to the effect that, for purposes of Mr. Fusco's employment agreement, a "potential change in control" has occurred.

On October 28, 2005, we entered into an amendment to our employment agreement with Mr. Fusco. This amendment provides that in the event Mr. Fusco becomes entitled, on the terms and conditions set forth in the employment agreement, to receive a severance payment upon termination of his employment, such a payment must be made within 30 days after the Date of Termination (as defined in the employment agreement). Notwithstanding the foregoing, if the severance payment will constitute "nonqualified deferred compensation" subject to the provisions of Section 409A of the Internal Revenue Code, then the payment instead will be due within 15 days after the earlier of (i) the expiration of six months and one day following the Date of Termination or (ii) Mr. Fusco's death following the Date of Termination.

On September 26, 2006, we entered into executive retention agreements with the following executive officers: Bradley T. Miller, our Senior Vice President and Chief Financial Officer; Manolis E. Kotzabasakis, our Senior Vice President, Sales and Strategy; C. Steven Pringle, our Senior Vice President, aspenONE; and Blair F. Wheeler, our Senior Vice President, Marketing, each of whom we refer to as a specified executive.

Pursuant to the terms of each executive retention agreement, if the specified executive's employment is terminated prior to a change in control without cause, the specified executive will be entitled to the following:

- payment of an amount equal to the specified executive's annual base salary then in effect, payable over twelve months;
- payment of an amount equal to the specified executive's total target bonus for the fiscal year, pro-rated for the portion of the fiscal year elapsed prior to termination, payable in one lump sum;
- payment of an amount equal to the cost to the specified executive of providing life, disability and accident insurance benefits, payable in one lump sum, for a period of one year; and
- continuation of medical, dental and vision insurance coverage to which the specified executive was entitled prior to termination for a period of one year.

In the event the specified executive's employment is terminated within twelve months following a change in control without cause or by the specified executive for good reason (which includes constructive termination, relocation, a reduction in salary or benefits, or our breach of any employment agreement with the specified executive or a failure to pay benefits when due), then the specified executive shall be entitled to the following:

- payment of an amount equal to the sum of the specified executive's annual base salary then in effect and the specified executive's target bonus for the then-current fiscal year, payable in a single installment;
- payment of an amount equal to the cost to the specified executive of providing life, disability and accident insurance benefits, payable in a single installment, for a period of one year;
- continuation of medical, dental and vision insurance coverage to which the specified executive was entitled prior to termination for a period of one year; and
- full vesting of (a) all of the specified executive's options to purchase shares of our stock, which options may be exercised by the specified executive for a period of twelve months following the date of termination and (b) all restricted stock and restricted stock units then held by the specified executive.

Each executive retention agreement provides that the total payments received by the specified executive relating to termination of his employment will be reduced to an amount equal to the highest amount that could be paid to the specified executive without subjecting such payment to excise tax as a

parachute payment under Section 409A of the Internal Revenue Code, provided that no reduction shall be made if the amount by which these payments are reduced exceeds 110% of the value of any additional taxes that the specified executive would incur if the total payments were not reduced.

For the purposes of each agreement:

- "change in control" means (a) the acquisition of 50% or more of either the then-outstanding shares of our common stock or the combined voting power of our then-outstanding securities, (b) such time as the members of the board immediately prior to the change in control do not continue to constitute the majority of our directors following the change in control, (c) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving our company, unless the transaction would not result in a change in ownership of 50% or more of both our then-outstanding common stock and the combined voting power of our then-outstanding securities; or (d) our liquidation or dissolution;

- "cause" means (a) the willful and continued failure by a specified executive to substantially perform his duties for us after delivery by the board of a written demand for performance (other than any such failure resulting from his incapacity due to physical or mental illness or any such actual or anticipated failure after his issuance of a notice of termination for good reason) and a failure by the specified executive to cure the performance failure within 30 days or (b) the willful engaging by the specified executive in gross misconduct that is demonstrably and materially injurious to us; and

- "good reason" means constructive termination of the specified executive, relocation, a reduction in the specified executive's salary or benefits, our breach of any employment agreement with the specified executive or our failure to pay benefits when due.

Each executive retention agreement terminates on the earliest to occur of (a) July 31, 2008, (b) the first anniversary of a change in control, and (c) our payment of all amounts due to the specified executive following a change in control. Each agreement is subject to automatic renewal on August 1 of each year, unless we give notice of termination at least seven days prior to the renewal date.

The following table sets forth estimated compensation that would have been payable to each of these officers as severance or upon a change in control of our company under three alternative scenarios, assuming the termination triggering severance payments or a change in control took place on June 30, 2007:

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL TABLE

Name	Cash Payment ($)(1)	Accelerated Vesting of Stock Awards ($)(2)	Accelerated Vesting of Restricted Stock Units ($)(3)	Welfare Benefits ($)(4)	Tax Gross Up Payment ($)(5)	Total ($)
Mark E. Fusco						
• Termination without cause or with good reason prior to change in control	2,202,032	—	—	35,643	—	2,237,675
• Change in control only	—	—	—	—	—	—
• Change in control with termination without cause or with good reason	2,202,032	5,207,938	1,400,000	35,643	2,930,598	11,776,211
Bradley T. Miller						
• Termination without cause or with good reason prior to change in control	413,516	—	—	17,822	—	431,338
• Change in control only	—	—	—	—	—	—
• Change in control with termination without cause or with good reason	413,516	313,250	476,000	17,822	—	1,220,588
Manolis E. Kotzabasakis						
• Termination without cause or with good reason prior to change in control	461,016	—	—	17,822	—	478,838
• Change in control only	—	—	—	—	—	—
• Change in control with termination without cause or with good reason	461,016	809,998	168,000	17,822	—	1,456,836
C. Steven Pringle						
• Termination without cause or with good reason prior to change in control	401,016	—	—	17,822	—	418,838
• Change in control only	—	—	—	—	—	—
• Change in control with termination without cause or with good reason	401,016	807,526	140,000	17,822	—	1,366,364
Blair F. Wheeler						
• Termination without cause or with good reason prior to change in control	350,978	—	—	17,822	—	368,800
• Change in control only	—	—	—	—	—	—
• Change in control with termination without cause or with good reason	350,978	819,260	168,000	17,822	—	1,356,060

(1) Reflects payments based on salary and benefits as well as payment of estimated cost of life, disability and accident insurance benefits during the agreement period.

(2) Represents the value of stock options upon the applicable triggering event described in the first column. The value of stock options is based on the difference between the exercise price of the options and $14.00, which was the closing price of the common stock on The NASDAQ Global Market on the last trading day of fiscal 2007, June 29, 2007.

(3) Represents the value of restricted stock units upon the applicable triggering event described in the first column, based on the closing price of the common stock on The NASDAQ Global Market on the last trading day of fiscal 2007, June 29, 2007.

(4) Represents the estimated cost of providing employment-related benefits during the agreement period.

(5) Based on assumed values in the table.

Report of the Compensation Committee

The compensation committee of the board of directors has reviewed and discussed with management the foregoing "Compensation Discussion and Analysis." Based on this review and discussion, the compensation committee has recommended to the board, and the board has agreed, that the section entitled "Compensation Discussion and Analysis" as it appears above, be included in this Form 10-K and in the proxy statement for AspenTech's next annual meeting of stockholders.

COMPENSATION COMMITTEE

Donald P. Casey
Stephen M. Jennings

Summary Compensation

The following table summarizes information with respect to the annual and long-term compensation that we paid for the past three fiscal years to the following persons, whom we refer to as our named executive officers:

- Mark E. Fusco, who has served as our President and Chief Executive Officer since January 2005;
- Bradley T. Miller, who became our Senior Vice President and Chief Financial Officer in September 2006; and
- Manolis E. Kotzabasakis, C. Steven Pringle and Blair F. Wheeler, our three most highly compensated executive officers (other than Messrs. Fusco and Miller) who served as executive officers as of June 30, 2007.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Mark E. Fusco *President and Chief Executive Officer*	2007	450,000	11,250	414,508	1,380,267	838,750	2,250	3,097,025
Bradley T. Miller *Senior Vice President and Chief Financial Officer*	2007	215,769	—	140,933	113,444	209,668	2,922	682,736
Manolis E. Kotzabasakis *Senior Vice President, Sales and Strategy*	2007	250,000	—	49,741	410,157	239,015	3,885	952,798
C. Steven Pringle *Senior Vice President, aspenONE*	2007	250,000	—	41,451	401,778	150,362	153,310	996,901
Blair F. Wheeler *Senior Vice President, Marketing*	2007	235,000	—	49,741	324,937	175,375	3,698	788,751

(1) Represents a discretionary bonus paid to Mr. Fusco in July 2007. Excludes performance-based incentive payments, which are included in "Non-Equity Incentive Plan Compensation."

(2) Represents the compensation expense we recognized in fiscal 2007 related to the applicable share-based award pursuant to SFAS 123(R). Assumptions used in the calculations for these amounts are included in Note 9 of the Notes to the Consolidated Financial Statements.

(3) Represents amounts earned based on fiscal 2007 performance under our Executive Annual Incentive Bonus Plan and Operations Executive Plan. For additional information regarding the awards, see "Compensation Discussion and Analysis—Annual Cash Bonus." The amounts were paid in July 2007.

(4) Represents matching contributions under our 401(k) deferred savings retirement plan on behalf of the named executive officers. For Mr. Pringle, also includes $151,731 attributable to indemnification for excise taxes payable pursuant to Section 409A of the Internal Revenue Code with respect to certain stock option awards.

Each of the options granted to the named executive officers has a maximum term of ten years, subject to earlier termination in the event of the optionee's cessation of service with us. Each option is exercisable during the holder's lifetime only by the holder; it is exercisable by the holder only while the holder is our employee or advisor and for a certain limited period of time thereafter in the event of termination of employment. The exercise price may be paid in cash or in shares of our common stock valued at fair market value on the exercise date.

Grants of Plan-Based Awards

The following table sets forth information regarding options we granted to the named executive officers during fiscal 2007.

GRANTS OF PLAN-BASED AWARDS TABLE

	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)							
Name	Threshold ($)	Target ($)	Maximum ($)	Grant Date	All Other Stock Awards: Number of Shares of Stocks or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Award(2)
Mark E. Fusco	192,500	550,000	838,750	11/17/2006	100,000		—	414,508
				11/17/2006		190,362	10.42	211,608
				11/17/2006		9,638	10.42	12,308
Bradley T. Miller	48,125	137,500	209,688	11/17/2006	34,000		—	140,933
				11/17/2006		61,448	10.42	66,062
				11/17/2006		38,552	10.42	47,382
Manolis E. Kotzabasakis	23,000	210,000	327,750	11/17/2006	12,000		—	49,741
				11/17/2006		17,460	10.42	24,057
				11/17/2006		6,540	10.42	7,270
C. Steven Pringle	15,000	150,000	213,750	11/17/2006	10,000		—	41,451
				11/17/2006		14,210	10.42	19,579
				11/17/2006		5,790	10.42	6,436
Blair F. Wheeler	40,250	115,000	175,375	11/17/2006	12,000		—	49,741
				11/17/2006		4,641	10.42	5,159
				11/17/2006		19,359	10.42	26,673

(1) Consists of performance-based cash incentive bonus awards under the Executive Annual Incentive Bonus Plan and Operations Executive Plan. Actual amounts awards are set forth in the summary compensation table above.

(2) Represents the compensation expense we recognized in fiscal 2007 related to the applicable share-based award pursuant to SFAS 123(R). Assumptions used in the calculations for these amounts are included in Note 9 of the Notes to the Consolidated Financial Statements.

As discussed in "Compensation Discussion and Analysis" above, each of the named executive officers other than Mr. Kotzabasakis participated in the Executive Plan. Amounts payable under the Executive Plan are based in part on meeting corporate operating income targets. The corporate operating income component, weighted at 30% to 70% for both fiscal 2007 and fiscal 2008, measures the extent to which we achieve a corporate operating income target amount. For both fiscal 2007 and fiscal 2008, the Executive Plan includes both a minimum operating income threshold of 80% of the target amount, which must be met in order for any bonus to be paid under the Executive Plan, and a maximum operating income threshold, above which no additional bonus would be earned. Amounts payable under the Executive Plan correspond to the applicable executive's base salary, with those with

broader scope typically being compensated at a higher level. The annual corporate operating income target is contained in the business plan adopted by the board of directors. Bonuses attributable to the corporate operating income component are paid annually.

Amounts payable under the Executive Plan are also based in part on whether an individual met specific performance goals. Individual objectives, weighted at 30% to 70% for both fiscal 2007 and fiscal 2008, measured the extent to which an individual achieved performance objectives established specifically for that executive officer. The performance objectives are necessarily tied to the particular functional responsibilities of the individual, and his performance in fulfilling those responsibilities.

Mr. Kotzabasakis participated in the Operations Plan. Amounts payable under the Operations Plan are based in part on meeting corporate operating income targets. The corporate operating income component, which was weighted at 20% for fiscal 2007 and fiscal 2008, measures the extent to which we achieve a corporate operating income target amount. For both fiscal 2007 and fiscal 2008, the plan includes both a minimum operating income threshold of 80% of the target amount, which was required to be met in order for any bonus to be paid under the Operations Plan, and a maximum operating income threshold, above which no additional bonus would be earned. Bonuses attributable to the corporate operating income component are paid annually.

The regional performance component, which was weighted at 75% for both fiscal 2007 and fiscal 2008, measures the extent to which we achieved performance objectives for the region(s) for which the executive is responsible. Mr. Kotzabasakis had oversight responsibility for all regions in fiscal 2007, including responsibility for global accounts. Bonuses attributable to the regional performance component are paid as quarterly commissions based on quarterly regional or consolidated financial results.

Amounts payable under the Operations Plan are also based in part on whether an individual met specific performance goals. Individual objectives, weighted at 5% for both fiscal 2007 and fiscal 2008, measured the extent to which an individual achieved performance objectives established specifically for that executive officer. Payments based on this component were capped at the executive officers' respective target bonus amounts. The performance objectives are necessarily tied to the particular functional responsibilities of the individual and his performance in fulfilling those responsibilities.

In October 2006, the compensation committee approved grants to named executive officers of stock options having an exercise price of $10.42 per share of common stock and vesting in sixteen quarterly installments, and restricted stock units that would vest, subject to our achieving specified performance goals in the fiscal year ending June 30, 2007, as to 25% upon announcement of our earnings for fiscal 2007 with the balance vesting in 12 equal quarterly installments thereafter. In approving these grants, the compensation committee considered each named executive officer's level of responsibility within our company, the individual performance of the officer and competitive industry practice, as indicated by market data for companies that the compensation committee identified as being comparable. In September 2007, 25% of the restricted stock units vested in accordance with their terms.

As also discussed in "Compensation Discussion and Analysis" above, each of the named executive officers was issued annual equity incentive grants under the 2005 Stock Incentive Plan, 2002 Stock Option Plan and the 2001 Stock Option Plan. Each of the executive officers was granted stock options with an exercise price equal to the closing price of our common stock on the trading day immediately preceding the grant date of November 17, 2006. Each of these options vests quarterly over a four-year period, beginning on December 29, 2006. In addition, on November 17, 2006, each of the named executive officers was issued restricted stock units, each of which represents a contingent right to receive one share of our common stock. Restricted stock units do not have a purchase or exercise price. Each restricted stock unit shall vest, subject to our achieving profitability in fiscal 2007, as to 25% upon public announcement of our operating results for fiscal 2007 with the balance vesting in 12 equal quarterly installments thereafter. In light of the delay in the public announcement of our fiscal

2007 operating results arising in connection with a restatement of our financial statements, the compensation committee determined in September 2007 that the fiscal 2007 profitability threshold for the restricted stock units had been met and waived the requirement that the fiscal 2007 operating results be publicly announced for purposes of the vesting of the restricted stock units.

The compensation committee, in determining the number of shares issuable upon exercise of options and the number of restricted stock units, considered each named executive officer's level of responsibility within our company, the individual performance of the officer and competitive industry practice, as indicated by market data for companies that the compensation committee identified as being comparable.

Option Exercises and Stock Vested Table

The following table sets forth information as to options exercised during fiscal 2007, and unexercised options held at the end of such fiscal year, by the named executive officers.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	OPTION AWARDS				STOCK AWARDS	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable(1)	Option Exercise Price ($)(2)	Option Expiration Date(3)	Number of Shares or Units of Stock That Have Not Vested (#)(4)	Market Value of Shares or Units of Stock That Have Not Vested ($)(5)
Mark E. Fusco	24,000	—	8.12	12/10/2013		
	17,452	—	5.73	3/21/2015		
	82,548	—	5.73	3/21/2015		
	34,904	34,904	5.73	3/21/2015		
	702,596	227,596	5.73	3/21/2015		
	153,125	196,875	5.27	9/15/2015		
	65,625	84,375	5.27	9/15/2015		
	37,500	152,862	10.42	11/17/2016	100,000	1,400,000
	—	9,638	10.42	11/17/2016		
Bradley T. Miller	9,638	28,914	10.42	11/17/2016	34,000	476,000
	2,862	58,586	10.42	11/17/2016		

Manolis E. Kotzabasakis	246	—	14.13	12/21/2007		
	935	—	14.13	12/21/2007		
	12,819	—	14.13	12/21/2007		
	7,500	—	15.44	2/09/2009		
	2,873	—	8.50	9/01/2009		
	2,981	—	30.75	10/18/2010		
	4,519	—	30.75	10/18/2010		
	9,998	—	14.05	4/10/2011		
	2	—	14.05	4/10/2011		
	7,674	—	2.98	8/18/2012		
	545	—	2.98	8/19/2012		
	4,326	—	2.98	8/18/2012		
	2	—	2.98	8/19/2012		
	25,000	—	2.50	12/22/2012		
	33,739	—	2.75	8/17/2013		
	6,155	6,156	2.85	8/17/2013		
	11,931	11,932	2.85	8/17/2013		
	55,400	—	2.85	8/17/2013		
	28,761	—	2.75	8/17/2013		
	79,537	—	2.85	8/17/2013		
	32,963	—	2.85	8/17/2013		
	568	569	2.85	8/17/2013		
	30,777	—	2.75	8/17/2013		
	18,750	7,500	6.57	10/14/2014		
	—	11,250	6.57	10/14/2014		
	—	19,964	5.27	9/15/2015		
	25,000	25,036	5.27	9/15/2015		
	4,500	12,960	10.42	11/17/2016	12,000	168,000
	—	6,540	10.42	11/17/2016		
C. Steven Pringle	6,250	—	14.13	12/21/2007		
	16,250	—	8.50	9/1/2009		
	7,817	—	14.05	4/10/2011		
	6,183	—	14.05	4/10/2011		
	16,000	—	13.14	10/29/2011		
	21,206	—	2.98	8/18/2012		
	719	—	2.98	8/19/2012		
	38,794	—	2.98	8/18/2012		
	7,500	—	2.50	12/15/2012		
	11,931	11,932	2.85	8/17/2013		
	2,813	2813	2.85	8/17/2013		
	32,646	—	2.85	8/17/2013		
	14,065	—	2.85	8/17/2013		
	568	569	2.85	8/17/2013		
	29,854	—	2.85	8/17/2013		
	55,000	10,000	6.57	10/14/2014		
	—	15,000	6.57	10/14/2014		
	—	15,275	5.27	9/15/2015		
	35,000	29,725	5.27	9/15/2015		
	3,750	10,460	10.42	11/17/2016	10,000	140,000
	—	5,790	10.42	11/17/2016		

Blair F. Wheeler	27,458	17,452	5.73	3/21/2015		
	13,798	13,792	5.73	3/21/2015		
	31,250	35,508	5.27	9/15/2015		
	—	20,742	5.27	9/15/2015		
	—	4,641	10.42	11/17/2016		
	4,500	14,859	10.42	11/17/2016		
					12,000	168,000

(1) Each option has an exercise price equal to the fair market value of our common stock at the time of grant.

(2) Each option that had not fully vested as of June 30, 2007 becomes exercisable, subject to the optionee's continued employment with us, over a four-year period in equal quarterly installments, with the exception of (a) the option grant to Mr. Fusco on March 21, 2005 representing 1,100,000 shares of which 500,000 vest immediately and 600,000 vest over a four-year period in equal quarterly installments, and (b) the option grant to Mr. Wheeler on March 21, 2005 representing 125,000 shares of which 15,625 vest at the end of the following two fiscal quarters and 7,812 vest in quarterly installments thereafter.

(3) The expiration date of each option occurs ten years after the grant of such option.

(4) Each restricted stock unit becomes exercisable subject to the holder's continued employment with us as to 25% on achievement of specified performance goals and the balance in 12 equal quarterly installments thereafter.

(5) The closing price of our common stock on The NASDAQ Global Market on the last trading day of fiscal 2007, June 29, 2007, was $14.00.

Option Exercises and Shares Vested

The named executive officers did not exercise any options during fiscal 2007. In addition, none of the restricted stock units held by the named executive officers vested in fiscal 2007.

Compensation Committee Interlocks and Insider Participation

Neither Donald P. Casey nor Stephen M. Jennings, the members of the compensation committee, has ever been an employee of our company or any of our subsidiaries. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as members of our board of directors or compensation committee.

Director Compensation

The following table provides information regarding the compensation paid to our non-employee members of the board of directors in fiscal 2007. As an employee, Mr. Fusco receives no compensation for his services as director.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)	Total ($)
Donald P. Casey	153,010	85,229	238,239
Gary E. Haroian	150,500	64,721	215,221
Stephen M. Jennings	94,000	41,700	135,700
Joan C. McArdle	123,500	41,700	165,200
David M. McKenna	33,125	33,258	66,383
Michael Pehl	57,500	46,209	103,709
Christopher Pike(2)	9,625	—	9,625

(1) Represents the compensation expense we recognized in fiscal 2007 related to the applicable share-based award pursuant to SFAS 123(R). Assumptions used in the calculations for these amounts are included in Note 9 of the Notes to the Consolidated Financial Statements. The following are the aggregate number of option awards outstanding held by each of our non-employee directors as of June 30, 2007: Mr. Casey, 48,000; Mr. Haroian, 48,000; Mr. Jennings, 100,298; Ms. McArdle, 117,298; Mr. McKenna, 24,000; Mr. Pehl, 60,000; and Mr. Pike, 2,000.

(2) Mr. Pike served on the board from January 2006 to September 2006.

In fiscal 2007, we paid our non-employee directors an annual fee of $25,000 for their services as directors. In addition, we paid annual retainers of $15,000 to the chairman and to the chair of the audit committee, and annual retainers of $7,500 to the chairs of the compensation committee and the nominating and corporate governance committee. All annual retainers are payable in quarterly installments.

In fiscal 2007, we also paid each director $2,500 for participation in our quarterly board meetings and $2,000 for participation in all other board of directors or committee meetings of at least one hour duration.

In fiscal 2008, we have increased the retainer for the chairman, the audit committee chair and the compensation committee chair to $75,000, $30,000 and $15,000, respectively, and provided a retainer for other audit and compensation committee members of $20,000 and $7,500, respectively.

We grant to each non-employee director, upon his or her initial election to the board, an option to purchase 24,000 shares of our common stock at the fair market value of our common stock on the date of grant, provided such non-employee director was not, within the twelve months preceding his or her election as a director, an officer or employee of our company or any of our subsidiaries. Any such option vests quarterly over a three-year period, beginning on the last day of the calendar quarter following the grant date.

Beginning with the first annual meeting following a non-employee director's election to the board and on a quarterly basis thereafter, we grant each non-employee director an option to purchase 3,000 shares of our common stock. Each option is fully exercisable at the time of grant and has an exercise price equal to the fair market value of our common stock at the time of grant. Options granted to non-employee directors have terms of ten years.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

See "Securities Authorized for Issuance Under Equity Compensation Plans" under "Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" in Part II of this Form 10-K.

The following table sets forth certain information as of November 1, 2007, with respect to the beneficial ownership of our common stock:

- each person or group that we know to be the beneficial owner of more than 5% of the outstanding shares of any class of our voting securities;
- each of the named executive officers;
- each of our directors; and
- all of our current executive officers and directors as a group.

A total of 89,429,464 shares of common stock were outstanding as of November 1, 2007.

Unless otherwise noted, each person identified possesses sole voting and investment power with respect to the shares listed, subject to community property laws where applicable. Shares under "Common Stock—Right to Acquire" include shares subject to options or warrants that were vested as of November 1, 2007 or will vest within 60 days of November 1,2007. Shares not outstanding but deemed beneficially owned by virtue of the right of a person to acquire those shares are treated as outstanding only for purposes of determining the number and percent of shares of common stock owned by such person or group. Percentages under "Common Stock—Percent of Voting Power" represent beneficial rights to vote with respect to matters on which holders of common stock generally are entitled to vote, as of November 1, 2007, and are based on (a) the number of outstanding shares of common stock beneficially owned by that person and (b) the number of shares subject to options or warrants held by that person that were exercisable on, or within 60 days after, November 1, 2007. In calculating percentages under "Common Stock—Percent of Voting Power," the total number of vote entitled to be cast as of November 1, 2007 consisted of (a) 89,429,464 votes, which is the total votes to which the holders of outstanding shares of common stock are entitled, plus (b) for an identified person, a number of votes equal to the number of shares issuable upon conversion or subject to options or warrants that were exercisable by such person on, or within 60 days after, November 1, 2007.

The address of all of our executive officers and directors is in care of Aspen Technology, Inc., 200 Wheeler Road, Burlington, Massachusetts 01803.

	Common Stock			
Name of Stockholder	**Outstanding Shares**	**Right to Acquire**	**Total Number**	**Percent of Class**
5% Stockholders				
Advent International Corporation 75 State Street, 29th Floor Boston, MA 02109	29,512,336	—	29,512,336	33.0%
Waddell & Reed Financial, Inc. 6300 Lamar Avenue Overland Park, KS 66202	6,623,500	—	6,623,500	7.4%
Barclays Global Investors NA 45 Fremont Street 17th Floor San Francisco, CA 94105	3,437,557	—	3,437,557	3.8%
Alydar Partners, LLC 222 Berkeley Street 17th Floor Boston, MA 02116	2,800,000	—	2,800,000	3.1%
Named Executive Officers and Directors				
Mark E. Fusco	30,762	1,280,250	1,311,012	1.5%
Manolis E. Kotzabasakis	4,267	446,658	450,925	*
C. Steven Pringle	2,297	344,160	346,457	*
Joan C. McArdle	—	117,298	117,298	*
Blair F. Wheeler	2,558	108,125	110,683	*
Stephen M. Jennings	—	100,298	100,298	*
Michael Pehl	14,755	60,000	74,755	*
Donald P. Casey	—	48,000	48,000	*
Gary E. Haroian	—	48,000	48,000	*
Bradley T. Miller	7,251	25,000	32,251	*
David M. McKenna	2,282	8,000	10,282	*
Directors and Executive Officers, As a group (13 persons)	72,008	2,776,971	2,848,979	

* Less than one percent.

Advent International Corporation is an investment advisory firm. Advent International Corporation is the General Partner of Advent Partners II Limited Partnership, Advent Partners DMC III Limited Partnership, Advent Partners GPE-IV Limited Partnership, Advent Partners GPE-III Limited Partnership, Advent Partners (NA) GPE-III Limited Partnership and Advent International Limited Partnership, which is in turn the general partner of Global Private Equity III Limited Partnership, Global Private Equity IV Limited Partnership, Advent PGGM Global Limited Partnership, Digital Media & Communications III Limited Partnership, Digital Media & Communications III-A Limited

Partnership, Digital Media & Communications III-B Limited Partnership, Digital Media & Communications III-C Limited Partnership, Digital Media & Communications III-D C.V., Digital Media & Communications III-E C.V., and Advent Energy II Limited Partnership. We refer to these entities as the Advent funds.

The shares reflected as beneficially owned by Waddell & Reed Financial, Inc. ("WDR") are beneficially owned by one or more open-end investment companies or other managed accounts which are advised or sub-advised by Ivy Investment Management Company ("IICO"), an investment advisory subsidiary of WDR or Waddell & Reed Investment Management Company ("WRIMCO"), an investment advisory subsidiary of Waddell & Reed, Inc. ("WRI"), based upon information provided in a Schedule 13G filed by WDR with the SEC on February 9, 2007. WRI is a broker-dealer and underwriting subsidiary of Waddell & Reed Financial Services, Inc., a parent holding company ("WRFSI"). In turn, WRFSI is a subsidiary of WDR, a publicly traded company. The investment advisory contracts grant IICO and WRIMCO all investment and/or voting power over securities owned by such advisory clients. The investment sub-advisory contracts grant IICO and WRIMCO investment power over securities owned by such sub-advisory clients and, in most cases, voting power. Any investment restriction of a sub-advisory contract does not restrict investment discretion or power in a material manner.

The number of shares reflected as beneficially owned by Alydar Partners, LLC is based upon information provided in a Schedule 13G filed by Alydar with the SEC on February 16, 2007.

The shares of common stock reflected as owned by Michael Pehl are indirectly beneficially owned in his capacity as a limited partner of Advent Partners II Limited Partnership. Mr. Pehl disclaims beneficial ownership of the shares except to the extent of his pecuniary interest therein.

The shares of common stock reflected as owned by David M. McKenna are indirectly beneficially owned in his capacity as a limited partner of Advent Partners GPE IV Limited Partnership. Mr. McKenna disclaims beneficial ownership of the shares except to the extent of his pecuniary interest therein.

Item 13. ***Certain Relationships and Related Transactions***

Board Determination of Independence

Our board of directors uses the definition of independence established by The NASDAQ Stock Market. Under applicable Nasdaq rules, a director qualifies as an "independent director" if, in the opinion of the board of directors, he or she does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The board of directors has determined that Donald P. Casey, Gary E. Haroian, Stephen M. Jennings and Joan C. McArdle do not have any relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director of Aspen Technology, Inc., and that each of these directors therefore is an "independent director" as defined in Rule 4200(a)(15) of the Nasdaq Marketplace Rules.

Item 14. ***Principal Accountant Fees and Services***

The following table summarizes the fees of Deloitte & Touche LLP, our independent registered public accounting firm, for each of the last two fiscal years:

Fee Category	Fiscal 2007	Fiscal 2006
Audit Fees	$ 4,991,047	$ 3,219,139
Audit-Related Fees	200,383	40,570
Tax Fees	54,124	43,098
Total Fees	$ 5,245,554	$ 3,302,807

"Audit Fees" consist of fees for the audit of our financial statements, the review of the interim financial statements included in our quarterly reports on Form 10-Q, and other professional services provided in connection with statutory and regulatory filings or engagements.

"Audit-Related Fees" consist of fees for assurance and related services that were reasonably related to the performance of the audit and review of our financial statements and that are not reported as audit fees.

"Tax Fees" consist of fees for tax compliance, tax advice and tax planning services. None of the tax fees billed in fiscal 2006 or 2007 were provided under the *de minimis* exception to the audit committee pre-approval requirements.

Pre-Approval Policies and Procedures

The audit committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. This policy generally provides that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by the audit committee, except that *de minimis* non-audit services may instead be approved in accordance with applicable SEC rules.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a)(1) Financial Statements

(a)(2) Financial Statement Schedules

All schedules are omitted because they are not required or the required information is shown in the consolidated financial statements or notes thereto.

(a)(3) Exhibits

			Incorporated by Reference		
Exhibit Number	Description	Filed with this Form 10-K	Form	Filing Date with SEC	Exhibit Number
3.1	Certificate of Incorporation of Aspen Technology, Inc., as amended		8-K	August 22, 2003	4
3.2	By-laws of Aspen Technology, Inc.		8-K	March 27, 1998	3.2
4.1	Specimen certificate for common stock, $.10 par value, of Aspen Technology, Inc.		8-A/A	June 12, 1998	4
4.2	Rights Agreement dated March 12, 1998 between Aspen Technology, Inc. and American Stock Transfer and Trust Company, as Rights Agent, including form of Certificate of Designation of Series A Participating Cumulative Preferred Stock and form of Right Certificate		8-K	March 27, 1998	4.1
4.2a	Amendment No. 1 dated October 26, 2001 to Rights Agreement dated March 12, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	November 8, 2001	4.4

4.2b	Amendment No. 2 dated February 6, 2002 to Rights Agreement dated March 12, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	February 12, 2002	4.5
4.2c	Amendment No. 3 dated March 19, 2002 to Rights Agreement dated March 12, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	March 20, 2002	4.6
4.2d	Amendment No. 4 dated May 9, 2002 to Rights Agreement dated March 17, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	March 31, 2002	4.7
4.2e	Amendment No. 5 dated June 1, 2003 to Rights Agreement dated March 17, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	June 2, 2003	4.8
4.3	Form of WD Common Stock Purchase Warrants of Aspen Technology, Inc. dated August 14, 2003		8-K	August 22, 2003	99.3
10.1	Lease Agreement dated January 30, 1992 between Aspen Technology, Inc. and Teachers Insurance and Annuity Association of America regarding 10 Canal Park, Cambridge, Massachusetts	X			
10.1a	First Amendment to Lease Agreement dated May 5, 1997 between Aspen Technology, Inc. and Beacon Properties, L.P., successor-in-interest to Teachers Insurance and Annuity Association of America		10-K	September 28, 2000	10.2
10.1b	Second Amendment to Lease Agreement dated August 14, 2000 between Aspen Technology, Inc. and EOP-Ten Canal Park, L.L.C., successor-in-interest to Beacon Properties, L.P.		10-K	September 28, 2000	10.3
10.1c	Amendment dated September 5, 2007 to Lease Agreement dated January 30, 1992 between Aspen Technology, Inc. and MA-Ten Canal Park, L.L.C.	X			

10.2	Sublease dated September 5, 2007 between Aspen Technology, Inc. and MA-Ten Canal Park L.L.C. regarding 10 Canal Park, Cambridge, Massachusetts	X			
10.3	Lease dated May 7, 2007 between Aspen Technology, Inc. and One Wheeler Road Associates regarding 200 Wheeler Road, Burlington Massachusetts	X			
10.4	System License Agreement dated March 30, 1982 between Aspen Technology, Inc. and the Massachusetts Institute of Technology	X			
10.5	Amendment dated March 30, 1982 to System License Agreement dated March 30, 1982 between Aspen Technology, Inc. and the Massachusetts Institute of Technology	X			
10.6†	Purchase and Sale Agreement dated October 6, 2004 among Aspen Technology, Inc., Hyprotech Company, AspenTech Canada Ltd. and Hyprotech UK Ltd. and Honeywell International Inc., Honeywell Control Systems Limited and Honeywell Limited-Honeywell Limitee		10-Q	March 15, 2005	10.1
10.6a†	Amendment No. 1 dated December 23, 2004 to Purchase and Sale Agreement dated October 6, 2004 among Aspen Technology, Inc., Hyprotech Company, AspenTech Canada Ltd., and Hyprotech UK Ltd. and Honeywell International Inc., Honeywell Control Systems Limited and Honeywell Limited-Honeywell Limitee		10-Q	March 15, 2005	10.2
10.7†	Hyprotech License Agreement dated December 23, 2004 between Aspen Technology, Inc. and Honeywell International, Inc.		10-Q	March 15, 2005	10.3
10.8†	Hyprotech License Agreement dated December 23, 2004 between AspenTech Canada Ltd. and Honeywell Limited-Honeywell Limitee		10-Q	March 15, 2005	10.4
10.9†	Hyprotech License Agreement dated December 23, 2004 between Hyprotech Company and Honeywell Limited-Honeywell Limitee		10-Q	March 15, 2005	10.5

10.10†	Hyprotech License Agreement dated December 23, 2004 between AspenTech Ltd. and Honeywell Control Systems Limited		10-Q	March 15, 2005	10.6
10.11†	Hyprotech License Agreement dated December 23, 2004 between Hyprotech UK Ltd. and Honeywell Control Systems Limited		10-Q	March 15, 2005	10.7
10.12	Amended and Restated Direct Finance and Services Addendum to Letter Agreement, effective December 30, 2004 among Aspen Technology, Inc. Fleet Business Credit LLC, Fleet Business Credit (UK) Limited, and Fleet Business Credit (Deutschland) GmbH		10-K	September 13, 2005	10.9
10.13	Vendor Program Agreement dated March 29, 1990 between Aspen Technology, Inc. and General Electric Capital Corporation	X			
10.13a	Rider No. 1 dated December 14, 1994, to Vendor Program Agreement dated March 29, 1990 between Aspen Technology, Inc. and General Electric Capital Corporation	X			
10.13b	Rider No. 2 dated September 4, 2001 to Vendor Program Agreement dated March 29, 1990 between Aspen Technology, Inc. and General Electric Capital Corporation	X			
10.14	Letter Agreement dated March 25, 1992 between Aspen Technology, Inc. and Sanwa Business Credit Corporation	X			
10.14a	First Amendment dated March 3, 1994 to Letter Agreement dated March 25, 1992 between Aspen Technology, Inc. and Sanwa Business Credit Corporation	X			
10.14b	Second Amendment dated January 1, 1997 to Letter Agreement dated March 25, 1992 between Aspen Technology, Inc. and Sanwa Business Credit Corporation	X			
10.14c	Third Amendment dated March 28, 2003 to Letter Agreement dated March 25, 1992 between Aspen Technology, Inc. and Fleet Business Credit, LLC (formerly Sanwa Business Credit Corporation)		10-Q	May 15, 2003	10.9

10.15	Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	February 17, 2004	10.1
10.15a	First Amendment dated June 30, 2004 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15b	Second Amendment dated September 30, 2004 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	March 15, 2005	10.1
10.15c	Third Amendment dated December 31, 2004 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	March 15, 2005	10.8
10.15d	Fourth Amendment dated March 8, 2005 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15e	Fifth Amendment dated March 31, 2005 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	March 10, 2005	10.1
10.15f	Sixth Amendment dated December 29, 2005 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15g	Seventh Amendment dated July 17, 2006 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15h	Eighth Amendment dated September 15, 2006 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			

10.15i	Ninth Amendment dated January 12, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	May 10, 2007	10.3
10.15j	Tenth Amendment dated April 13, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15k	Eleventh Amendment dated June 28, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15l	Twelfth Amendment dated October 16, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15m	Thirteenth Amendment dated December 12, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15n	Fourteenth Amendment dated December 28, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		8-K	January 7, 2008	10.2
10.16	Loan Agreement dated June 15, 2005 among Aspen Technology, Inc., Aspen Technology Receivables II LLC, Guggenheim Corporate Funding, LLC and the lenders named therein.		8-K	June 20, 2005	10.1
10.17	Security Agreement dated June 15, 2005 between Aspen Technology Receivables II LLC and Guggenheim Corporate Funding, LLC		8-K	June 20, 2005	10.2

10.18	Release Letter dated December 28, 2007 relating to Loan Agreement dated June 15, 2005 among Aspen Technology, Inc., Aspen Technology Receivables II LLC, Guggenheim Corporate Funding, LLC and the Lenders named therein		8-K	January 7, 2008	10.1
10.19	Purchase and Sale Agreement dated June 15, 2005 between Aspen Technology, Inc. and Aspen Technology Receivables I LLC		8-K	June 20, 2005	10.3
10.20	Purchase and Resale Agreement dated June 15, 2005 between Aspen Technology Receivables I LLC and Aspen Technology Receivables II LLC		8-K	June 20, 2005	10.4
10.21	Loan Agreement dated September 27, 2006 among Aspen Technology Funding 2006-II LLC, Aspen Technology, Inc., Portfolio Financial Servicing Company, Inc., Key Equipment Finance Inc., Keybank National Association, and Relationship Funding Company, LLC		10-Q	November 14, 2006	10.1
10.22	Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-Q	February 14, 2003	10.1
10.22a	Letter Agreement dated February 14, 2003 amending Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22b	First Loan Modification Agreement dated June 27, 2003 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-K	September 29, 2003	10.22
10.22c	Second Loan Modification Agreement dated September 10, 2004 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-K	September 13, 2004	10.70

10.22d	Third Loan Modification Agreement dated January 28, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22e	Fourth Loan Modification Agreement dated April 1, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-Q	May 10, 2005	10.2
10.22f	Fifth Loan Modification Agreement dated May 6, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22g	Sixth Loan Modification Agreement dated June 15, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		8-K	June 20, 2005	10.5
10.22h	Seventh Loan Modification Agreement dated September 13, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-K	September 13, 2005	10.79
10.22i	Eighth Amendment to Loan and Security Agreement dated December 30, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22j	Ninth Loan Modification Agreement dated July 17, 2006 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech	X			

10.22k	Tenth Loan Modification Agreement dated September 15, 2006 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-K	September 28, 2006	10.84
10.22l	Eleventh Loan Modification Agreement dated September 27, 2006 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-Q	November 14, 2006	10.3
10.22m	Twelfth Loan Modification Agreement dated January 12, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-Q	May 10, 2007	10.1
10.22n	Thirteenth Loan Modification Agreement dated April 13, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22o	Fourteenth Loan Modification Agreement dated June 28, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22p	Fifteenth Loan Modification Agreement dated August 30, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22q	Sixteenth Loan Modification Agreement dated October 16, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			

10.22r	Seventeenth Loan Modification Agreement dated December 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		8-K	January 7, 2008	10.3
10.23	Form of Negative Pledge Agreement dated January 30, 2003, in favor of Silicon Valley Bank, executed by Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-Q	February 14, 2003	10.5
10.24	Security Agreement dated January 30, 2003 between Silicon Valley Bank and AspenTech Securities Corporation		10-Q	February 14, 2003	10.6
10.25	Unconditional Guaranty dated January 30, 2003, by AspenTech Securities Corporation in favor of Silicon Valley Bank		10-Q	February 14, 2003	10.7
10.26	Pledge Agreement, effective as of June 27, 2003, by Aspen Technology, Inc. in favor of Silicon Valley Bank		10-K	September 29, 2003	10.23
10.27	Partial Release and Acknowledgement Agreement dated June 15, 2005 among Aspen Technology, Inc., Aspentech, Inc. and Silicon Valley Bank		8-K	June 20, 2005	10.7
10.28	Partial Release and Acknowledgement Agreement dated September 27, 2006 among Silicon Valley Bank and Aspen Technology, Inc.		10-Q	November 14, 2006	10.6
10.29	Export-Import Bank Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank, Aspen Technology, Inc. and AspenTech, Inc.		10-Q	February 14, 2003	10.2
10.29a	First Loan Modification Agreement (Export-Import) dated September 10, 2004 among Aspen Technology, Inc., AspenTech, Inc. and Silicon Valley Bank		10-K	September 13, 2004	10.71
10.29b	Second Loan Modification Agreement (Export-Import) dated January 28, 2005 among Aspen Technology, Inc., AspenTech, Inc. and Silicon Valley Bank	X			
10.29c	Third Loan Modification Agreement (Export-Import) dated April 1, 2005 among Silicon Valley Bank, Aspen Technology, Inc. and AspenTech, Inc.		10-Q	May 10, 2005	10.3

10.29d	Fourth Loan Modification Agreement (Export-Import) dated June 15, 2005 among Aspen Technology, Inc., Aspentech, Inc. and Silicon Valley Bank		8-K	June 20, 2005	10.6
10.29e	Fifth Loan Modification Agreement (Export-Import) dated July 17, 2006 among Aspen Technology, Inc., AspenTech, Inc. and Silicon Valley Bank	X			
10.29f	Sixth Loan Modification Agreement (Export-Import) dated September 14, 2006 between Silicon Valley Bank and Aspen Technology, Inc.		10-K	September 28, 2006	10.85
10.29g	Seventh Loan Modification Agreement (Export-Import) dated September 27, 2006 among Silicon Valley Bank and Aspen Technology, Inc.		10-Q	November 14, 2006	10.5
10.29h	Eighth Loan Modification Agreement (Export-Import) dated January 12, 2007 among Silicon Valley Bank, Aspen Technology, Inc. and AspenTech, Inc.		10-Q	May 10, 2007	10.2
10.30	Export-Import Bank Borrower Agreement dated April 1, 2005 between Aspen Technology, Inc. and AspenTech Inc. in favor of the Export-Import Bank of the United States and Silicon Valley Bank		10-Q	May 10, 2005	10.4
10.31	Promissory Note (Export-Import) dated April 1, 2005 between Aspen Technology, Inc. and AspenTech, Inc. in favor of Silicon Valley Bank		10-Q	May 10, 2005	10.5
10.32	Investor Rights Agreement dated August 14, 2003 among Aspen Technology, Inc. and the Stockholders named therein		8-K	August 22, 2003	99.1
10.33	Management Rights Letter dated August 14, 2003 among Aspen Technology, Inc. and the entities named therein.		8-K	August 22, 2003	99.2
10.34	Amended and Restated Registration Rights Agreement dated March 19, 2002 between Aspen Technology, Inc. and the Purchasers named therein.		8-K	March 20, 2002	99.2
10.35^	Aspen Technology, Inc. 1998 Employees' Stock Purchase Plan		S-8	January 20, 1998	10.1
10.35a^	Amendment No. 1 to 1998 Employees' Stock Purchase Plan		Def 14A	November 13, 2000	C

10.36^	Aspen Technology, Inc. 1995 Stock Option Plan		S-8	September 9, 1996	4.5
10.37^	Aspen Technology, Inc. Amended and Restated 1995 Directors Stock Option Plan	X			
10.38^	Aspen Technology, Inc. 1996 Special Stock Option Plan		10-K	September 29, 1997	10.23
10.39^	Aspen Technology, Inc. Restated 2001 Stock Option Plan		10-K	September 28, 2006	10.54
10.40^	Form of Terms and Conditions of Stock Option Agreement Granted under Aspen Technology, Inc. 2001 Restated Stock Option Plan		10-Q	November 14, 2006	10.7
10.41^	Aspen Technology, Inc. 2005 Stock Incentive Plan		8-K	June 2, 2005	99.1
10.42^	Form of Terms and Conditions of Stock Option Agreement Granted under Aspen Technology, Inc. 2005 Stock Incentive Plan		10-Q	November 14, 2006	10.8
10.43^	Form of Restricted Stock Unit Agreement Granted under Aspen Technology, Inc. 2005 Stock Incentive Plan		10-Q	November 14, 2006	10.9
10.44^	Form of Restricted Stock Unit Agreement-G Granted under Aspen Technology, Inc. 2005 Stock Incentive Plan		10-Q	November 14, 2006	10.10
10.45	Non-Competition Agreement of Aspen Technology, Inc.	X			
10.46^	Aspen Technology, Inc. Executive Annual Incentive Bonus Plan for the fiscal year ending June 30, 2007		8-K	July 6, 2006	99.1
10.47^	Aspen Technology, Inc. Operations Executives Plan for the fiscal year ending June 30, 2007		8-K	July 6, 2006	99.2
10.48^	Form of Aspen Technology, Inc. Executive Annual Incentive Bonus Plan for the fiscal year ending June 30, 2008		8-K	June 20, 2007	99.1
10.49^	Form of Aspen Technology, Inc. Operations Executives Plan for the fiscal year ending June 30, 2008		8-K	June 20, 2007	99.2
10.50^	Amended and Restated Employment Agreement effective October 3, 2007 between Aspen Technology, Inc. and Mark E. Fusco	X			

10.51^	Form of Executive Retention Agreement entered into by Aspen Technology, Inc. and each executive officer of Aspen Technology, Inc. (other than Mark E. Fusco)	10-Q	November 14, 2006	10.11
10.52^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement granted to Manolis E. Kotzabasakis on or about August 18, 2003 under Aspen Technology, Inc. 1995 Stock Option Plan, as amended (Award Identification No. P040380)	8-K	January 5, 2007	10.1
10.53^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement granted to Manolis E. Kotzabasakis on or about August 18, 2003 under Aspen Technology, Inc. 2001 Stock Option Plan, as amended (Award Identification No. P040002)	8-K	January 5, 2007	10.2
10.54^	Amendment Number 1 dated December 29, 2006 to the Stock Option Agreement granted to Manolis E. Kotzabasakis on or about August 18, 2003 under Aspen Technology, Inc. 2001 Stock Option Plan, as amended (Award Identification No. P0405621)	8-K	January 5, 2007	10.3
10.55^	Employment Agreement dated April 1, 2002 between Aspen Technology, Inc. and C. Steven Pringle.	8-K	July 11, 2003	10.1
10.56^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement granted to C. Steven Pringle on or about August 18, 2003 under Aspen Technology, Inc. 1995 Stock Option Plan, as amended (Award Identification No. P040381)	8-K	January 5, 2007	10.4
10.57^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement with C. Steven Pringle granted on or about August 18, 2003 under Aspen Technology, Inc. 2001 Stock Option Plan, as amended (Award Identification No. P040003)	8-K	January 5, 2007	10.5

10.58^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement granted to C. Steven Pringle on or about August 18, 2003 under Aspen Technology, Inc. 2001 Stock Option Plan, as amended (Award Identification No. P0405622)		8-K	January 5, 2007	10.6
14.1	Aspen Technology, Inc. Code of Conduct and Business Ethics		10-K	September 13, 2005	14.1
21.1	Subsidiaries of Aspen Technology, Inc.	X			
23.1	Consent of Deloitte & Touche LLP	X			
24.1	Power of Attorney (included in signature page to Form 10-K)	X			
31.1	Certification of President and Chief Executive Officer pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002	X			
31.2	Certification of Principal Financial and Accounting Officer pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002	X			
32.1	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
32.2	Certification of Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			

† Confidential treatment requested as to certain portions

^ Management contract or compensatory plan

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

ASPEN TECHNOLOGY, INC.

Date: April 11, 2008 By: /s/ MARK E. FUSCO

Mark E. Fusco
President and Chief Executive Officer
(Principal Executive Officer)

Date: April 11, 2008 By: /s/ BRADLEY T. MILLER

Bradley T. Miller
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

We, the undersigned officers and directors of Aspen Technology, Inc., hereby severally constitute and appoint Mark Fusco, Bradley T. Miller, and Frederic G. Hammond, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, any and all amendments to this Annual Report on Form 10-K and generally to do all such things in our names and on our behalf in our capacities as officers and directors to enable Aspen Technology, Inc. to comply with the provisions of the Securities Exchange Act of 1934 and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to this Annual Report on Form 10-K and any and all amendments thereto. Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of.

Name	Title
/s/ MARK E. FUSCO Mark E. Fusco	President and Chief Executive Officer and Director
/s/ STEPHEN M. JENNINGS Stephen M. Jennings	Chairman of the Board of Directors
/s/ DONALD P. CASEY Donald P. Casey	Director
/s/ GARY E. HAROIAN Gary E. Haroian	Director

/s/ JOAN C. MCARDLE

Joan C. McArdle	Director

/s/ DAVID M. MCKENNA

David M. McKenna	Director

/s/ MICHAEL PEHL

Michael Pehl	Director

ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Aspen Technology, Inc.
Burlington, Massachusetts

We have audited the accompanying consolidated balance sheets of Aspen Technology, Inc. and subsidiaries (the "Company") as of June 30, 2006 and 2007, and the related consolidated statements of operations, stockholders' equity (deficit) and comprehensive income (loss), and cash flows for each of the three years in the period ended June 30, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Aspen Technology, Inc. and subsidiaries as of June 30, 2006 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 9 to the consolidated financial statements, effective July 1, 2005 the Company changed its method of accounting for stock-based compensation upon adoption of Statement of Financial Accounting Standards No. 123(R) "Share-Based Payment."

As discussed in Note 17, the accompanying consolidated financial statements for fiscal 2005 and 2006 have been restated.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of June 30, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated April 11, 2008 expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an adverse opinion on the effectiveness of the Company's internal control over financial reporting because of material weaknesses.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
April 11, 2008

ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	June 30,	
	2006	2007
	(As restated, see Note 17)	
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 86,272	$ 132,267
Accounts receivable, net	48,332	47,200
Unbilled services	8,714	10,641
Current portion of installments receivable, net	14,516	14,214
Current portion of collateralized receivables, net	92,893	104,473
Prepaid expenses and other current assets	8,829	10,163
Total current assets	259,556	318,958
Non-current installments receivable, net	32,894	28,613
Non-current collateralized receivables, net	118,369	140,603
Property and leasehold improvements, at cost:		
Computer equipment	11,213	7,687
Purchased software	20,552	21,397
Furniture and fixtures	6,960	5,521
Leasehold improvements	6,046	3,788
	44,771	38,393
Less—Accumulated depreciation and amortization	36,097	31,858
	8,674	6,535
Computer software development costs	15,456	11,104
Purchased intellectual property, net of accumulated amortization of $2,096 in 2006	165	—
Other intangible assets, net	6,711	585
Goodwill	18,035	19,112
Deferred tax assets	2,589	
Other assets	3,502	3,387
	$ 465,951	$ 528,897
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Current portion of term debt	$ 247	$ 193
Current portion of secured borrowing	91,646	101,826
Accounts payable	4,613	5,833
Accrued expenses	95,078	95,742
Deferred revenue	57,532	62,345
Total current liabilities	249,116	265,939
Term debt, less current portion	149	—
Long-term secured borrowing	90,758	104,324
Deferred revenue	2,609	4,761
Deferred tax liability	—	625
Other liabilities	20,446	16,042
Commitments and contingencies (Notes 11, 12 and 13)		
Series D redeemable convertible preferred stock, $0.10 par value—Authorized—367,000 shares in 2006 and 3,636 shares in 2007 Issued and outstanding—333,364 shares in 2006 and none in 2007	125,475	—
Stockholders' equity (deficit):		
Common stock, $0.10 par value—Authorized—120,000,000 shares Issued—49,090,499 shares in 2006 and 89,133,494 shares in 2007 Outstanding—48,857,035 shares in 2006 and 88,900,030 shares in 2007	4,909	8,913
Additional paid-in capital	372,683	480,671
Accumulated deficit	(406,981)	(361,463)
Accumulated other comprehensive income	7,300	9,598

Treasury stock, at cost—233,464 shares of common stock in 2006 and 2007	(513)	(513)
Total stockholders' equity (deficit)	(22,602)	137,206
	$ 465,951	$ 528,897

The accompanying notes are an integral part of these consolidated financial statements.

ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended June 30,		
	2005	2006	2007
	(As restated, see Note 17)	(As restated, see Note 17)	
	(In thousands, except per share data)		
Revenues:			
Software licenses	$ 128,809	$ 153,730	$ 199,761
Service and other	140,319	140,686	141,268
Total revenues	269,128	294,416	341,029
Cost of revenues:			
Cost of software licenses	16,864	16,805	14,588
Cost of service and other	82,744	72,690	72,426
Amortization of technology related intangible assets	8,220	8,559	6,546
Total cost of revenues	107,828	98,054	93,560
Gross profit	161,300	196,362	247,469
Operating costs:			
Selling and marketing	96,275	84,505	93,387
Research and development	47,276	44,322	42,703
General and administrative	51,871	44,408	51,010
Restructuring charges and FTC legal costs	24,960	3,993	4,634
Loss (gain) on sales and disposals of assets	(96)	300	332
Total operating costs	220,286	177,528	192,066
Income (loss) from operations	(58,986)	18,834	55,403
Interest income	18,972	19,978	21,909
Interest expense	(16,772)	(19,532)	(18,613)
Foreign currency exchange loss	(3,427)	(2,874)	(734)
Income (loss) before provision for income taxes	(60,213)	16,406	57,965
Provision for income taxes	(8,847)	(9,941)	(12,447)
Net income (loss)	(69,060)	6,465	45,518
Accretion of preferred stock discount and dividends	(14,450)	(15,383)	(7,290)
Income (loss) attributable to common shareholders	$ (83,510)	$ (8,918)	$ 38,228
Basic income (loss) per share attributable to common shareholders	$ (1.97)	$ (0.20)	$ 0.54
Diluted income (loss) per share attributable to common shareholders	$ (1.97)	$ (0.20)	$ 0.50
Basic weighted average shares outstanding	42,381	44,627	70,879

Diluted weighted average shares outstanding	42,381	44,627	91,869

The accompanying notes are an integral part of these consolidated financial statements.

ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) AND

COMPREHENSIVE INCOME (LOSS)

	Common Stock						Treasury Stock			
	Number of Shares	$0.10 Par Value	Additional Paid-in Capital	Accumulated Deficit	Deferred Compensation	Accumulated Other Comprehensive Income (Loss)	Number of Shares	Cost	Stockholders' Equity (Deficit)	Total Comprehensive Income (Loss)
	(In thousands, except share data)									
Balance, June 30, 2004 (As Previously Reported)	41,716,887	$ 4,173	$ 396,325	$ (367,397)	$ (767)	$ (1,347)	233,464	$ (513)	$ 30,474	
Adjustments to beginning stockholders' equity in connection with restatement (see Note 17)	—	—	(28,295)	23,011	—	(11)	—	—	(5,295)	
Balance, July 1, 2004 (As Restated, See Note 17)	41,716,887	4,173	368,030	(344,386)	(767)	(1,358)	233,464	(513)	$ 25,179	
Issuance of common stock under employee stock purchase plans	315,751	31	1,822	—	—	—	—	—	1,853	
Exercise of stock options	1,267,178	126	3,481	—	—	—	—	—	3,607	
Stock-based compensation	—	—	1,171	—	353	—	—	—	1,524	
Accrual of Series D redeemable convertible preferred stock dividend (As Restated, See Note 17)	—	—	(10,692))	—	—	—	—	—	(10,692)	
Accretion of discount on Series D redeemable convertible preferred stock (As Restated, See Note 17)	—	—	(3,758)	—	—	—	—	—	(3,758)	
Translation adjustment (As Restated, See Note 17)	—	—	—	—	—	4,137	—	—	4,137	$ 4,137
Net loss (As Restated, See Note 17)	—	—	—	(69,060)	—	—	—	—	(69,060)	(69,060)
Comprehensive loss for the year ended June 30, 2005										$ (64,923)
Balance, June 30, 2005 (As Restated, See Note 17)	43,299,816	4,330	360,054	(413,446)	(414)	2,779	233,464	(513)	(47,210)	
Issuance of common stock under employee stock purchase plans	188,119	19	820	—	—	—	—	—	839	
Exercise of stock options.	2,602,564	260	10,729	—	—	—	—	—	10,989	
Conversion of Series D redeemable convertible preferred stock	3,000,000	300	8,380	—	—	—	—	—	8,680	
Accrual of Series D redeemable convertible preferred stock dividend (As Restated, See Note 17)	—	—	(11,518)	—	—	—	—	—	(11,518)	
Accretion of discount on Series D redeemable convertible preferred stock (As Restated, See Note 17)	—	—	(3,865)	—	—	—	—	—	(3,865)	
Elimination of deferred compensation upon the adoption of SFAS 123(R)	—	—	(414)	—	414	—	—	—	—	
Stock-based compensation	—	—	8,378	—	—	—	—	—	8,378	
Tax benefit from stock options	—	—	119	—	—	—	—	—	119	
Translation adjustment (As Restated, See Note 17)	—	—	—	—	—	4,521	—	—	4,521	$ 4,521
Net income (As Restated, See Note 17)	—	—	—	6,465	—	—	—	—	6,465	6,465
Comprehensive income for the year ended June 30, 2006 (As Restated, See Note 17)										$ 10,986
Balance, June 30, 2006 (As Restated, See Note 17)	49,090,499	4,909	372,683	(406,981)	—	7,300	233,464	(513)	(22,602)	
Issuance of common stock under employee stock purchase plans	107,862	11	847	—	—	—	—	—	858	

Exercise of stock options.	1,446,354	144	8,354	—	—	—	—	—	8,498	
Conversion of warrants	5,152,379	515	(515)	—	—	—	—	—	—	
Accrual of Series D redeemable convertible preferred stock dividend	—	—	(5,498)	—	—	—	—	—	(5,498)	
Accretion of discount on Series D redeemable convertible preferred stock	—	—	(1,792)	—	—	—	—	—	(1,792)	
Conversion of Series D redeemable convertible preferred stock	33,336,400	3,334	95,473	—	—	—	—	—	98,807	
Stock-based compensation	—	—	11,119	—	—	—	—	—	11,119	
Translation adjustment	—	—	—	—	—	2,298	—	—	2,298	$ 2,298
Net income	—	—	—	45,518	—	—	—	—	45,518	45,518
Comprehensive income for the year ended June 30, 2007										$ 47,816
Balance June 30, 2007	89,133,494	$ 8,913	$ 480,671	$ (361,463)	$ —	$ 9,598	233,464	$ (513)	$ 137,206	

The accompanying notes are an integral part of these consolidated financial statements.

ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended June 30,		
	2005	2006	2007
	(As Restated, See Note 17)	(As Restated, See Note 17)	
	(In thousands)		
Cash flows from operating activities:			
Net (loss) income	$ (69,060)	$ 6,465	$ 45,518
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation and amortization	25,999	23,870	19,422
Foreign currency loss (gain) on intercompany accounts	3,118	4,436	1,381
Stock-based compensation	1,524	8,230	11,062
Non-cash interest expense from amortization of debt costs	467	1,086	1,183
Asset impairment charges and write-offs under restructuring charges	1,190	—	—
(Gain) loss on the disposal of property	(96)	300	332
Deferred income taxes	(2,413)	(3,147)	3,214
Provision for doubtful accounts	5,096	4,695	2,568
Changes in assets and liabilities:			
Accounts receivable	(3,210)	(7,185)	872
Unbilled services	5,757	831	(1,948)
Prepaid expenses and other current assets	(2,162)	2,458	(1,343)
Installments and collateralized receivable	8,624	8,582	(30,872)
Accounts payable and accrued expenses	5,730	(3,297)	1,789
Deferred revenue	4,015	5,923	6,948
Other liabilities	11,651	(2,697)	(4,406)
Net cash (used in) provided by operating activities	(3,770)	50,550	55,720
Cash flows from investing activities:			
Purchase of property and leasehold improvements	(5,160)	(3,457)	(3,143)
Proceeds from sale of property	1,954	—	—
Capitalized computer software development costs	(8,545)	(7,111)	(3,476)
(Increase) decrease in other assets	(59)	104	50
Purchase of business, net of cash acquired	—	—	(1,295)
Net cash used in investing activities	(11,810)	(10,464)	(7,864)
Cash flows from financing activities:			
Payment of convertible preferred stock dividends	—	(2,439)	(33,958)
Issuance of common stock under employee stock purchase plans	1,853	839	858
Exercise of stock options and warrants	3,607	10,989	8,498
Excess tax benefits from stock compensation	—	119	—
Payments of long-term debt and capital lease obligations	(2,436)	(984)	(203)
Debt issuance costs	(2,135)	—	(1,124)
Proceeds from secured borrowings	159,490	110,528	168,852
Repayment of secured borrowings	(127,653)	(141,161)	(145,105)
Repayment of convertible debt	(56,745)	—	—

Net cash used in financing activities	(24,019)	(22,109)	(2,182)
Effect of exchange rate changes on cash and cash equivalents	115	146	321
Increase (decrease) in cash and cash equivalents	(39,484)	18,123	45,995
Cash and cash equivalents, beginning of year	107,633	68,149	86,272
Cash and cash equivalents, end of year	$ 68,149	$ 86,272	$ 132,267
Supplemental disclosure of cash flow information:			
Income taxes paid	2,700	7,821	6,696
Interest paid	16,618	19,192	17,958
Supplemental disclosure of non-cash activities:			
Non-cash purchases of property	72	107	154

The accompanying notes are an integral part of these consolidated financial statements.

(1) Operations

Aspen Technology, Inc. (the Company) and its subsidiaries are a leading supplier of integrated software and services to the process industries, which consist of oil and gas, petroleum, chemicals, pharmaceutical and other industries that manufacture and produce products from a chemical process. The Company develops software to design, operate, manage and optimize its customers' key business processes.

(2) Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

(b) Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments with remaining maturities of three months or less when purchased.

(d) Derivative Instruments and Hedging

The Company records all derivatives, which consist of foreign currency exchange contracts, on the balance sheet at fair value. Derivatives that are not accounting hedges must be adjusted to fair value through earnings. If a derivative is a hedge, changes in the fair value of the derivative are either offset against the change in fair value of assets, liabilities or firm commitments through earnings or included in accumulated other comprehensive income depending on the nature of the hedge. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings. The Company does not account for any derivatives using hedge accounting treatment during the periods presented and therefore the changes in the fair value of derivatives is recognized in earnings.

Forward foreign exchange contracts are used by the Company to offset certain installment and accounts receivable cash flow exposures resulting from changes in foreign currency exchange rates. Such exposures have historically resulted from portions of the Company's installments receivable that are denominated in currencies other than the U.S. dollar, primarily the Euro, Japanese Yen, Canadian Dollar and the British Pound Sterling. The Company retained currency exposures as part of the June 2005 and September 2006 transfers of installments receivable to its unconsolidated subsidiaries. The Company has also retained foreign currency exposure for certain collateralized installment and accounts receivables transferred under its traditional programs (See Note 4 "Secured Borrowings and Collateralized Receivables").

(2) Significant Accounting Policies (Continued)

At June 30, 2007, the Company had entered into currency forward contracts intended to mitigate a portion of the cash flow exposure on $26.9 million of installments receivable and accounts receivable denominated in foreign currency. The gross value of the held and securitized installments receivable that were denominated in foreign currency was $46.0 million at June 30, 2006 and $53.7 million at June 30, 2007. The installments receivable as of June 30, 2007 mature at various times through June 2012.

The Company records its foreign currency exchange contracts at fair value in its consolidated balance sheet and the related gains or losses on these contracts are recognized in earnings. During fiscal 2005, 2006 and 2007, the net loss recognized in the consolidated statements of operations was not material.

The following table provides information about the Company's foreign currency derivative financial instruments outstanding as of June 30, 2007. The table presents the notional amount (at contract exchange rates) and the fair value of the derivatives in U.S. dollars:

Currency	Notional Amount	Fair Value* Gain (Loss)
		(In thousands)
Euro	$ 17,610	$ (0.4)
British Pound Sterling	4,619	(0.2)
Japanese Yen	2,787	0.1
Canadian Dollar	1,611	(0.1)
Swiss Franc	306	—
Total	$ 26,933	$ (0.6)

* The fair value is derived from the estimated amount at which the contracts could be settled based on the forward rates as of June 30, 2007. Credit risk on derivatives arises if the Company's banking counterparties are unable to meet the terms of the agreements. The Company minimizes such risk by limiting its counterparties to major financial institutions. Management does not expect any loss as a result of default by other parties. However, there can be no assurances that the Company will be able to mitigate the market and credit risks described above.

(e) Depreciation and Amortization

The Company provides for depreciation and amortization, primarily computed using the straight-line method, by charges to operations in amounts estimated to allocate the cost of the assets over their estimated useful lives, as follows:

Asset Classification	Estimated Useful Life
Computer equipment	3 years
Purchased software	3 - 5 years
Furniture and fixtures	3 - 10 years
Leasehold improvements	Life of lease or asset, whichever is shorter

(2) Significant Accounting Policies (Continued)

Depreciation expense was $10.1 million, $5.8 million and $5.0 million for the years ended June 30, 2005, 2006 and 2007, respectively.

(f) Revenue Recognition

The Company recognizes revenue in accordance with Statement of Position (SOP) No. 97-2, "Software Revenue Recognition," as amended and interpreted. License revenue, including license renewals, consists principally of revenue earned under fixed-term and perpetual software license agreements and is generally recognized upon shipment of the software if collection of the resulting receivable is probable, the fee is fixed or determinable, and vendor-specific objective evidence (VSOE) of fair value exists for all undelivered elements, such as maintenance support, consulting and training services. The Company determines VSOE based upon the price charged when the same element is sold separately. Consulting and training services VSOE represents rates that the Company charges its customers when the Company sells these services separately. For an element not yet being sold separately, VSOE represents the price established by management having the relevant authority when it is probable that the price, once established, will not change before the separate introduction of the element into the marketplace. The Company uses installment contracts as a standard business practice and has a history of successfully collecting under the original payment terms without making concessions on payments, products or services.

Revenue under license arrangements, which may include several different software products and services sold together, are allocated to the delivered elements based on the residual method. Under the residual method, the fair value of the undelivered elements is deferred and subsequently recognized when earned and the residual amount for the delivered elements is recognized in revenue when all other revenue recognition criteria are met. The Company has established VSOE for consulting services, training and maintenance and support services. Accordingly, software license revenues are recognized under the residual method in arrangements in which software is bundled with consulting services, training and maintenance and support services. Consulting services do not generally involve customizing or modifying the licensed software, but rather involve helping customers deploy the software to their specific business processes. The Company generally accounts for the services element of the arrangement separately. Occasionally, the Company provides consulting services considered essential to the functionality of the software or provides services for the significant production, modification or customization of the licensed software and recognizes revenue for such services and any related software licenses in accordance with SOP 81-1, "Accounting for Performance of Construction Type and Certain Performance Type Contracts" using the percentage-of-completion method.

When a loss is anticipated on a service contract, the full amount thereof is provided currently. Service revenues and consulting and training revenue are recognized as the related services are performed using the proportional performance method. Services that have been performed but for which billings have not been made are recorded as unbilled services, and billings that have been recorded before the services have been performed are recorded as deferred revenue in the accompanying consolidated balance sheets. Reimbursement received for out-of-pocket expenses is recorded as revenue.

The Company has a practice of licensing its products through resellers in certain regions. For software licensed through these distribution channels, revenue is recognized at the time of delivery to

(2) Significant Accounting Policies (Continued)

the end customer, when persuasive evidence of an arrangements exists, the fee is fixed or determinable, collection is reasonably assured and other revenue recognition criteria are met.

Maintenance and support services are recognized ratably over the life of the maintenance and support contract period. Maintenance and support services include telephone support and unspecified rights to product upgrades and enhancements. These services are typically sold for a one-year term and are sold either as part of a multiple element arrangement with software licenses or sold independently at time of renewal. The Company generally does not provide specified upgrades to its customers in connection with the licensing of its software products.

(g) Computer Software Development Costs

Certain computer software development costs are capitalized in the accompanying consolidated balance sheets. Capitalization of computer software development costs begins upon the establishment of technological feasibility. In accordance with Statement of Financial Accounting Standard (SFAS) No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased, or otherwise Marketed," the Company defines the establishment of technological feasibility as the completion of a detail program design. Amortization of capitalized computer software development costs is provided on a product-by-product basis using (a) the greater of the amount computed using the ratio that current gross revenues for a product bear to total of current and anticipated future gross revenues for that product or (b) the straight-line method, beginning upon commercial release of the product, and continuing over the remaining estimated economic life of the product, not to exceed three years. At each balance sheet date, the Company evaluates the unamortized capitalized software costs for potential impairment by comparing to the net realizable value of the products. Total amortization expense charged to operations was approximately $8.0 million, $9.2 million and $7.9 million in fiscal 2005, 2006 and 2007, respectively.

(h) Foreign Currency Translation

The determination of the functional currency of subsidiaries is based on the subsidiaries' financial and operational environment and is normally the local currency. Gains and losses from foreign currency translation related to entities whose functional currency is their local currency are credited or charged to accumulated other comprehensive income (loss), included in stockholders' equity (deficit) in the consolidated balance sheets. In all instances, foreign currency transaction gains or losses are credited or charged to the consolidated statements of operations as incurred.

(i) Net Income (Loss) per Share

Basic earnings per share was determined by dividing income (loss) attributable to common shareholders by the weighted average common shares outstanding during the period. Diluted earnings per share was determined by dividing income (loss) attributable to common shareholders by diluted weighted average shares outstanding. Diluted weighted average shares reflects the dilutive effect, if any, of potential common shares. To the extent their effect is dilutive, potential common shares include common stock options and warrants, based on the treasury stock method, convertible preferred stock, based on the if-converted method, and other commitments to be settled in common stock. The calculations of basic and diluted net income (loss) per share attributable to common shareholders and

(2) Significant Accounting Policies (Continued)

basic and diluted weighted average shares outstanding are as follows (in thousands, except per share data):

	Years Ended June 30,		
	2005	2006	2007
Income (loss) attributable to common shareholders	$ (83,510)	$ (8,918)	$ 38,228
Plus: Impact of assumed conversion of Series D preferred stock	—	—	7,290
	(83,510)	(8,918)	45,518
Basic weighted average common shares outstanding	42,381	44,627	70,879
Employee equity awards	—	—	3,169
Warrants	—	—	1,467
Incremental shares from assumed conversion of preferred stock	—	—	16,354
Diluted weighted average shares outstanding	42,381	44,627	91,869
Basic income (loss) per share attributable to common shareholders	$ (1.97)	$ (0.20)	$ 0.54
Diluted income (loss) per share attributable to common shareholders	$ (1.97)	$ (0.20)	$ 0.50

The following potential common shares were excluded from the calculation of dilutive weighted average shares outstanding as their effect would be anti-dilutive at the balance sheet date (in thousands):

	Years Ended June 30,		
	2005	2006	2007
Convertible preferred stock	36,336	33,336	—
Options and warrants	20,129	18,542	2,313
Preferred stock dividend, to be settled in common stock	3,727	2,169	—
Total	60,192	54,047	2,313

(j) Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are principally cash and cash equivalents, accounts receivable and installments and collateralized receivables. The Company places its cash and cash equivalents and investments in financial institutions management believes to be high credit quality. Concentration of credit risk with respect to receivables is limited to certain customers (end users and distributors) to which the Company makes substantial sales. To reduce risk, the Company assesses the financial strength of its customers and will often transfer its installments receivable to financial institutions with limited or no credit recourse. The Company does not generally require collateral or other security in support of its receivables. As of June 30, 2006 and 2007, the Company had no customers that represented more than 10% of total receivables.

(2) Significant Accounting Policies (Continued)

(k) Allowance for Doubtful Accounts and Discounts

The Company makes judgments as to its ability to collect outstanding receivables and provides allowances for the portion of receivables when a loss has been incurred. Provisions are made based upon a specific review of all significant outstanding invoices and an analysis of loss experience. In determining these provisions, the Company analyzes its historical collection experience and current economic trends. The allowance for doubtful accounts on installment and collateralized receivables primarily represents the carrying value of the impaired loans.

The following table summarizes allowance for doubtful accounts activity for the years ended June 30, 2005, 2006 and 2007 on accounts receivable:

	2005	2006	2007
		(In thousands)	
Balance, beginning of year	$ 3,696	$ 4,653	$ 5,330
Provision for bad debts	2,540	2,916	927
Write-offs	(1,583)	(2,239)	(1,464)
Balance, end of year	$ 4,653	$ 5,330	$ 4,793

The following table summarizes allowance for doubtful accounts activity for the years ended June 30, 2005, 2006 and 2007 on installments receivable:

	2005	2006	2007
		(In thousands)	
Balance, beginning of year	$ —	$ 120	$ 1,086
Provision for bad debts	120	966	530
Transfers to collateralized receivables classification	—	—	(1,086)
Write-offs	—	—	—
Balance, end of year	$ 120	$ 1,086	$ 530

The following table summarizes allowance for doubtful accounts activity for the years ended June 30, 2005, 2006 and 2007 on collateralized receivables:

	2005	2006	2007
		(In thousands)	
Balance, beginning of year	$ —	$ 2,436	$ 3,249
Provision for bad debts	2,436	813	1,111
Transfers from installments receivable	—	—	1,086
Write-offs	—	—	—
Balance, end of year	$ 2,436	$ 3,249	$ 5,446

The Company's total investment in impaired loans at June 30, 2007 and 2006 approximates that amount for which an allowance for bad debts has been established for installment and collateralized receivables

(2) Significant Accounting Policies (Continued)

Installments receivables (collateralized and uncollateralized) are presented net of discounts for future interest established at inception of the note. Interest income is recognized over the term of the note using the effective interest method. The total of such discounts as of June 30, 2006 and 2007 was as follows (in thousands):

	2006	2007
Current portion of installments receivable	$ 650	$ 294
Current portion of collateralized receivables	1,864	2,131
Long-term installments receivable	7,786	5,806
Long-term collateralized receivables	22,503	29,334

(l) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, installments receivable, collateralized receivables, accounts payable, long-term obligations and foreign exchange contracts. The estimated fair value of these financial instruments approximates the carrying value. The fair value of the collateralized receivables is less than the carrying value by $5.2 million.

(m) Intangible Assets, Goodwill and Impairment of Long-Lived Assets

Acquired intangibles are removed from the accounts when fully amortized and no longer in use. Intangible assets subject to amortization consist of the following at June 30, 2006 and 2007 (in thousands):

		June 30, 2006		June 30, 2007	
Asset Class	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Acquired technology	3 - 5 years	$ 53,586	$ 46,896	$ —	$ —
Other intangibles	3 - 12 years	232	211	819	234
		$ 53,818	$ 47,107	$ 819	$ 234

Aggregate amortization expense for intangible assets was $8.2 million, $8.6 million and $6.5 million for the years ended June 30, 2005, 2006 and 2007, respectively, and is expected to be $0.2 million, $0.2 million, and $0.2 million during the years ending June 30, 2008, 2009, and 2010, respectively.

(2) Significant Accounting Policies (Continued)

The changes in the carrying amount of the goodwill by reporting unit for the years ended June 30, 2006 and 2007 were as follows (in thousands):

	Reporting Unit			
Asset Class	License	Consulting Services	Maintenance and Training	Total
Carrying amount as of July 1, 2005	$ 2,363	$ 513	$ 14,023	$ 16,899
Effect of changes in currency translation	(5)	—	1,141	1,136
Carrying amount as of June 30, 2006	2,358	513	15,164	18,035
Effect of changes in currency translation	118	—	959	1,077
Carrying amount as of June 30, 2007	$ 2,476	$ 513	$ 16,123	$ 19,112

The Company tests goodwill for impairment annually at the reporting unit level using a fair value approach in accordance with the provisions of SFAS No. 142, "Goodwill and other Intangible Assets." The Company conducted its annual impairment test on December 31, of each year. The Company's next annual impairment test will occur on December 31, 2007. If an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value, goodwill will be evaluated for impairment between annual tests.

The Company evaluates it long-lived assets, which include property and leasehold improvements, intangible assets and capitalized software development costs for impairment as events and circumstances indicate that the carrying amount may not be recoverable. The Company evaluates the realizability of its long-lived assets based on undiscounted cash flow expectations for the related asset.

(n) Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive income (loss) is disclosed in the accompanying consolidated statements of stockholders' equity (deficit) and comprehensive income (loss). The components of accumulated other comprehensive income (loss) as of June 30, 2006 and 2007 consist of cumulative translation adjustments.

(o) Accounting for Stock-Based Compensation

The Company adopted SFAS No. 123 (revised 2004), "Share-Based Payment," (SFAS No.123(R)) effective July 1, 2005. Under the provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the vesting period. Prior to the adoption of SFAS No. 123(R), the Company used the intrinsic value method. Under the intrinsic value method, stock-based compensation is recognized when the award is less than the fair value on the measurement date. See Note 9, "Stock-Based Compensation," in the notes to consolidated financial statements for more discussion.

(p) Accounting for Transfers of Financial Assets

The Company derecognizes financial assets when control has been surrendered in compliance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of

(2) Significant Accounting Policies (Continued)

Liabilities" ("SFAS No. 140"). Transfers of assets that meet the requirements of SFAS No. 140 for sale accounting treatment are removed from the balance sheet and gains or losses on the sale are recognized. If the conditions for sale accounting treatment are not met, or are no longer met, assets transferred are classified as collateralized receivables in the consolidated balance sheet and cash received from these transactions is classified as secured borrowings. All transfers of assets during the years ended June 30, 2005, 2006 and 2007 are accounted for as secured borrowings. Transaction costs associated with secured borrowings, if any, are treated as borrowing costs and recognized in interest expense. As customer payments are made on the collateralized receivables, the collateralized receivable and debt obligation are reduced.

(q) Income Taxes

Deferred income taxes are recognized based on temporary differences between the financial statement and tax bases of assets and liabilities. Deferred tax assets and liabilities are measured using the statutory tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to reverse. Valuation allowances are provided against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the timing of the temporary differences becoming deductible. Management considers, among other available information, scheduled reversals of deferred tax liabilities, projected future taxable income, limitations of availability of net operating loss carryforwards, and other matters in making this assessment.

Income taxes are provided on undistributed earnings of foreign subsidiaries where such earnings are expected to be remitted to the U.S. parent company. The Company does not provide deferred taxes on unremitted earnings of foreign subsidiaries that it intends to reinvest for the foreseeable future. Unrecognized provisions for taxes on undistributed earnings of foreign subsidiaries, which are considered permanently invested, are not material to the Company's consolidated financial position or results of operations.

The Company is continuously subject to examination by the IRS, as well as various state and foreign jurisdictions. The IRS and other taxing authorities may challenge certain deductions and credits reported by the Company on its income tax returns. In accordance with SFAS No. 5, "Accounting for Contingencies," the Company establishes reserves for tax contingencies that reflect its best estimate of the deductions or tax credits that it may be unable to sustain, or that are probable to be conceded as part of a broader tax settlement. The Company accrues interest and penalties on underpayment of tax obligations and these costs are classified in the income tax provision. Differences between the reserves for tax contingencies and the amounts ultimately owed by the Company are recorded in the period they become known. Future adjustments to the Company's reserves could have a material effect on the Company's financial statements.

(r) Legal Fees and Contingencies

The Company accrues estimated future legal fees associated with outstanding litigation for which management has determined that it is probable that a loss contingency exists. Liabilities for loss contingencies arising from claims, assessments, litigation and other sources are recorded when it is

(2) Significant Accounting Policies (Continued)

probable that a liability has been incurred and the amount of the claim assessment or damages can be reasonably estimated.

(s) Advertising Costs

The Company charges advertising costs to expense as the costs are incurred. The Company incurred advertising expenses of $7.3 million, $2.0 million and $1.8 million during the years ended June 30, 2005, 2006 and 2007, respectively. As of June 30, 2006 and 2007, the Company had no prepaid advertising costs included in the accompanying consolidated balance sheets.

(t) Accounting for Restructuring Accruals

The Company follows SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" for all restructuring activities initiated after December 21, 2002. In accounting for these obligations, the Company is required to make assumptions related to the amounts of employee severance, benefits, and related costs and to the time period over which facilities will remain vacant, sublease terms, sublease rates and discount rates. Estimates and assumptions are based on the best information available at the time the obligation has arisen. These estimates are reviewed and revised as facts and circumstances dictate; changes in these estimates could have a material effect on the amount accrued on the balance sheet.

(u) Acquisition

In May 2007, the Company acquired certain assets and assumed certain liabilities of Plant Solutions Pty Ltd (Plant Solutions). Plant Solutions was a sales-agent of the Company that marketed products primarily in Australia and New Zealand. The Company acquired this business to expand its direct selling efforts in this region. The $1.3 million purchase price consisted of a $1.2 million cash payment and $0.1 million in transaction costs. In addition, there is $0.2 million in contingent payments that will be paid upon resolution of certain closing items, and if paid will result in an increase in the purchase price.

Allocation of the purchase price was based on a preliminary estimate of the fair value of the net assets acquired and is subject to change as the Company finalizes its purchase accounting. The purchase price was allocated to the fair market value of assets acquired and liabilities assumed, as follows (in thousands):

Description	Amount	Life
Customer relationship asset	$ 587	3 years
Net fair value of tangible assets acquired, less liabilities assumed	708	
Total purchase price	$ 1,295	

The results of Plant Solutions were included in the consolidated results beginning in June 2007. Pro forma information related to this acquisition is not presented, as the effect of this acquisition is not material.

(2) Significant Accounting Policies (Continued)

(v) Recently Issued Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, "Accounting for Uncertain Tax Positions, an Interpretation of FASB Statement No. 109," or FIN 48, which clarifies the criteria for recognition and measurement of benefits from uncertain tax positions. Under FIN 48, an entity should recognize a tax benefit when it is "more-likely-than-not," based on the technical merits, that the position would be sustained upon examination by a taxing authority. The amount to be recognized, if the "more-likely-than-not" threshold was passed, should be measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. Furthermore, any change in the recognition, derecognition or measurement of a tax position should be recognized in the period in which the change occurs.

The Company adopted FIN 48 as of July 1, 2007, and any change in net assets as a result of applying FIN 48 is recognized as an adjustment to accumulated deficit on that date. As a result of the implementation of FIN 48 on July 1, 2007, the Company recognized an increase of approximately $3.0 million in the liability for unrecognized tax benefits, which was accounted for as an increase to the accumulated deficit. In addition, as of July 1, 2007, the Company had $7.4 million of deferred tax assets that were de-recognized upon adoption standard of FIN 48. These amounts did not result in an adjustment to the accumulated deficit at July 1, 2007 as a result of the full valuation allowance recorded against these deferred tax assets.

The Company has historically accounted for interest and penalties related to uncertain tax positions as part of its provision for income taxes. Upon adoption of FIN 48, the Company will continue this classification. As of June 30, 2007, the Company has accrued $6.9 million of interest and penalties related to uncertain tax positions. Prior to July 1, 2007, the Company classified income taxes payable as a current liability. Under FIN 48, the Company is required to classify those obligations that are expected to be paid within the next twelve months as a current obligation and the remainder as a non-current obligation. As of July 1, 2007, the Company classified $10.6 million as non-current obligations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" (SFAS No. 157). SFAS No. 157 establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157, emphasizes that fair value measurement is market-based, not entity-specific, and establishes a fair value hierarchy in which the highest priority is quoted prices in active markets. Under SFAS No. 157, fair value measurements are disclosed according to their level within this hierarchy. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 except for nonrecurring fair value measurements of nonfinancial assets and nonfinancial liabilities, for which the effective date is fiscal years beginning after November 15, 2008. The Company has not yet determined the effect that the application of SFAS No. 157 will have on its consolidated financial statements.

In February 2007 the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS No. 159). SFAS No. 159 permits entities to measure many financial instruments and certain other items at fair value and provides entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. Once an entity has elected the fair value option for designated financial instruments and other items, changes in fair value must be recognized in the

(2) Significant Accounting Policies (Continued)

statement of operations. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. The Company has not yet determined the effect that the application of SFAS No. 159 will have on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations," which replaces SFAS No. 141. SFAS No. 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. The Statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective for fiscal years beginning after December 15, 2008. The Company expects SFAS No. 141R will have an impact on accounting for business combinations once adopted but the effect is primarily dependent upon future acquisitions.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements—an amendment of Accounting Research Bulletin No. 51" ("SFAS No. 160"), which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. The Company has not determined the effect that the application of SFAS No. 160 will have on its consolidated financial statements, although no minority interests are reported as of June 30, 2007.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133." This statement changes the disclosure requirements for derivative instruments and hedging activities. SFAS No. 161 requires enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company has not yet determined the effect that the application of SFAS No. 161 will have on its consolidated financial statements.

(3) Restructuring Charges and FTC Legal Costs

Restructuring charges and FTC legal costs consist of the following (in thousands):

	Years ended June 30,		
	2005	2006	2007
Restructuring charges	$ 25,118	$ 3,993	$ 4,634
FTC legal costs	(158)	—	—
	$ 24,960	$ 3,993	$ 4,634

(3) Restructuring Charges and FTC Legal Costs (Continued)

During fiscal 2007, the Company recorded $4.6 million in restructuring charges. Of this amount, $3.6 million related to headcount reductions and $1.0 million related to facility closures under the Company's May 2005 restructuring plan.

At June 30, 2007, total restructuring liabilities included $0.8 million for employee severance, benefits, and related costs and $13.4 million for the closure of facilities. Management anticipates that payments of $4.0 million will be made over the next twelve months and the remaining $10.2 million will be made through 2012.

(a) Restructuring charges originally arising in the three months ended June 30, 2007

In May 2007, the Company initiated a plan to relocate its corporate headquarters from Cambridge to Burlington, Massachusetts. The relocation resulted in the Company ceasing to use its prior corporate headquarters leased space, subleasing the space to a third party, and the relocation to a new facility. During the year ended June 30, 2007, the Company recorded a charge of $0.1 million associated with the relocation of certain departments to temporary space. The closure and relocation actions were completed in October 2007 and resulted in a total restructuring charge of $6.0 million in the quarter ended September 30, 2007.

(b) Restructuring charges originally arising in the three months ended June 30, 2005

In May 2005, the Company initiated a plan to consolidate several corporate functions and to reduce its operating expenses. The plan to reduce operating expenses primarily resulted in headcount reductions, and also included the termination of a contract and the consolidation of facilities. These actions resulted in an aggregate restructuring charge of $3.8 million, recorded in the fourth quarter of fiscal 2005. During the years ended June 30, 2006 and 2007, the Company recorded an additional $1.8 million and $4.6 million, respectively, related to headcount reductions, relocation costs and facility consolidations associated with the May 2005 plan that did not qualify for accrual at June 30, 2005.

Under this restructuring plan, the Company has yet to incur charges related to the closure of certain offices and relocation of certain employees. The Company expects that these charges will be approximately $2.3 million and will primarily be completed by June 2008.

(3) Restructuring Charges and FTC Legal Costs (Continued)

As of June 30, 2007, there was $0.7 million remaining in accrued expenses relating to the remaining severance obligations. The following activity was recorded for the indicated years (in thousands):

Fiscal 2005 Restructuring Plan	Closure/ Consolidation of Facilities	Employee Severance, Benefits, and Related Costs	Contract Termination Costs	Total
Restructuring charge	$ 84	$ 3,465	$ 300	$ 3,849
Fiscal 2005 payments	—	(1,005)	(300)	(1,305)
Accrued expenses, June 30, 2005	84	2,460	—	2,544
Restructuring charge	615	1,178	—	1,793
Fiscal 2006 payments	(600)	(3,125)	—	(3,725)
Accrued expenses, June 30, 2006	99	513	—	612
Restructuring charge	1,001	3,634	—	4,635
Fiscal 2007 payments	(1,100)	(3,459)	—	(4,559)
Accrued expenses, June 30, 2007	$ —	$ 688	$ —	$ 688
Expected final payment date		March 2008		

Closure/consolidation of facilities: Approximately $0.1 million, $0.6 million and $1.0 million of the restructuring charges recorded in fiscal 2005, 2006 and 2007, respectively, related to the termination of facility leases.

Employee severance, benefits and related costs: Approximately $3.5 million, $1.2 million and $3.6 million of the restructuring charges recorded in fiscal 2005, 2006, and 2007, respectively, related to the reduction in headcount. Approximately 130 employees, or 10% of the workforce, were eliminated under the restructuring plan. The employees were primarily located in North America and Europe. All business units were affected, including services, sales and marketing, research and development, and general and administrative.

Contract termination costs: Approximately $0.3 million of the restructuring charge in fiscal 2005 related to charges associated with the termination of a contract for a future user conference. The contract was terminated in June 2005.

(c) Restructuring charges originally arising in the three months ended June 30, 2004

In June 2004, the Company initiated a plan to reduce its operating expenses in order to better align its operating cost structure with the current economic environment and to improve operating margins. The plan to reduce operating expenses resulted in the consolidation of facilities, headcount reductions, and the termination of operating contracts. These actions resulted in an aggregate restructuring charge of $23.5 million, recorded in the fourth quarter of fiscal 2004. During the year ended June 30, 2005, the Company recorded $14.4 million related to headcount reductions and facility consolidations associated with the June 2004 restructuring plan that did not qualify for accrual at June 30, 2004. In addition, the Company recorded $0.4 million in restructuring charges related to the accretion of the discounted restructuring accrual and a $0.8 million decrease to the accrual related to changes in estimates of severance benefits and sublease terms. During the years ended June 30, 2006 and 2007, the Company recorded a $0.7 million increase and a $0.2 million decrease, respectively, to

(3) Restructuring Charges and FTC Legal Costs (Continued)

the accrual primarily due to changes in the estimate of future operating costs and sublease assumptions associated with the facilities.

As of June 30, 2007, there was $5.1 million remaining in accrued expenses relating to the remaining severance obligations and lease payments. The following activity was recorded for the indicated years (in thousands):

Fiscal 2004 Restructuring Plan	Closure/ Consolidation of Facilities and Contract exit costs	Employee Severance, Benefits, and Related Costs	Asset Impairments	Total
Accrued expenses, July 1, 2004	12,049	911	—	12,960
Restructuring charge	9,132	4,349	968	14,449
Impairment of assets	—	—	(968)	(968)
Fiscal 2005 payments	(12,915)	(4,534)	—	(17,449)
Restructuring charge—Accretion	446	3	—	449
Change in estimate—Revised assumptions	(287)	(497)	—	(784)
Accrued expenses, June 30, 2005	8,425	232	—	8,657
Change in estimate—Revised assumptions	643	27	—	670
Restructuring charge—Accretion	432	—	—	432
Fiscal 2006 payments	(2,645)	(67)	—	(2,712)
Accrued expenses, June 30, 2006	$ 6,855	$ 192	$ —	$ 7,047
Change in estimate—Revised assumptions	(176)	(31)	—	(207)
Restructuring charge—Accretion	308	1	—	309
Fiscal 2007 payments	(2,028)	(70)	—	(2,098)
Accrued expenses, June 30, 2007	$ 4,959	$ 92	$ —	$ 5,051
Expected final payment date	September 2012	March 2008		

Closure/consolidation of facilities: Approximately $9.1 million of the fiscal 2005 restructuring related to the termination of facility leases and other lease related costs. The costs recorded in fiscal 2005 related to termination activities did not qualify for accrual as of June 30, 2004. The facility leases had remaining terms ranging from several months to eight years. The amount accrued is an estimate of the remaining obligation under the lease or actual costs to buy-out leases, reduced by expected income from the sublease of the underlying properties.

Employee severance, benefits and related costs: Approximately $4.4 million of the fiscal 2005 restructuring charge, related to the reduction in headcount. In the aggregate, approximately 147 employees, or 9% of the workforce, were eliminated under the restructuring plan implemented by management. The fiscal 2005 restructuring charge related to employees had not been notified in a manner that would allow for accrual as of June 30, 2004. Such notification occurred in Q1, 2005. A majority of the employees were located in North America, although Europe was affected as well. All business units were affected, including services, sales and marketing, research and development, and general and administrative.

(3) Restructuring Charges and FTC Legal Costs (Continued)

Impairment of assets: Approximately $1.0 million of the fiscal 2005 restructuring charge related to charges associated with the impairment of fixed assets associated with the closed and consolidated facilities. These assets were considered to be impaired because their carrying values were in excess of their fair values.

(d) Restructuring charges originally arising in the three months ended December 31, 2002

In October 2002, management initiated a plan to further reduce operating expenses in response to first quarter revenue results that were below expectations and to general economic uncertainties. The plan to reduce operating expenses resulted in headcount reductions, consolidation of facilities, and discontinuation of development and support for certain non-critical products. These actions resulted in an aggregate restructuring charge of $28.7 million. During fiscal 2005, 2006 and 2007, the Company recorded a $7.0 million and $1.0 million increase and a $0.2 million decrease, respectively, to the accrual primarily due to a change in the estimate of the facility vacancy term, extending to the term of the lease.

As of June 30, 2007, there was $8.0 million remaining in accrued expenses relating to the remaining lease payments. The following activity was recorded for the indicated years (in thousands):

Fiscal 2003 Restructuring Plan	Closure/ Consolidation of Facilities	Employee Severance, Benefits, and Related Costs	Impairment of Assets and Disposition Costs	Total
Accrued expenses, July 1, 2004	6,725	292	676	7,693
Fiscal 2005 payments	(2,266)	(63)	(403)	(2,732)
Change in estimate—Revised assumptions	7,239	(69)	(195)	6,975
Accrued expenses, June 30, 2005	11,698	160	78	11,936
Change in estimate—Revised assumptions	1,116	(95)	—	1,021
Fiscal 2006 payments	(2,848)	(65)	(78)	(2,991)
Accrued expenses, June 30, 2006	9,966	—	—	9,966
Change in estimate—Revised assumptions	(193)	—	—	(193)
Fiscal 2007 payments	(1,730)	—	—	(1,730)
Accrued expenses, June 30, 2007	$ 8,043	$ —	$ —	$ 8,043
Expected final payment date	September 2012			

Closure/consolidation of facilities: The amount accrued is an estimate of the remaining obligation under the lease or actual costs to buy-out leases, reduced by expected income from the sublease of the underlying properties. The revisions to the accrual in fiscal 2005, 2006, and 2007 relate to revised estimates with respect to the facility vacancy term.

(e) Restructuring charges originally arising in the three months ended June 30, 2002

In the fourth quarter of fiscal 2002, management initiated a plan to reduce operating expenses and to restructure operations around the Company's two primary product lines, engineering software and

(3) Restructuring Charges and FTC Legal Costs (Continued)

manufacturing/supply chain software. The Company reduced worldwide headcount by approximately 10%, or 200 employees, closed and consolidated facilities, and disposed of certain assets, resulting in an aggregate restructuring charge of $13.2 million. During fiscal 2005, the Company recorded a $0.2 million increase to the accrual due to changes in estimates of sublease assumptions and severance settlements. During fiscal 2006 and 2007, the Company recorded less than $0.1 million in increases to the accrual due to changes in sublease assumptions.

As of June 30, 2007, there was $0.4 million remaining in accrued expenses relating to lease payments. The following activity was recorded for the indicated years (in thousands):

Fiscal 2002 Restructuring Plan	Closure/ Consolidation of Facilities	Employee Severance, Benefits, and Related Costs	Total
Accrued expenses, July 1, 2004	1,683	308	1,991
Fiscal 2005 payments	(994)	(284)	(1,278)
Change in estimate—Revised assumptions	93	87	180
Accrued expenses, June 30, 2005	782	111	893
Change in estimate—Revised assumptions	75	—	75
Fiscal 2006 payments	(375)	(66)	(441)
Accrued expenses, June 30, 2006	482	45	527
Change in estimate—Revised assumptions	2	1	3
Fiscal 2006 payments	(100)	2	(98)
Accrued expenses, June 30, 2007	$ 384	$ 48	$ 432
Expected final payment date	September 2012	March 2008	

Closure/consolidation of facilities: The amount accrued is an estimate of the actual costs to buy-out leases or to sublease the underlying properties. The revisions to the accrual in fiscal 2005, 2006, and 2007 relate to revised estimates with respect to the facility vacancy terms.

(4) Secured Borrowings and Collateralized Receivables

The Company has transferred customer installment and trade receivables to financial institutions or unconsolidated special purpose entities (referred to herein as "receivable sale facilities") that have been accounted for as secured borrowings. The transferred receivables serve as collateral under the receivable sales facilities.

At June 30, 2006 and 2007, receivables totaling $211.3 million and $245.1 million, respectively, were pledged as collateral for the secured borrowings. The secured borrowings totaled $182.4 million and $206.2 million as of June 30, 2006 and 2007, respectively. The collateralized installment receivables are presented net of applicable discounts for interest established for the individual receivable. The interest rates implicit in the installment receivables for the years ended June 30, 2005, 2006, and 2007 ranged from 5.0% to 9.0%. The Company recorded $12.8 million, $14.9 million and $11.6 million of interest income associated with the collateralized receivables for the years ended June 30, 2005, 2006, and 2007, respectively, and recognized $12.6 million, $18.5 million, and $17.5 million of interest expense associated with the secured borrowings. Proceeds from and payments on the secured borrowings are presented as components of cash flows from financing activities in the consolidated statements of cash

(4) Secured Borrowings and Collateralized Receivables (Continued)

flows. Payments on secured borrowings and operating cash flows from collateralized receivables are recognized upon customer payment of amounts due.

Traditional Programs

The Company has arrangements to transfer certain of its receivables to three financial institutions at the mutual agreement of the Company and the financial institution for each such customer receivable. The transfers of customer receivables under these programs have been accounted for as secured borrowings. The Company received cash proceeds of $115.7 million, $110.5 million and $148.8 million for the years ended June 30, 2005, 2006 and 2007, respectively, related to these programs.

The total collateralized receivables for the Traditional Programs approximate the amount of the secured borrowings recorded in the consolidated balance sheet. The collateralized receivables earn interest income and the secured borrowings accrue borrowing costs at approximately the same interest rates. The secured borrowings and collateralized receivables are reduced as the related customer receivable is collected. The terms of the customer accounts receivable range from amounts that are due within 30 days to installment receivables that are due over five years. The Company acts as the servicer for the receivables in one of the three arrangements.

Under the terms of the Traditional Programs the Company has transferred the receivables to the financial institutions with limited financial recourse. Potential recourse obligations are primarily related to one program that requires the Company to pay interest to the financial institution when the underlying customer has not paid by the installment due date. This recourse is limited to a maximum period of 90 days after the due date. The amount of outstanding installment receivables that has this potential recourse obligation is $51.5 million at June 30, 2007. This recourse obligation is recognized as interest expense as incurred and totaled $0.5 million, $0.4 million, and $0.7 million for the years ended June 30, 2005, 2006, and 2007, respectively. In addition, the Company has recourse obligations totaling $1.5 million at June 30, 2007 if the underlying installment receivable is not paid by the customer. This recourse obligation is in the form of a deferred payment by the financial institution that is withheld until customer payments are received.

Securitization of Accounts Receivable

The Fiscal 2005 and Fiscal 2007 securitization transactions (described below) include collateralized receivables whose value exceeds the related borrowings from the financial institutions. The Company receives and retains collections on these securitized receivables after all borrowing and related costs are paid to the financial institution. The financial institutions' rights to repayment are limited to the payments received from the collateralized receivables. The carrying value of the collateralized receivables at June 30, 2007 under these arrangements was $61.9 million and the secured borrowings totaled $25.8 million. The collateralized receivables earn interest income and the secured borrowings result in interest expense. The secured borrowings incur a higher interest rate than the implicit rates in the receivables. The Company acts as the servicer under both of these arrangements and the customer collections are used to repay the secured borrowings, interest and related costs.

(4) Secured Borrowings and Collateralized Receivables (Continued)

Fiscal 2005 Securitization

On June 15, 2005, the Company securitized and transferred installment receivables with a net carrying value of $71.9 million and received cash proceeds of $43.8 million. This transfer did not meet the criteria for a sale and has been accounted for as a secured borrowing. These borrowings are secured by collateralized receivables and the debt and borrowing costs are repaid as the receivables are collected. The Company capitalized $2.1 million of debt issuance costs associated with this transaction and these costs are being recognized in interest expense using the effective interest method. Accumulated amortization of the debt issue costs were $1.2 million and $1.9 million at June 30, 2006 and 2007, respectively. Amortization expense of the debt issuance costs was $1.1 million and $0.7 million for the years ended June 30, 2006 and 2007, respectively.

Fiscal 2007 Securitization

On September 29, 2006, the Company entered into a three year revolving securitization facility and securitized and transferred installment receivables with a net carrying value of $32.1 million and received cash proceeds of $20.0 million. This transfer did not meet the criteria for a sale and has been accounted for as a secured borrowing. These borrowings are secured by collateralized receivables and the debt and borrowing costs are repaid as the receivables are collected. The Company capitalized $1.1 million of debt issuance costs associated with this transaction and these costs are being recognized in interest expense using the effective interest method. Accumulated amortization of the debt issue costs and amortization expense of debt issue costs were $0.4 million as of and for the year ended June 30, 2007.

The Fiscal 2007 Securitization facility provides that the Company can borrow up to $75.0 million under the facility. The availability under the facility is limited to the amount of eligible receivables and subject to the discretion of the financial institution. As of June 30, 2007, the Company has approximately $58.2 million of maximum availability under this facility.

The secured borrowings consist of the following at June 30, 2006 and 2007 (in thousands):

	June 30,	
	2006	2007
Traditional Programs—weighted average interest rate of 7.5% at June 30, 2006 and 2007	$ 157,566	$ 180,314
Fiscal 2005 Securitization—interest rate of 13% at June 30, 2006 and 2007	24,838	9,072
Fiscal 2007 Securitization—interest rate of 9.3% at June 30, 2007	—	16,764
Total secured borrowings	182,404	206,150
Less current portion	91,646	101,826
Total secured borrowings, less current portion	$ 90,758	$ 104,324

The cash payments on the collateralized receivables fund the secured borrowing payments, and the Company retains payments received on collateralized receivables which are in excess of the secured

(4) Secured Borrowings and Collateralized Receivables (Continued)

borrowings. The Company has no future cash obligations other than the limited recourse obligations noted above.

In December 2007, the Company paid the outstanding amount of the fiscal 2005 securitization at its carrying value. The unamortized debt issue costs were charged to expense at the time.

The Company had been in violation of certain covenants related to the Fiscal 2007 Securitization due to the delay in filing its financial statements and other violations. The secured borrowings under this arrangement have been classified in the current portion of secured borrowings. In March 2008, the Company paid the outstanding amount of the Fiscal 2007 Securitization at its carrying value plus a termination fee of $0.8 million, and this securitization is no longer available. The unamortized debt issue costs were charged to expense at the time.

(5) Term Debt

Term debt consisted of the following at June 30 (in thousands):

	2006	2007
Note payable of a UK subsidiary due in quarterly installments plus interest at 9% per year, through March 2008	$ 396	$ 193
Less—Current portion	247	193
Long term portion	$ 149	$ —

Maturity of this term debt is in fiscal 2008.

(6) Line of Credit

In January 2003 and through subsequent amendments, the Company executed a Loan Arrangement with Silicon Valley Bank. This arrangement provides a line of credit of up to the lesser of (i) $15.0 million or (ii) 70% of eligible domestic receivables, and a line of credit of up to the lesser of (i) $10.0 million or (ii) 80% of eligible foreign receivables. The lines of credit bear interest at the bank's prime rate (8.25% at June 30, 2007). The Company needs to maintain a $4.0 million compensating cash balance with the bank, or it is subject to an unused line fee and collateral handling fees. The lines of credit are collateralized by nearly all of the assets of the Company, and upon the Company's achieving certain net income targets, the collateral would be reduced to a lien on the accounts installments receivable that are not already pledged as collateral against the secured borrowing. The Company is required to meet certain financial covenants, including minimum tangible net worth, minimum cash balances and an adjusted quick ratio. The terms of the Loan Arrangement restrict the Company's ability to pay dividends, with the exception of dividends paid in common stock or preferred stock dividends in cash. The Company was not in compliance with certain requirements under the terms of the Loan Arrangement as of June 30, 2007 and has obtained waivers for such non-compliance.

As of June 30, 2007, there were $7.4 million in letters of credit outstanding under the line of credit, and there was $13.1 million available for future borrowing. On October 16, 2007, the Company executed an amendment to the Loan Arrangement that adjusted the terms of certain financial

(6) Line of Credit (Continued)

covenants, including modifying the date the Company must provide monthly unaudited and annual audited financial statements to the bank. The Loan Arrangement expires in May 2008.

(7) Accrued Expenses and Other Liabilities

Accrued expenses in the accompanying consolidated balance sheets consist of the following (in thousands):

	June 30,	
	2006	2007
Royalties and outside commissions	$ 10,288	$ 7,261
Payroll and payroll-related	21,784	21,378
Restructuring accruals	4,969	3,959
Amounts due to receivable sale facilities for collections	14,429	8,415
Income taxes	26,995	28,674
Other	16,613	26,055
Total accrued liabilities	$ 95,078	$ 95,742

Other liabilities in the accompanying consolidated balance sheets consist of the following (in thousands):

	June 30,	
	2006	2007
Restructuring accruals	$ 13,191	$ 10,255
Deferred rent	4,321	2,864
Royalties and outside commissions	2,534	1,219
Other	400	1,704
Total other liabilities	$ 20,446	$ 16,042

(8) Preferred Stock

The Company's Board of Directors is authorized, subject to any limitations prescribed by law, without further stockholder approval, to issue, from time to time, up to an aggregate of 10,000,000 shares of preferred stock in one or more series. Each such series of preferred stock shall have such number of shares, designations, preferences, voting powers, qualifications and special or relative rights or privileges, which may include, among others, dividend rights, voting rights, redemption and sinking fund provisions, liquidation preferences and conversion rights, as shall be determined by the Board of Directors in a resolution or resolutions providing for the issuance of such series. Any such series of preferred stock, if so determined by the Board of Directors, may have full voting rights with the common stock or limited voting rights and may be convertible into common stock or another security of the Company.

(8) Preferred Stock (Continued)

Series D redeemable convertible preferred stock

In August 2003, the Company issued and sold 300,300 shares of Series D-1 redeemable convertible preferred stock (Series D-1 Preferred), along with warrants to purchase up to 6,006,006 shares of common stock at a price of $3.33 per share, in a private placement to several investment partnerships managed by Advent International Corporation for an aggregate purchase price of $100.0 million. Concurrently, the Company paid cash of $30.0 million and issued 63,064 shares of Series D-2 convertible preferred stock (Series D-2 Preferred), along with warrants to purchase up to 1,261,280 shares of common stock at a price of $3.33 per share, to repurchase all of the outstanding Series B Preferred. In addition, the Company exchanged existing warrants to purchase 791,044 shares of common stock at an exercise price ranging from $20.64 to $23.99 held by the holders of the Series B Preferred, for new warrants to purchase 791,044 shares of common stock at an exercise price of $4.08. These transactions are referred to collectively as the Series D Preferred financing.

The Company incurred $10.7 million in costs related to the issuance of the Series D-1 and D-2 Preferred (together, the Series D Preferred) and allocated the net proceeds received between the Series D Preferred and the warrants on the basis of the relative fair values at the date of issuance, allocating $15.5 million of proceeds to the warrants. The warrants are exercisable at any time prior to the seventh anniversary of their issue date. The remaining discount on the Series D Preferred was accreted to its redemption value over the earliest period of redemption.

Each share of Series D Preferred was entitled to vote on all matters in which holders of common stock were entitled to vote, receiving a number of votes equal to the number of shares of common stock into which it was then convertible. In addition, holders of Series D-1 Preferred, as a separate class, were entitled to elect a certain number of directors, based on a formula as defined in the Series D Preferred Certificate of Designations. The holders of the Series D-1 Preferred were entitled to elect a number of the Company's directors calculated as a ratio of the Series D-1 Preferred voting power as compared to the total voting power of the Company's common stock. The Series D-1 Preferred holders were elected as three of the Company's current directors.

The Series D Preferred earned cumulative dividends at an annual rate of 8%, which were payable when and if declared by the Board of Directors, in cash or, subject to certain conditions, common stock. As of June 30, 2006, the Company had accrued $28.5 million in dividends on the Series D Preferred.

Each share of Series D Preferred was convertible at any time into a number of shares of common stock equal to its stated value divided by the then-effective conversion price. Each share of Series D Preferred was convertible into 100 shares of common stock.

The Series D Preferred included redemption rights at the option of the holders as follows: 50% on or after August 14, 2009 and 50% on or after August 14, 2010. The shares were redeemable for cash at a price of $333.00 per share, plus accumulated but unpaid dividends.

The Series D Preferred was subject to redemption at the option of the Company, at any time after August 2006 at a price of $416.25 per share plus any accumulated and unpaid dividends if, among other things, the average trading price of the Company's common stock exceeds $7.60 per share for 45 consecutive days. If the Company makes such an election, the holders of the Series D Preferred may elect to convert their Series D Preferred shares into shares of common stock rather than have them redeemed.

(8) Preferred Stock (Continued)

On May 16, 2006, the Holders of the Series D Preferred converted 30,000 shares into 3,000,000 shares of common stock. At the time of the conversion the Company also paid $2.4 million in dividends on the converted shares. In December 2006, the holders of the Series D-1 Preferred converted their remaining 270,300 shares into 27,030,000 shares of common stock. In December 2006, the Company announced that it would redeem any shares of its Series D-2 Preferred that were not converted by their holders into common shares by January 30, 2007. In January 2007, the remaining 63,064 shares of Series D-2 Preferred were converted by their holder into 6,306,400 shares of common stock. The terms of the Series D-1 and D-2 Preferred required settlement of all accrued and unpaid dividends upon conversion of these shares into common stock and dividend accrual would cease upon such conversion. Accordingly, the Company paid $27.4 million in cash in December 2006 to the holders of the Series D-1 Preferred, and paid $6.6 million in cash in January 2007 to the holders of the Series D-2 Preferred for dividends accumulated at the date of conversion of the respective tranches of securities.

As a result of the conversion of the Series D-1 and Series D-2 Preferred and the related dividend payments, the stated value of the Series D-1 Preferred was reduced from $125.5 million as of June 30, 2006 to $0 as of June 30, 2007, common stock outstanding was increased by $3.3 million and additional paid-in-capital was increased by $95.5 million for the portion of the preferred stock converted into common shares.

In the accompanying consolidated statements of operations, the accretion of preferred stock discount and dividend consist of the following (in thousands):

	Years Ended June 30,		
	2005	2006	2007
Accrual of dividend on Series D preferred	$ (10,692)	$ (11,518)	$ (5,498)
Accretion of discount on Series D preferred	(3,758)	(3,865)	(1,792)
	$ (14,450)	$ (15,383)	$ (7,290)

Registration Rights

In May 2006, the Company received a demand letter from the Series D-1 Preferred holders, in accordance with the terms of their investor rights agreement with the Company, requesting registration of all of the shares of common stock issued or issuable upon the conversion of Series D-1 Preferred and the exercise of their warrants in connection with an underwritten public offering per the terms defined in the investor rights agreement. The Company is required to register the underlying shares at its expense. As of June 30, 2007, the total number of outstanding shares of common stock that would be included by their registration demand letter is 30,027,336.

(9) Stock-Based Compensation

Stock Compensation Plans

In May 2005, the shareholders approved the establishment of the 2005 Stock Incentive Plan (the 2005 Plan), which provides for the reservation of up to 4,000,000 shares of common stock for issuance under the 2005 Plan. The 2005 Plan provides for the grant of incentive and nonqualified stock options and other stock-based awards, including the grant of shares based upon certain conditions, the grant of securities convertible into common stock and the grant of stock appreciation rights. Restricted stock

(9) Stock-Based Compensation (Continued)

and other stock-based awards granted under the 2005 Plan may not exceed, in the aggregate, 2,000,000 shares of common stock. As of June 30, 2007, there were 3,079,200 shares of common stock available for issuance subject to awards under the 2005 Plan.

In December 2000, the shareholders approved the establishment of the 2001 Stock Option Plan (the 2001 Plan), which provides for the issuance of incentive stock options and nonqualified options. Under the 2001 Plan, the Board of Directors could grant stock options to purchase up to an aggregate of 4,000,000 shares of common stock. At July 1, 2002, July 1, 2003 and July 1, 2004, the 2001 Plan was expanded to cover an additional 5% of the outstanding shares on the preceding June 30. In no event, however, may the number of shares subject to incentive options under the 2001 Option Plan exceed 8,000,000 unless the 2001 Plan is amended and such amendment is approved by the shareholders. As of June 30, 2007, there were 112,439 shares of common stock available for grant under the 2001 Plan.

In December 1996, the shareholders of the Company approved the establishment of the 1996 Special Stock Option Plan (the 1996 Plan). This plan provides for the issuance of incentive stock options and nonqualified options to purchase up to 500,000 shares of common stock. Stock options become exercisable over varying periods and expire no later than 10 years from the date of grant. As of June 30, 2007, there were no shares available for grant under the 1996 Plan.

In October 1997, the Company's Board of Directors approved the 1998 Employee Stock Purchase Plan, under which the Board of Directors may grant stock purchase rights for a maximum of 1,000,000 shares through September 30, 2007. In December 2000 and 2003, the shareholders voted to increase the number of shares eligible under the 1998 Employee Stock Purchase Plan by 2,000,000 and 3,000,000 shares, respectively.

Employees are granted options to purchase shares of common stock on the last business day of each semi-annual payment period for 85% of the market price of the common stock on the first or last business day of such payment period, whichever was less. The purchase price for such shares was paid through payroll deductions, and the June 30, 2007, maximum allowable payroll deduction was 10% of each eligible employee's compensation. Under the plan, the Company issued 315,751 shares in 2005, 188,119 shares in 2006, and 107,862 shares in 2007. As of June 30,2007, there were 2,538,077 shares available for future issuance under the 1998 Employee Stock Purchase Plan as amended. On July 1, 2007, the Company issued 51,311 shares under the 1998 EmployeeStock Purchase Plan.

General Award Terms

The Company issues stock options to its employees and outside directors, restricted stock units to its employees and provides employees the right to purchase stock pursuant to stockholder approved stock option and employee stock purchase programs. Option awards are generally granted with an exercise price equal to the market price of the Company's stock at the date of grant; those options generally vest over four years and have 7 or 10-year contractual terms. Restricted stock units vest over four years (if performance conditions are met). The subscription period for the employee stock purchase plan is six months.

Stock Compensation Accounting

The Company recognizes compensation costs on a straight-line basis over the requisite service period for time vested awards. For awards that vest based on performance conditions, the Company

(9) Stock-Based Compensation (Continued)

uses the accelerated model for graded vesting awards. All of the Company's stock-based compensation is accounted for as equity instruments and there have been no liability awards granted. The Company's policy is to issue new shares upon exercise of stock awards. The Company adopted the simplified method related to accounting for the tax effects of share-based payment awards to employees in FASB Staff Position No. 123(R)-3, "Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards." The Company uses the "with-and-without" approach for determining if excess tax benefits are realized under SFAS No. 123(R).

Prior to the adoption of SFAS No. 123(R) on July 1, 2005, the Company used the intrinsic value method to account for employee stock awards. Under the intrinsic value method, compensation cost is measured as the difference between the exercise price of the award and the grant date intrinsic value. The Company has elected the modified prospective transition method for adopting SFAS No. 123(R), and consequently prior periods have not been modified. Under this method, the provisions of SFAS No. 123(R) apply to all awards granted or modified after the date of adoption (July 1, 2005). The unrecognized expense of awards not yet vested at the date of adoption is recognized in net income in the periods after the date of adoption using the same valuation method (*i.e.* Black-Scholes) and assumptions determined under the original provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123). Stock-based compensation for the years ended June 30, 2006 and 2007 are included in the following categories (in thousands):

	2006	2007
Recorded as expense:		
Cost of service and other	$ 1,442	$ 1,522
Selling and marketing	2,534	3,424
Research and development	1,239	1,915
General and administrative	3,015	4,201
	8,230	11,062
Capitalized computer software development costs:	148	57
Total stock-based compensation	$ 8,378	$ 11,119

The Company utilized the Black-Scholes valuation model for estimating the fair value of the stock compensation. The weighted-average fair values of the options granted under the stock option plans and shares subject to purchase under the employee stock purchase plan for the year ended June 30, 2006 and 2007 were calculated using the following assumptions:

	Year Ended June 30, 2006		Year Ended June 30, 2007	
	Stock Option Plans	Stock Purchase Plan	Stock Option Plans	Stock Purchase Plan
Weighted-average fair values of options granted	$4.20	$4.73	$7.11	$3.26
Average risk-free interest rate	4.56%	4.02%	4.79%	5.03%
Expected dividend yield	None	None	None	None
Expected life	6.0	0.5	5.0 to 6.0	0.5
Expected volatility range	85%	42%	80-85%	42-53%
Weighted average expected volatility	85%	42%	80%	46%

(9) Stock-Based Compensation (Continued)

The dividend yield of zero is based on the fact that the Company has never paid cash dividends on common stock and has no present intention to pay cash dividends. Expected volatility is based on the historical volatility of the Company's common stock over the period commensurate with the expected life of the options. The risk-free interest rate is the U.S. Treasury zero coupon bonds with a maturity commensurate with the expected life of the options on the date of grant. The expected life was calculated using the method outlined in SEC Staff Accounting Bulletin Topic 14.D.2, "*Expected Term*" for fiscal 2006. In fiscal 2007, the Company calculated the estimated life based upon historical exercise behavior.

A summary of option activity under all stock option plans in fiscal 2007 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value ($000)
Outstanding at June 30, 2006	9,460,449	$ 7.37	7.0	
Options granted	1,148,700	10.61		
Options exercised	(1,446,354)	5.88		
Options expired	(392,456)	18.32		
Options forfeited	(458,774)	6.17		
Outstanding at June 30, 2007	8,311,565	$ 7.64	6.8	$ 56,467
Exercisable at June 30, 2007	5,307,708	$ 7.90	6.0	$ 35,902
Options outstanding and expected to vest at June 30, 2007	7,389,651	$ 7.61	6.5	$ 50,847

In November 2006, the Company issued a total of 723,400 restricted stock units under the 2005 Stock Incentive Plan to certain officers and management. The restricted stock units are performance awards that vest 25% if the Company meets certain financial goals, which the Company concluded were achieved in the first quarter of fiscal 2008. Upon the achievement of the initial vesting milestone, the remaining restricted stock units vest on a straight-line basis over the following three years. The Company uses an accelerated model to recognize stock-based compensation expense for these restricted stock units as the awards have performance conditions and graded vesting provisions.

The following table summarizes information about restricted stock units for the year ended June 30, 2007 (none were vested as of June 30, 2007):

	Number of Shares	Grant Date Fair Value	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value ($000)
Outstanding at June 30, 2006	—	—		
Shares granted	723,400			
Shares forfeited	(60,200)	$ 10.42		
Outstanding at June 30, 2007	663,200	$ 10.42	6.4	$ 9,285
Exercisable at June 30, 2007	—	$ 10.42	—	$ —
Outstanding and expected to vest at June 30, 2007	540,644	$ 10.42	6.4	$ 7,569

(9) Stock-Based Compensation (Continued)

At June 30, 2007, the total compensation cost related to unvested awards not yet recognized was $14.5 million. The weighted average period over which this will be recognized is approximately 1.2 years. The total intrinsic value of options exercised during the years ended June 30, 2005, 2006 and 2007 was $3.9 million, $14.9 million and $10.4 million, respectively. The Company received $3.6 million, $11.0 million and $8.5 million from option exercises during the years ended June 30, 2005, 2006 and 2007, respectively.

At June 30, 2007, common stock reserved for future issuance or settlement under equity compensation plans was 14,704,481 shares.

In December 2006 and May 2007, the Company modified awards for an aggregate of 1,184,470 options for employees of the company to equal the fair market value on the grant date of the Company's common stock for these awards to avoid certain adverse tax impacts on the individuals. There was no incremental compensation cost resulting from the modifications. A further modification was made in December 2007 to increase the exercise price of certain awards and to provide for cash payments to employees to compensate them for the increase in the exercise price of those awards.

As a result of the Company not having a current effective registration statement on file with the SEC, certain current and former employees were not able to exercise their options within the periods included in the original option grant, and such options would have expired unexercised under their original terms. The Company has modified such options to allow for their exercise within a period following the appropriate registration statements becoming effective with the SEC.

Prior to July 1, 2005, the Company's employee stock compensation plans were accounted for in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB No. 25) and related interpretations. The following table illustrates the effect on net loss and loss per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation to the prior-year periods (in thousands, except per share data):

	2005
Loss attributable to common shareholders	$ (83,510)
Less: Stock-based employee compensation expense determined under fair value based method for all awards	(9,344)
Add: Stock-based compensation expense included in reported net income (loss)	1,524
Pro forma loss attributable to common shareholders	$ (91,330)
Income (loss) attributable to common shareholders per share —Basic and diluted—	
As reported	$ (1.97)
Pro forma	(2.15)

(9) Stock-Based Compensation (Continued)

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants during fiscal 2005:

	2005
Risk free interest rates	3.49 - 4.17%
Expected dividend yield	None
Expected life	5 Years
Expected volatility	100%

The weighted average fair value per option granted was $4.74 for the year ended June 30, 2005.

The fair value of the shares issued under the employee stock purchase plan was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants during the applicable period:

	2005
Risk free interest rates	3.49 - 4.17%
Expected dividend yield	None
Expected life	6 months
Expected volatility	42%

The weighted average fair value of shares issued under the employee stock purchase plan was $1.96 for fiscal 2005.

(10) Common Stock

(a) Warrants

The Company has issued warrants in connection with various financing activities. These warrants provide for net equity settlement and are accounted for in equity.

In connection with the February and March 2002 sales of Series B Preferred, the Company issued warrants with five-year lives to purchase 791,044 shares of common stock at an exercise price ranging from $20.64 to $23.99 per share. In August 2003, in conjunction with the Series D Preferred financing, these warrants were exchanged for new warrants to purchase 791,044 shares of common stock at an exercise price of $4.08 per share. During fiscal 2007, all 791,044 warrants were exercised in cashless exercises, resulting in the issuance of 496,839 shares of the Company's common stock.

In connection with the May 2002 sale of common stock to private investors, the Company issued warrants to purchase up to 3,208,333 shares of common stock at a price of $13.20 per share. In August 2003, the warrants were canceled, and new warrants were issued to purchase 1,152,665 shares at an exercise price of $9.76 per share, due to the impact of the Series D Preferred financing on the warrants' anti-dilution provisions. In January 2004, warrants to purchase 129,191 shares of common stock were exercised in a cashless exercise, resulting in the issuance of 17,922 shares of common stock. During fiscal 2007, the remaining 1,023,474 warrants were exercised in a cashless exercise, resulting in the issuance of 286,204 shares of the Company's common stock.

In connection with the August 2003 Series D Preferred financing, the Company issued warrants with seven-year lives to purchase 7,267,286 shares of common stock at an exercise price of $3.33 per

(10) Common Stock (Continued)

share. In July 2006, 6,006,006 warrants were exercised in a cashless exercise, resulting in the issuance of 4,369,336 shares of the Company's common stock. As of June 30, 2007, warrants to purchase 1,261,280 shares of common stock at an exercise price of $3.33 were exercisable. Subsequent to year-end, in November 2007, warrants to purchase 630,640 shares of common stock were exercised in a cashless exercise, resulting in the issuance of 500,203 shares of common stock.

A summary of the Company's outstanding common stock warrants at June 30, 2007 is as follows:

Warrant:	Outstanding	Exercise	Expiration
Common stock warrants issued in connection with Series D	1,261,280	$ 3.33	Aug 2010

(b) Stockholder Rights Plan

During fiscal 1998, the Board of Directors of the Company adopted a Stockholder Rights Agreement (the Rights Plan) and distributed one Right for each outstanding share of Common Stock. The Rights were issued to holders of record of Common Stock outstanding on March 12, 1998. Each share of Common Stock issued after March 12, 1998 will also include one Right, subject to certain limitations. Each Right when it becomes exercisable will initially entitle the registered holder to purchase from the Company one one-hundredth (1/100th) of a share of Series A Preferred Stock at a price of $175.00 (the Purchase Price).

The Rights will become exercisable and separately transferable when the Company learns that any person or group has acquired beneficial ownership of 15% or more of the outstanding Common Stock or on such other date as may be designated by the Board of Directors following the commencement of, or first public disclosure of an intent to commence, a tender or exchange offer for outstanding Common Stock that could result in the offeror becoming the beneficial owner of 15% or more of the outstanding Common Stock. In such circumstances, holders of the Rights will be entitled to purchase, for the Purchase Price, a number of hundredths of a share of Series A Preferred Stock equivalent to the number of shares of Common Stock (or, in certain circumstances, other equity securities) having a market value of twice the Purchase Price. Beneficial holders of 15% or more of the outstanding Common Stock, however, would not be entitled to exercise their Rights in such circumstances. As a result, their voting and equity interests in the Company would be substantially diluted if the Rights were to be exercised.

The Rights expire in March 2008, but may be redeemed earlier by the Company at a price of $.01 per Right, in accordance with the provisions of the Rights Plan.

The Company amended the Rights Plan in June 2003 so that the terms of the Rights Plan would not be applicable to the securities issued as part of the Series D preferred financing or to any securities issued in the future pursuant to the preemptive rights granted as part of this financing.

(11) Income Taxes

Income (loss) before provision for income taxes consists of the following (in thousands):

	Years Ended June 30,		
	2005	2006	2007
Domestic	$ (54,769)	$ 12,375	$ 46,939
Foreign	(5,444)	4,031	11,026
Total	$ (60,213)	$ 16,406	$ 57,965

The provisions for income taxes shown in the accompanying consolidated statements of operations are composed of the following (in thousands):

	Years Ended June 30,		
	2005	2006	2007
Federal—			
Current	$ —	$ 116	$ —
Deferred	45	—	—
State—			
Current	781	906	1,365
Deferred	—	—	—
Foreign—			
Current	10,479	12,066	7,868
Deferred	(2,458)	(3,147)	3,214
	$ 8,847	$ 9,941	$ 12,447

The provision for income taxes differs from that based on the federal statutory rate due to the following (in thousands):

	Years Ended June 30,		
	2005	2006	2007
Federal tax at statutory rate	$ (21,075)	$ 5,742	$ 20,288
State income taxes	781	906	1,365
Subpart F and dividend income	3,798	2,974	8,625
Foreign taxes and rate differences	3,732	3,153	2,343
Permanent differences	628	481	1,696
Tax credits	(5,063)	(3,479)	(8,375)
Federal and foreign tax contingencies	1,509	4,617	4,880
Valuation allowance	24,537	(4,453)	(18,375)
Provision for income taxes	$ 8,847	$ 9,941	$ 12,447

(11) Income Taxes (Continued)

The approximate tax effect of each type of temporary difference and tax carryforward is as follows (in thousands):

	June 30,	
	2006	2007
Deferred tax assets:		
Federal and state credits	$ 13,589	$ 14,833
Foreign tax credits	19,039	13,919
Federal and state loss carryforwards	14,653	1,483
Foreign loss carryforwards	5,687	5,766
Revenue	3,771	2,009
Restructuring accruals	6,234	4,832
Other reserves and accruals	9,891	10,308
Intangible assets	6,402	6,208
Property and leasehold improvements	8,571	7,816
Other temporary differences	7,286	6,648
	95,123	73,822
Deferred tax liabilities:		
Revenue	—	(1,467)
Intangible assets	(2,003)	(266)
Property and leasehold improvements	(42)	(136)
Other temporary differences	—	(464)
	(2,045)	(2,333)
Valuation allowance	(90,489)	(72,114)
Net deferred tax assets (liabilities)	$ 2,589	$ (625)

Upon customer payment of certain foreign receivables, withholding taxes are withheld by customers and remitted to local tax authorities. Under current U.S. tax law, these withholding taxes may be creditable against U.S. taxes payable subject to certain limitations. The withholding taxes are included in the foreign tax provision as they are withheld and remitted. Utilization of the taxes as foreign tax credits is recorded as a reduction of the domestic tax expense in the period it is more likely than not that these deferred tax assets will be realized. The Company has recorded a full valuation allowances against these credits, and will recognize the benefit of these credits only when it is more likely than not that these deferred tax assets will be realized.

During the years ended June 30, 2006 and 2007, the Company utilized tax net operating loss carryforwards to reduce the current provision by $6.4 million and $16.1 million, respectively. As of June 30, 2007, the Company has generated U.S. federal net operating loss (NOL) carryforwards of $38.2 million, which includes $36.9 million of stock compensation tax deductions in excess of book compensation expense. The Company records deferred tax assets for excess tax benefits only when such deductions reduce taxes payable as determined on a "with and without" basis. Accordingly, this NOL will reduce federal taxes payable if realized in future periods, but NOL related to such benefits are not included in the table above. Upon realization of the NOL generated by these excess tax benefits, the

(11) Income Taxes (Continued)

benefit is credited to additional paid-in capital and not as a reduction to the income tax provision. The Company has foreign loss carryforwards of $18.8 million which expire beginning in 2008 through no expiration date.

The Company has determined that it underwent an ownership change (as defined under section 382 of the Internal Revenue Code of 1986, as amended) during the year ended June 30, 2004. As such, the utilization of the Company's federal NOLs and tax credits is limited. Moreover, an ownership change also occurred under the laws of certain states and foreign countries in which the Company has generated NOLs and tax credits. Accordingly, these NOL and tax credits will also be limited under rules similar to those of section 382. These limitations impact the amount of NOL, if any, that may be utilized in a given year. The full amount of the federal NOL carryforward as of June 30, 2007 is subject to these limitations and would be limited to an approximate $7 million per year limitation. The federal NOLs as of June 30, 2007 begin to expire in 2021.

The Company also has foreign tax credits (FTCs) and research and development credits, and foreign tax operating loss carryforwards. These benefits are subject to a full valuation allowance and will reduce tax expense in the period that they are realized or the valuation allowance is removed if realization is considered more likely than not. The tax credits and foreign NOL carryforwards expire at various dates from 2008 through 2027.

The Company's U.S. and foreign tax returns are subject to periodic compliance examinations by various local and national tax authorities through periods defined by tax codes in the applicable jurisdiction. The Company's operating entities in Canada are subject to audit from year 2000, in the UK from 2006, and other international subsidiaries from 2002 through 2007. The Company's U.S. open tax periods are from 2004 through 2007, although examination may extend back to the period that such losses were generated as a result of the utilization and adjustments to the Company's tax loss carryforwards.

In connection with examinations of tax filings, tax contingencies can arise from differing interpretations of applicable tax laws and regulations relative to the amount, timing or proper inclusion or exclusion of revenues and expenses in taxable income or loss. For periods that remain subject to examination, the Company has asserted and unasserted potential assessments that are subject to final tax settlements. As of June 30, 2007, the Company has accrued $22.0 million related to potential tax, penalties, and interest, based on management's estimate of adjustments to previously filed tax returns for the open audit periods in all jurisdictions. Of this amount, the Company has potential foreign tax obligations related to specific issues in international locations and has accrued $19.4 million related to these matters as of June 30, 2007. Total domestic tax reserves are $2.6 million. The ultimate amount of taxes due for these periods will not be known until examinations are completed or the audit periods are closed and settled. While the Company believes it has adequately provided for all probable exposures, the ultimate amounts concluded with tax authorities could be different than its accrued position. Accordingly, adjustments for domestic and foreign tax contingencies could be recorded in the future as revised estimates are made or the underlying matters are settled or otherwise resolved, and such adjustments could be material.

The Company has an ongoing audit for fiscal 2000 in Canada. The Canada Revenue Agency, or CRA, has proposed an increase to taxable income of CAD 13.6 (USD $12.8) million for fiscal 2000, primarily related to transfer pricing matters. The Company has reviewed the basis of the CRA proposed adjustment and believes that it was based on incorrect information. The Company has

(11) Income Taxes (Continued)

proposed to CRA an increase of CAD 3.6 (USD $3.4) million in taxable income and has accrued taxes payable, including estimated interest and penalties, of $2.7 million as of June 30, 2007, an increase of $1.6 million in 2007. In addition, the Company has other uncertain tax positions for other open audit periods in Canada. The uncertain tax positions primarily relate to the application of the Company's transfer pricing policies for transactions among its consolidated subsidiaries, failure to properly account for deemed dividends due to the lack of timely settlement of intercompany transactions, accounting for revaluation of foreign denominated transactions, and other positions for which it expects to file amended tax returns pursuant to voluntary disclosure discussions with CRA. The Company has recorded estimated tax obligations, including interest and penalties when applicable, associated with these open audit periods.

(12) Operating Leases

The Company leases its facilities and various office equipment under noncancelable operating leases with terms in excess of one year. Rent expense charged to operations was approximately $9.3 million, $7.5 million, and $7.9 million for the years ended June 30, 2005, 2006 and 2007, respectively. Future minimum lease payments under these leases and scheduled sublease payments as of June 30, 2007 are as follows (in thousands):

Years ended June 30,	Payments	Scheduled Sublease Payments
2008	$ 13,317	$ (2,211)
2009	11,309	(1,389)
2010	9,674	(1,266)
2011	8,631	(1,018)
2012	7,395	(670)
Thereafter	11,616	(618)
Total	$ 61,942	$ (7,172)

Due to various restructuring activities (See Note 3) the Company has vacated certain of its leased space and is subleasing a portion of this space. The scheduled sublease payments are listed above.

The Company has issued approximately $6.2 million of standby letters of credit in connection with certain facility leases that expire through 2016.

In May 2007, the Company entered into a lease agreement with respect to office space in Burlington, Massachusetts. Commencing September 1, 2007, the Company moved its principal corporate offices to this location and occupied 60,177 square feet of space. The initial term of the lease commenced with respect to (a) 31,174 square feet of leased premises on September 1, 2007, (b) an additional 18,947 square feet on October 1, 2007 and (c) an additional 10,056 square feet on January 1, 2008. The initial term of the lease will expire seven years and four months following the term commencement date for the third phase of the leased premises. Subject to the terms and conditions of the lease, the Company may extend the term of the lease for two successive terms of five years each at 95% of the then market rate. Under the lease, the Company will pay additional rent for its proportionate share of operating expenses and taxes. Future minimum lease payments under this lease of $10.9 million are included in the table above.

(12) Operating Leases (Continued)

On September 5, 2007, the Company entered into an additional sublease agreement related to its former office space in Cambridge, Massachusetts, effective October 1, 2007 for approximately 50,000 square feet that expires on September 30, 2012. This new sublease agreement represents $5.5 million of scheduled sublease payments not included in the above table.

Effective September 1, 2007, the landlord terminated a portion of the Company's lease in Houston, Texas with respect to approximately 14,000 square feet of the original leased space. This termination agreement has not been included in the above table and represents future reductions of $2.6 million in lease payments.

(13) Commitments and Contingencies

(a) FTC settlement and Related Honeywell Litigation

In December 2004, the Company entered into a consent decree with the Federal Trade Commission, or FTC, with respect to a civil administrative complaint filed by the FTC in August 2003 alleging that the Company's acquisition of Hyprotech in May 2002 was anticompetitive in violation of Section 5 of the Federal Trade Commission Act and Section 7 of the Clayton Act. In connection with the consent decree, the Company entered into an agreement with Honeywell International, Inc. on October 6, 2004 ("Honeywell Agreement"), pursuant to which the Company transferred its operator training business and its rights to the intellectual property of various legacy Hyprotech products. In addition, the Company transferred its AXSYS product line to Bentley Systems, Inc.

On December 23, 2004, the Company and its subsidiaries completed the transactions with Honeywell contemplated by the Honeywell Agreement. Under the terms of the transactions:

- the Company agreed to a cash payment of approximately $6.0 million from Honeywell in consideration of the transfer of the Company's operator training services business, the Company's covenant not-to-compete in the operator training business until the third anniversary of the closing date, and the transfer of ownership of the intellectual property of the Company's Hyprotech engineering products, $1.2 million of which is subject to holdback and may be released upon the resolution of any adjustments for uncollected billed accounts receivable and unbilled accounts receivable.

- the Company transferred and Honeywell assumed, as of the closing date, approximately $4 million in accounts receivable relating to the operator training business; and

- the Company entered into a two-year support agreement with Honeywell under which the Company agreed to provide Honeywell with source code to new releases of the Hyprotech products provided to customers under standard software maintenance services agreements.

The Honeywell transaction resulted in a deferred gain of $0.2 million, which was amortized over the two-year life of the support agreement, and is subject to a potential increase of $1.2 million upon resolution of the holdback payment.

The Company is subject to ongoing compliance obligations under the FTC consent decree. The Company has been responding to requests by the Staff of the FTC for information relating to the Staff's investigation of whether the Company has complied with the consent decree. In addition, the FTC is considering whether to commence litigation against the Company arising from the Company's alleged failure to comply with certain aspects of the decree. If the FTC or a court were to determine

(13) Commitments and Contingencies (Continued)

that the Company has not complied with its obligations under the consent decree, the Company could be subject to one or more of a variety of penalties, fines, injunctive relief and other remedies, and associated legal fees and expenses, any of which might materially limit the Company's ability to operate under its current business plan and might have a material adverse effect on the Company's operating results and financial condition.

In March 2007, the Company was served with a complaint and petition to compel arbitration filed by Honeywell in New York State Supreme Court. The complaint alleges that the Company failed to comply with its obligations to deliver certain technology under the Honeywell Agreement referred to above, that the Company owes approximately $800,000 to Honeywell under the Honeywell Agreement, and that Honeywell is entitled to some portion of the $1.2 million retained by Honeywell under the holdback provisions of the Honeywell Agreement, plus unspecified monetary damages arising from contracts assumed thereunder. The Company believes the claims to be without merit and intend to defend the claims vigorously, and to pursue payment of the $1.2 million retained under the holdback provisions of the Honeywell Agreement. However, it is possible that the resolution of the claims may have an adverse impact on the Company's financial position and results of operations.

(b) Other Litigation

SEC action and U.S. Attorney's office criminal complaint

In January 2007, the SEC filed a civil enforcement action in Massachusetts federal district court alleging securities fraud and other violations against three of the Company's former executive officers, David McQuillin, Lisa Zappala and Lawrence Evans, arising out of six transactions in 1999 through 2002 that were reflected in the Company's originally filed consolidated financial statements for fiscal 2000 through 2004, the accounting for which was restated in March 2005. The Company and each of these former executive officers received "Wells Notice" letters of possible enforcement proceedings by the SEC. On the same day the SEC complaint was filed, the U.S. Attorney's Office for the Southern District of New York filed a criminal complaint against David McQuillin alleging criminal securities fraud violations arising out of two of those transactions. Mr. McQuillin pled guilty in March 2007 and was sentenced in October 2007.

On July 31, 2007, the Company entered into a settlement order with the SEC resolving the Wells Notice the Company received. Under the settlement order, the Company agreed to cease and desist from violations of certain provisions of the federal securities laws, and to comply with certain undertakings. No civil penalty was assessed by the SEC in connection with that settlement order, and the Company has not admitted or denied any wrongdoing in connection with that settlement order.

The SEC enforcement action and the U.S. Attorney's Office criminal action do not involve the Company or any of its current officers or directors. The Company can provide no assurance, however, that the U.S. Attorney's Office, the SEC or another regulatory agency will not bring an enforcement proceeding against the Company, its officers and employees or additional former officers and employees based on the consolidated financial statements that were restated in March 2005. The Company continues to cooperate with the SEC and the U.S. Attorney's Office.

(13) Commitments and Contingencies (Continued)

Class action and opt-out claims

In March 2006, the Company settled class action litigation, including related derivative claims, arising out of the restated consolidated financial statements that include the periods referenced in the SEC enforcement action and the criminal complaint discussed above. Members of the class who opted out of the settlement (representing 1,457,969 shares of common stock, or less than 1% of the shares putatively purchased during the class action period) may bring or have brought their own state or federal law claims against the Company, referred to as opt-out claims.

Pursuant to the terms of the Class Action settlement, the Company paid $1.9 million and its insurance carrier paid $3.7 million into a settlement fund for a total of $5.6 million. The Company's $1.9 million payment was recorded in general and administrative expenses in the quarter ended September 30, 2005. All costs of preparing and distributing notices to members of the Class and administration of the settlement, together with all fees and expenses awarded to plaintiffs' counsel and certain other expenses, will be paid out of the settlement fund, which will be maintained by an escrow agent under the Court's supervision.

Separate actions have been filed on behalf of the holders of approximately 1.1 million shares who either opted out of the class action settlement or were not covered by that settlement. The claims in those actions include claims against the Company and one or more of its former officers alleging securities and common law fraud, breach of contract, statutory treble damages, deceptive practices and/or rescissory damages liability, based on the restated results of one or more fiscal periods included in its restated consolidated financial statements referenced in the class action. Those actions are:

- *Blecker, et al. v. Aspen Technology, Inc., et al.,* filed on June 5, 2006 in the Business Litigation Session of the Massachusetts Superior Court for Suffolk County and docketed as Civ. A. No. 06-2357-BLS1 in that court, which is an "opt out" claim asserted by persons who received 248,411 shares of the Company's common stock in an acquisition;

- *Feldman v. Aspen Technology, Inc., et al.,* filed on July 17, 2006 in the Business Litigation Session of the Massachusetts Superior Court for Suffolk County and docketed as Civ. A. No. 06-3021-BLS2 in that court, which is an "opt out" claim asserted by an individual who received 323,324 shares of the Company's common stock in an acquisition; and

- *380544 Canada, Inc., et al. v. Aspen Technology, Inc.,* et al., filed on February 15, 2007 in the federal district court in Manhattan and docketed as Civ. A. No. 1:07-cv-01204-JFK in that court, which is a claim asserted by persons who purchased 566,665 shares of the Company's common stock in a private placement.

The damages sought in these actions total more than $20 million, not including claims for treble damages and attorneys' fees. If these actions are not dismissed or settled on terms acceptable to the Company, the Company plans to defend the actions vigorously. The Company can provide no assurance as to the outcome of these opt-out claims or the likelihood of the filing of additional opt-out claims, and these claims may result in judgments against the Company for significant damages. Regardless of the outcome, such litigation has resulted in the past, and may continue to result in the future, in significant legal expenses and may require significant attention and resources of management, all of which could result in losses and damages that have a material adverse effect on the Company's business.

(13) Commitments and Contingencies (Continued)

On September 6, 2006, the Company also announced that, in connection with the preparation of financial statements for the fiscal year-ended June 30, 2006, a subcommittee of independent directors was appointed to review the Company's accounting treatment for stock option grants for prior years. Following that announcement, the Company and certain of its officers and directors were named defendants in a purported federal securities class action lawsuits filed in Massachusetts federal district court, alleging violations of the Exchange Act and claiming material misstatements concerning its financial condition and results. In response to the Company's motion to dismiss the complaint, the parties stipulated to voluntary dismissal of the plaintiff's claims with prejudice on September 26, 2006 without any payment by the Company.

Derivative suits

The Company may be named as a defendant in securities litigation or derivative lawsuits by current or former stockholders based on the restated consolidated financial statements. Further, the Company may be subject to claims relating to adverse tax consequences with respect to stock options covered by the restatement. Defending against potential claims will likely require significant attention and resources of management and could result in significant legal expenses.

On December 1, 2004, a derivative action lawsuit captioned *Caviness v. Evans, et al*., Civil Action No. 04-12524, referred to as the Derivative Action, was filed in Massachusetts federal district court as a related action to the first filed of the putative class actions subsequently consolidated into the class action described above. The complaint, as subsequently amended, alleged, among other things, that the former and current director and officer defendants caused the Company to issue false and misleading financial statements, and brought derivative claims for the following: breach of fiduciary duty for insider trading, breach of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets and unjust enrichment. On August 18, 2005, the court granted the defendants' motion to dismiss the Derivative Action for failure of the plaintiff to make a pre-suit demand on the board of directors to take the actions referenced in the Derivative Action complaint, and the Derivative Action was dismissed with prejudice.

On April 12, 2005, the Company received a letter on behalf of another purported stockholder, demanding that the board take actions substantially similar to those referenced in the Derivative Action. On February 28, 2006, the Company received a letter on behalf of the plaintiff in the Derivative Action, demanding that they take actions referenced in the Derivative Action complaint. The board responded to both of the foregoing letters that the board has taken the letters under advisement pending further regulatory investigation developments, which the board continues to monitor and with which the Company continues to cooperate. In its responses, the board also requested confirmation of each person's status as one of the Company's stockholders and, with respect to the most recent letter, also referred the purported stockholder to the March 2006 settlement in the class action.

On September 27, 2006, a derivative action lawsuit was filed in Massachusetts Superior Court captioned *Rapine v. McArdle, et al.,* Civil Action No. 06-3455. The complaint alleged, among other things, that the former and current director and officer defendants "authorized, modified, or failed to halt backdating of stock options in dereliction of their fiduciary duties to the Company as directors and officers." On October 16, 2006, defendants removed the action to Massachusetts federal district court and moved to dismiss the complaint. On October 30, 2006, the purported stockholder plaintiff filed an amended complaint, asserting derivative claims for breach of fiduciary duty; unjust enrichment; insider

(13) Commitments and Contingencies (Continued)

trading; violations of Sections 10(b), 14 and 20(a) of the Securities Exchange Act of 1934; and corporate waste. In October 2007, the court closed this action and consolidated the action with the Risberg case referenced below, which was subsequently dismissed.

In February 2007, a derivative action lawsuit was filed in Massachusetts federal district court captioned *Risberg v. McArdle et al.,* 07-CV-10354. The plaintiff purports to bring a derivative action on behalf of the Company alleging, among other things, that several former and current directors and officer defendants authorized, were aware of, or received "backdated" stock options. The complaint asserts claims for breach of fiduciary duty; unjust enrichment; violations of Sections 10(b), 14 and 20(a) of the Securities Exchange Act of 1934; corporate waste; and breach of contract. In January 2008, the court granted defendants' motion to dismiss this action for failure of the plaintiff to make a pre-suit demand on the Company's board of directors, and judgment on the order of dismissal was entered in favor of all defendants.

KBC settlement

On October 1, 2004, the Company, together with its subsidiaries AspenTech, Inc. and Hyprotech Company, entered into a Settlement Agreement with KBC Advanced Technologies Plc, KBC Advanced Technologies Inc. and AEA Technology Plc. Pursuant to the settlement agreement, the parties agreed to settle (1) the arbitration proceedings in England relating to a contract dispute involving the parties and (2) the legal proceedings filed by KBC in state district court in Houston, Texas against the Company and Hyprotech Company.

As part of the settlement, KBC recognized the Company's right to develop, market and license Aspen RefSYS, and the Company recognized KBC's right to develop, market and license HYSYS.Refinery, their respective refinery-wide simulation products. The Company licensed commercial, object code, copies of Aspen HYSYS, Aspen PIMS, and Aspen Orion to KBC for use as part of KBC's consulting services business, without the right to sublicense. In addition, the Company paid KBC $3.75 million in lieu of costs incurred in the dispute. This charge was recorded in fiscal 2005 in general and administrative expenses.

Other

The Company is currently defending claims that certain of its software products and implementation services have failed to meet customer expectations. On May 11, 2007, one of the claims resulted in an arbitration award against the Company in the amount of $1.4 million. As of June 30, 2007, the Company has accrued the amount of the arbitration award. The Company is defending other claims in excess of $5 million, primarily consisting of a customer claim, as well as other general commercial claims. Although the Company believes the remaining claims to be without merit, and is defending the claims vigorously, the results of litigation and claims cannot be predicted with certainty, and unfavorable resolutions are possible and could, depending on the amount and timing of any outcome, materially affect the Company's results of operations, cash flows or financial position. In addition, regardless of the outcome, litigation could have an adverse impact on the Company because of defense costs, diversion of management resources and other factors.

(13) Commitments and Contingencies (Continued)

(c) Other Commitments and Contingencies

The Company has entered into an employment agreement with its president and chief executive officer providing for the payment of cash and other benefits in certain situations of his voluntary or involuntary termination, including following a change in control. Payment under this agreement would consist of a lump sum equal to approximately two times (1) his annual base salary plus (2) the average of his annual bonus for the three preceding fiscal years. The agreement also provides that the payments would be increased in the event that it would subject him to excise tax as a parachute payment under the Internal Revenue Code. The increase would be equal to the additional tax liability imposed on him as a result of the payment.

The Company has entered into agreements with other executive officers, providing for severance payments in the event that the executive is terminated by the Company other than for cause. Payments under these agreements consist of continuation of base salary for a period of 12 months.

In connection with the audit committee's review of the Company's accounting treatment of all stock option grants since the Company's initial public offering in fiscal 1995 through fiscal 2006, the Company recorded estimated payroll withholding tax charges of $1.9 million and an estimated liability of $1.0 million to assist affected employees who are subject to an excise tax on the value of the options in the year in which they vest, for a total estimated liability of $2.9 million recorded in June 2006. These liabilities were $0.5 million as of June 30, 2007 as a result of payments of $0.7 million and changes in estimates of $1.7 million of the total expected costs to be incurred.

The Company maintains strategic alliance relationships with third parties, including resellers, agents and systems integrators (each an Agent) that market, sell and/or integrate the Company's products and services. The cessation or termination of certain relationships, by the Company or an Agent, may subject the Company to material liability and/or expense. This material liability and/or expense includes potential payments due upon the termination or cessation of the relationship by either the Company or an Agent (which may be triggered by a change in control of either party), costs related to the establishment of a direct sales presence or development of a new Agent in the territory. No such events of termination or cessation have occurred through June 30, 2007. The Company is not able to reasonably estimate the amount of any such liability and/or expense if such event were to occur, given the range of factors that could affect the ultimate determination of the liability including possible claims related to the validity of the arrangements or contract terms. Actual payments from an event could be in the range of zero to $30.0 million dollars. If the Company reacquires the territorial rights for an applicable sales territory and establishes a direct sales presence, future commissions otherwise payable to an Agent for existing customer maintenance contracts and other intangible assets may be assumed from the Agent. If any of the foregoing were to occur, the Company may be subject to litigation and liability such that its operating results, cash flows and financial condition could be materially and adversely affected.

(14) Retirement and Profit Sharing Plans

The Company maintains a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code covering all eligible employees, as defined. Under the plan, a participant may elect to defer receipt of a stated percentage of his or her compensation, subject to limitation under the Internal Revenue Code, which would otherwise be payable to the participant for any plan year. The Company may make discretionary contributions to this plan, including making matching contributions

(14) Retirement and Profit Sharing Plans (Continued)

up to a maximum of 6% of an employee's pretax contribution. During the fiscal years ended June 30, 2005, 2006 and 2007, the Company made matching contributions of approximately $1.0 million, $0.8 million and $0.8 million, respectively. These contributions, which vested immediately, were expensed in each respective year.

(15) Joint Ventures and Other Investments

In November 2000, the Company invested $0.6 million in a global chemical business-to-business e-commerce company supporting major chemical companies in Asia. This investment entitles the Company to a minority interest in this company and is accounted for using the cost method and, accordingly, is being valued at cost unless an other-than-temporary impairment in its value occurs. As of June 30, 2007, the Company has determined that an other than temporary impairment has not occurred. No impairments have been recognized through June 30, 2007. This investment is included in other assets in the accompanying consolidated balance sheet.

(16) Segment and Geographic Information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is the Chief Executive Officer of the Company.

The measurement of the controllable margin for the license operating segment was changed in 2007 to include a greater allocation of expenses from unallocated costs to controllable expenses for that operating segment. This change conformed to management's current approach of cost allocation for internal reporting purposes. All periods presented have been restated to conform to management's current measurement approach.

The Company has three operating segments: license, consulting services and maintenance and training. The chief operating decision maker assesses financial performance and allocates resources based upon the three lines of business.

The license line of business is engaged in the development and licensing of software. The consulting services line of business offers implementation, advanced process control, real-time optimization and other consulting services in order to provide its customers with complete solutions. The maintenance and training line of business provides customers with a wide range of support services that include on-site support, telephone support, software updates and various forms of training on how to use the Company's products.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Company does not track assets or capital expenditures by operating segments. Consequently, it is not practical to show assets, capital expenditures, depreciation or amortization by operating segments.

(16) Segment and Geographic Information (Continued)

The following table presents a summary of operating segments (in thousands):

	License	Consulting Services	Maintenance and Training	Total
Year ended June 30, 2005—				
Revenues from external customers	$ 128,809	$ 65,195	$ 75,124	$ 269,128
Controllable expenses	58,331	53,215	15,532	127,078
Controllable margin(1)	$ 70,478	$ 11,980	$ 59,592	$ 142,050
Year ended June 30, 2006—				
Revenues from external customers	$ 153,730	$ 64,608	$ 76,078	$ 294,416
Controllable expenses	57,394	44,607	14,239	116,240
Controllable margin(1)	$ 96,336	$ 20,001	$ 61,839	$ 178,176
Year ended June 30, 2007—				
Revenues from external customers	$ 199,761	$ 62,653	$ 78,615	$ 341,029
Controllable expenses	65,992	44,654	15,711	126,357
Controllable margin(1)	$ 133,769	$ 17,999	$ 62,904	$ 214,672

(1) The Controllable margins reported reflect only the direct expenses of the operating segment and do not contain an allocation for selling and marketing, general and administrative, development and other corporate expenses incurred in support of the segments.

Reconciliation to income (loss) before provision for taxes:

	Years Ended June 30		
	2005	2006	2007
	(In thousands)		
Total controllable margin for reportable segments	$ 142,050	$ 178,176	$ 214,672
Cost of license and amortization for technology related costs	(25,084)	(25,364)	(21,134)
Marketing	(25,650)	(14,219)	(14,806)
Research and development	(37,370)	(31,847)	(31,182)
General and administrative and overhead	(86,382)	(67,154)	(71,989)
Stock compensation and employee tax reimbursements	(1,686)	(10,498)	(9,293)
Corporate and executive bonuses	—	(5,967)	(5,899)
Restructuring charges and FTC legal costs	(24,960)	(3,993)	(4,634)
Gain (loss) on sales and disposals of assets	96	(300)	(332)
Foreign currency exchange loss	(3,427)	(2,874)	(734)
Interest and other income and expense	2,200	446	3,296
Income (loss) before (provision for) benefit from income taxes	$ (60,213)	$ 16,406	$ 57,965

(16) Segment and Geographic Information (Continued)

Geographic Information:

Revenues to external customers is attributed to individual countries based on the location the product or services are sold. Domestic and international sales as a percentage of total revenues are as follows:

	Years Ended June 30,		
	2005	2006	2007
United States	39.7%	42.9%	47.2%
Europe	37.2	30.5	29.9
Japan	5.8	5.3	5.0
Other	17.3	21.3	17.9
	100.0%	100.0%	100.0%

During the years ended June 30, 2005, 2006 and 2007 there were no customers that individually represented greater than 10% of the Company's total revenue.

The Company has long-lived assets of approximately $15.4 million that are located domestically and $2.8 million that reside in other geographic locations as of June 30, 2007.

(17) Restatement of Consolidated Financial Statements

Subsequent to the issuance of the Company's consolidated financial statements for the year ended June 30, 2006 (as previously restated), the Company identified errors related to the accounting for sales of customer installment and trade receivables to financial institutions or unconsolidated special purpose entities, which the Company refers to as "receivable sale facilities." The sales of receivables were designed to meet "true sale" criteria for legal and accounting purposes. The transferred receivables serve as collateral under the receivable sales facilities and limited recourse exists against the Company in the event that the underlying customer does not pay. These transactions historically had been accounted and reported as sales of assets for accounting purposes, rather than as secured borrowings. As further described below, however, the Company should not have derecognized the receivables and should have recorded the cash received from the transfer of such assets as a secured borrowing in the Company's consolidated balance sheet, as it effectively retained control of these assets for accounting purposes. As further discussed below, the Company also identified other errors related to revenue recognition, income tax accounting, and classification of preferred stock dividends and accretion.

The Company effectively retained control for accounting purposes of the transferred assets as a result of engaging in new transactions with its customers to sell additional software and/or extend the terms of existing license arrangements, which were the basis for these installments receivable. The new transactions would sometimes consolidate the remaining balance of the outstanding receivables with additional amounts due under the new or extended software license arrangement. Some receivable sale facilities allowed for this consolidation, subject to a limit, which was exceeded. Other receivable sale facilities did not allow for this method of consolidation. Accordingly, the amount and/or method of consolidation of these receivables resulted in the lack of legal isolation of the assets from the Company, which is one of the requirements to achieve and maintain sale accounting treatment under SFAS No. 140. The Company believes that for accounting purposes, it retained control of the receivables transferred to the receivable sales facilities for each of the years in the three-year period ended

(17) Restatement of Consolidated Financial Statements (Continued)

June 30, 2007 and that none of the sales of receivables during this period qualified for sale accounting treatment under the provisions of SFAS No. 140. This accounting conclusion does not alter the arrangements with the Company's customers, and the Company does not believe that the accounting conclusion has changed its relationship with the financial institutions, including the limited recourse that such financial institutions have against the Company beyond the transferred receivables.

The Company's previous accounting treatment was to inappropriately account for these transactions as sales of assets. Accordingly, under its previous accounting treatment, the Company immediately recognized any gains and losses upon the transfer of assets and then recorded a "retained interest in sold receivables" for its continuing interest, if any, which was initially recorded at the estimated fair value. The retained interest in sold receivables was subject to periodic accretion of this interest (recorded through interest income) through the term of the respective arrangement. No recognition of the transferred receivables or any debt obligation was recognized for these transactions.

To correct these errors, the Company has recorded the transferred receivables, which are reported as "collateralized receivables" on the Company's consolidated balance sheet, and a secured debt obligation for the amount of cash received from the receivable sale facilities. There are no longer gains and losses recognized upon the transfer of these assets and any costs incurred have now been recorded as debt issuance costs. The Company now recognizes interest income from the retained installments receivable and interest expense on the secured borrowing. The previous accounting for the retained interest in the transferred installments receivables, including the accretion included in interest income, has been eliminated as the entire interest in the receivables has been included in the Company's consolidated balance sheet. Bad debt provisions related to the transferred receivables are now reflected in the Company's consolidated statements of operations. The Company has also recorded the currency exchange gains or losses on installments receivable that were previously not recorded. The funding received from the receivable sales facilities was previously recorded as cash flows from operations in the Company's consolidated statements of cash flows. The Company has corrected the presentation to include the proceeds from and repayments of the secured borrowings as components of cash flows from financing activities in the consolidated statements of cash flows. Repayments of secured borrowings and operating cash flows from collateralized receivables are recognized upon customer payment of amounts due.

In addition, the Company identified other errors related to previously reported financial statements in the course of preparing the consolidated financial statements for the year ended June 30, 2007. These errors relate to the timing of revenue recognition, corrections to the Company's income tax accounting, classification of preferred stock dividends and accretion and other items. Errors in the timing of revenue recognition primarily relate to the inappropriate application of SOP No. 97-2 for certain arrangements that bundled software licenses with services. For these bundled arrangements, the Company determined that the service element could not be accounted for separately from the software licenses. The Company had deferred revenue recognition related to the license component until the services arrangements were complete, instead of recognizing revenue under the arrangements as services were performed. In other arrangements, the Company determined that service revenue was recognized prior to the delivery of the software license, and the Company did not have VSOE of fair value for the undelivered license or the price of the arrangement was not fixed and determinable. In addition, revenue was recognized in fiscal 2005 where collection was not probable as the customer did not have the ability to pay until the software was implemented for an end user or specified upgrades were provided. Further, a change in the terms of an agreement occurring in fiscal 2006 was not

(17) Restatement of Consolidated Financial Statements (Continued)

previously recorded and should have been reflected in fiscal 2006. The Company has corrected these errors and recognized revenue over the period the services were performed for these bundled arrangements or when the criteria for revenue recognition were met.

The Company also identified errors in its historical income tax accounting for certain international tax obligations, primarily arising from errors in the application of the Company's transfer pricing policies for transactions among consolidated subsidiaries, failure to properly account for deemed dividends from the Company's consolidated subsidiaries as a result of the lack of settlement of intercompany transactions, errors in the accounting for revaluation of foreign denominated transactions, and other errors. The Company has corrected the calculation of its tax provisions for these obligations in the applicable year, including recognition of interest and penalties attributable to the adjusted tax provisions.

In addition, in the calculation and disclosure of deferred tax balances, the majority of which are subject to a full valuation allowance, errors were identified for the book or tax accounting treatment for certain components of these balances and resulted in the incorrect disclosure of the Company's deferred taxes and the related offsetting valuation allowance within the income tax footnote. These disclosures, along with any changes in balances reflected, are being restated as of June 30, 2006 in the tax footnote. The primary components which are being restated are the federal and state loss carryforwards, foreign tax credits, and other errors in the calculation of deferred tax balances. In addition, the disclosure of the tax net operating loss should have excluded all excess tax benefits arising from the stock compensation deductions, which upon realization, would be reflected in additional paid-in capital. As a result, the disclosure of domestic tax loss carryforwards has been reduced by $32.4 million and foreign tax credit carryforwards have increased by $19.0 million as of June 30, 2006. Other net deferred tax balances were increased by a total of $12.9 million. As these deferred tax assets had and continue to have a full valuation allowance, corrections to the disclosure of the Company's deferred taxes and the related offsetting valuation allowance had an immaterial impact on the Company's consolidated balance sheets, statements of operations, and statements of cash flows.

The Company also identified that dividends and accretion on outstanding preferred stock has not been properly classified within its stockholders' equity accounts. As the Company has been in an accumulated deficit position, the dividends and accretion on preferred stock should have been classified as a reduction in additional paid-in capital as opposed to increasing the accumulated deficit. As a result of this error, additional paid-in capital was overstated and accumulated deficit was overstated as of June 30 2004, 2005, and 2006 by $28.3 million, $42.8 million, and $58.1 million, respectively.

In order to correct the errors described above, the Company has restated its consolidated balance sheet as of June 30, 2006 primarily to reflect (a) the recording of $211.3 million in collateralized receivables, (b) the related recording of $182.4 million in secured borrowings supported by this collateral, (c) the elimination of the $19.0 million in retained interest in sold receivables, (d) additional taxes payable of $15.1 million and other accrued liabilities of $2.3 million and (e) $58.1 million reclassification between additional paid-in capital and accumulated deficit. The Company has restated its consolidated statements of operations for the years ended June 30, 2005 and 2006 primarily to reflect (a) additional interest income related to the collateralized receivables of $12.8 million in the year ended June 30, 2005 and $14.9 million in the year ended June 30, 2006, (b) additional interest expense related to the secured borrowings of $12.6 million in the year ended June 30, 2005 and $18.5 million in the year ended June 30, 2006, (c) decreases in losses on sale and disposals of assets of

(17) Restatement of Consolidated Financial Statements (Continued)

$14.4 million in the year ended June 30, 2005 and $0.6 million in the year ended June 30, 2006 related to the elimination of losses previously recorded from the transfer of installment and accounts receivable accounted for as a sale, (d) additional provisions for bad debt associated with the collateralized receivables of $2.6 million in the year ended June 30, 2005 and $1.8 million in the year ended June 30, 2006, (e) a decrease in revenue related to certain arrangements that bundled software licenses with services of $0.1 million in the year ended June 30, 2005 and an increase of $1.7 million in the year ended June 30, 2006, (f) a decrease in revenue related to errors in the timing of revenue recognition of $0.8 million in the year ended June 30, 2005 and $0.4 million in the year ended June 30, 2006 and (g) additional provisions for income taxes of $6.8 million in the year ended June 30, 2005 and $3.2 million in the year ended June 30, 2006. The corresponding impact to the consolidated statements of cash flows have been reflected for the years ended June 30, 2005 and 2006.

Effects of Restatements

The effects of the restatement on income (loss) attributable to common shareholders for the years ended June 30, 2005 and 2006 and accumulated deficit as of July 1, 2004 are summarized as follows:

	Income (loss) attributable to common shareholders	
	2005	2006
	(In thousands)	
As previously reported	$ (88,020)	$ (2,560)
Errors related to the receivable financing transactions:		
Interest income from collateralized receivables	12,768	14,944
Interest expense from secured borrowings	(12,602)	(18,547)
Loss on sales of assets	14,410	598
Bad debt provision on collateralized receivables	(2,556)	(1,779)
Currency exchange gains on collateralized receivables	172	486
Other errors:		
Timing of revenue recognition	(866)	1,268
Provision for income taxes	(6,816)	(3,228)
Other	—	(100)
As restated	$ (83,510)	$ (8,918)

(17) Restatement of Consolidated Financial Statements (Continued)

	Accumulated deficit	Additional Paid-in Capital
	July 1, 2004	July 1, 2004
	(In thousands)	(In thousands)
As previously reported	$ (367,397)	$ 396,325
Errors related to the receivable financing transactions	(199)	
Classification of preferred stock dividends and accretion	28,295	(28,295)
Other errors:		
Timing of revenue recognition	(455)	
Provision for income taxes	(4,630)	
As restated	$ (344,386)	$ 368,030

(17) Restatement of Consolidated Financial Statements (Continued)

Revenue and Expense Adjustments

Set forth below are the adjustments to the Company's previously issued consolidated statements of operations for the years ended June 30, 2005 and 2006 (amounts in thousands).

	Year ended June 30, 2005		
	As Previously Reported	Adjustments	As Restated
Revenues:			
Software licenses	$ 129,621	$ (812)	$ 128,809
Service and other	140,373	(54)	140,319
Total revenues	269,994	(866)	269,128
Cost of revenues:			
Cost of software licenses	16,864	—	16,864
Cost of service and other	82,744	—	82,744
Amortization of technology related intangible assets	8,220	—	8,220
Total cost of revenues	107,828	—	107,828
Gross profit	162,166	(866)	161,300
Operating costs:			
Selling and marketing	96,275	—	96,275
Research and development	47,276	—	47,276
General and administrative	49,315	2,556	51,871
Restructuring charges and FTC legal costs	24,960	—	24,960
Loss (gain) on sales and disposals of assets	14,314	(14,410)	(96)
Total operating costs	232,140	(11,854)	220,286
Income (loss) from operations	(69,974)	10,988	(58,986)
Interest income	6,204	12,768	18,972
Interest expense	(4,170)	(12,602)	(16,772)
Foreign currency exchange loss	(3,599)	172	(3,427)
Income (loss) before provision for income taxes	(71,539)	11,326	(60,213)
Provision for income taxes	(2,031)	(6,816)	(8,847)
Net income (loss)	(73,570)	4,510	(69,060)
Accretion of preferred stock discount and dividend	(14,450)	—	(14,450)
Income (loss) attributable to common shareholders	$ (88,020)	$ 4,510	$ (83,510)
Basic income (loss) per share attributable to common shareholders	$ (2.08)	$ 0.11	$ (1.97)
Diluted income (loss) per share attributable to common shareholders	$ (2.08)	$ 0.11	$ (1.97)
Basic weighted average shares outstanding	42,381	—	42,381

Diluted weighted average shares outstanding	42,381	—	42,381

(17) Restatement of Consolidated Financial Statements (Continued)

	Year ended June 30, 2006		
	As Previously Reported	Adjustments	As Restated
Revenues:			
Software licenses	$ 152,773	$ 957	$ 153,730
Service and other	140,375	311	140,686
Total revenues	293,148	1,268	294,416
Cost of revenues:			
Cost of software licenses	16,805	—	16,805
Cost of service and other	72,690	—	72,690
Amortization of technology related intangible assets	8,559	—	8,559
Total cost of revenues	98,054	—	98,054
Gross profit	195,094	1,268	196,362
Operating costs:			
Selling and marketing	84,505	—	84,505
Research and development	44,322	—	44,322
General and administrative	42,529	1,879	44,408
Restructuring charges and FTC legal costs	3,993	—	3,993
Loss (gain) on sales and disposals of assets	898	(598)	300
Total operating costs	176,247	1,281	177,528
Income (loss) from operations	18,847	(13)	18,834
Interest income	5,034	14,944	19,978
Interest expense	(985)	(18,547)	(19,532)
Foreign currency exchange loss	(3,360)	486	(2,874)
Income (loss) before provision for income taxes	19,536	(3,130)	16,406
Provision for income taxes	(6,713)	(3,228)	(9,941)
Net income (loss)	12,823	(6,358)	6,465
Accretion of preferred stock discount and dividend	(15,383)	—	(15,383)
Income (loss) attributable to common shareholders	$ (2,560)	$ (6,358)	$ (8,918)
Basic income (loss) per share attributable to common shareholders	$ (0.06)	$ (0.14)	$ (0.20)
Diluted income (loss) per share attributable to common shareholders	$ (0.06)	$ (0.14)	$ (0.20)
Basic weighted average shares outstanding	44,627	—	44,627
Diluted weighted average shares outstanding	44,627	—	44,627

(17) Restatement of Consolidated Financial Statements (Continued)

Balance Sheet Adjustments

The following is a summary of the impact of the financial statement adjustments on the Company's previously reported consolidated balance sheet as of June 30, 2006 (in thousands).

	June 30, 2006		
	As Previously Reported	Adjustments	As Restated
Assets:			
Accounts receivable, net	$ 49,163	$ (831)	$ 48,332
Unbilled services	8,518	196	8,714
Current portion of installments receivable, net	12,123	2,393	14,516
Current portion of collateralized receivables, net	—	92,893	92,893
Prepaid expenses and other current assets	9,179	(350)	8,829
Total current assets	165,255	94,301	259,556
Long-term installments receivable, net	35,681	(2,787)	32,894
Long-term collateralized receivables, net	—	118,369	118,369
Retained interest in sold receivables	19,010	(19,010)	—
Deferred tax assets	3,097	(508)	2,589
Other assets	2,552	950	3,502
Total assets	$ 274,636	$ 191,315	$ 465,951
Liabilities:			
Current portion of secured borrowing	$ —	$ 91,646	$ 91,646
Accrued expenses	77,716	17,362	95,078
Deferred revenue	57,936	(404)	57,532
Total current liabilities	140,512	108,604	249,116
Long-term secured borrowing	—	90,758	90,758
Stockholders' equity (deficit):			
Additional paid-in capital	430,811	(58,128)	372,683
Accumulated deficit	(457,977)	50,996	(406,981)
Accumulated other comprehensive income	8,215	(915)	7,300
Total stockholders' deficit	(14,555)	(8,047)	(22,602)
Total liabilities and stockholders' equity (deficit)	$ 274,636	$ 191,315	$ 465,951

(17) Restatement of Consolidated Financial Statements (Continued)

Cash Flow Adjustments

Set forth below are the adjustments to the Company's previously issued consolidated statements of cash flows for the fiscal years ended June 30, 2005 and 2006 (amounts in thousands).

	Year Ended June 30, 2005		
	As Previously Reported	Adjustments	As Restated
		(In thousands)	
Cash flows from operating activities:			
Net income (loss) income	$ (73,570)	$ 4,510	$ (69,060))
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:			
Depreciation and amortization	25,999	—	25,999
Transaction loss (gain) on intercompany accounts	3,118	—	3,118
Loss on securitization of installments receivable	14,585	(14,585)	—
Stock-based compensation	1,524	—	1,524
Accretion of discount on retained interest in sold receivables	(40)	40	—
Non-cash interest expense from amortization of debt costs	—	467	467
Asset impairment charges and write-offs under restructuring charges	1,190	—	1,190
(Gain) loss on the disposal of property	(271)	175	(96)
Deferred income taxes	(2,744)	331	(2,413)
Provision for doubtful accounts	—	5,096	5,096
Changes in assets and liabilities:			
Accounts receivable	(1,230)	(1,980)	(3,210)
Unbilled services	5,704	53	5,757
Prepaid expenses and other current assets	(1,374)	(788)	(2,162)
Installments and collateralized receivables	39,735	(31,111)	8,624
Accounts payable and accrued expenses	(2,042)	7,772	5,730
Deferred revenue	3,697	318	4,015
Other liabilities	11,651	—	11,651
Net cash provided by (used in) operating activities	25,932	(29,702)	(3,770)
Cash flows from investing activities:			
Purchase of property and leasehold improvements	(5,160)	—	(5,160)
Proceeds from sale of property	1,954	—	1,954
Capitalized computer software development costs	(8,545)	—	(8,545)
(Increase) decrease in other assets	(59)	—	(59)
Net cash used in investing activities	(11,810)	—	(11,810)
Cash flows from financing activities:			
Issuance of common stock under employee stock purchase plans	1,853	—	1,853
Exercise of stock options and warrants	3,607	—	3,607
Payments of long-term debt and capital lease obligations	(2,436)	—	(2,436)
Debt issuance costs	—	(2,135)	(2,135)
Proceeds from secured borrowings	—	159,490	159,490
Repayment of secured borrowings	—	(127,653)	(127,653)
Repayment of convertible debt	(56,745)	—	(56,745)

Net cash provided by (used in) financing activities	(53,721)	29,702	(24,019)
Effect of exchange rate changes on cash and cash equivalents	115	—	115
Increase (decrease) in cash and cash equivalents	(39,484)	—	(39,484)
Cash and cash equivalents, beginning of year	107,633	—	107,633
Cash and cash equivalents, end of year	$ 68,149	$ —	$ 68,149
Supplemental disclosure of cash flow information:			
Income taxes paid	$ 2,700	$ —	$ 2,700
Interest paid	$ 4,116	$ 12,502	$ 16,618
Supplemental disclosure of non-cash activities:			
Non-cash purchases of property	$ 72	$ —	$ 72

(17) Restatement of Consolidated Financial Statements (Continued)

	Year Ended June 30, 2006		
	As Previously Reported	Adjustments	As Restated
		(In thousands)	
Cash flows from operating activities:			
Net income (loss) income	$ 12,823	$ (6,358)	$ 6,465
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	23,870	—	23,870
Transaction loss (gain) on intercompany accounts	4,436	—	4,436
Stock-based compensation	8,230	—	8,230
Accretion of discount on retained interest in sold receivables	(2,343)	2,343	—
Non-cash interest expense from amortization of debt costs	—	1,086	1,086
Asset impairment charges and write-offs under restructuring charges	—	—	—
(Gain) loss on the disposal of property	898	(598)	300
Deferred income taxes	(2,992)	(155)	(3,147)
Provision for doubtful accounts	—	4,695	4,695
Changes in assets and liabilities:			
Accounts receivable	(4,540)	(2,645)	(7,185)
Unbilled services	1,168	(337)	831
Prepaid expenses and other current assets	1,649	809	2,458
Installments and collateralized receivables	(23,729)	32,311	8,582
Accounts payable and accrued expenses	(3,903)	606	(3,297)
Deferred revenue	7,047	(1,124)	5,923
Other liabilities	(2,697)	—	(2,697)
Net cash provided by operating activities	19,917	30,633	50,550
Cash flows from investing activities:			
Purchase of property and leasehold improvements	(3,457)	—	(3,457)
Capitalized computer software development costs	(7,111)	—	(7,111)
(Increase) decrease in other assets	104	—	104
Net cash (used in) investing activities	(10,464)	—	(10,464)
Cash flows from financing activities:			
Payment of convertible preferred stock dividends	(2,439)	—	(2,439)
Issuance of common stock under employee stock purchase plans	839	—	839
Exercise of stock options and warrants	10,989	—	10,989
Tax benefit from stock options	119	—	119
Payments of long-term debt and capital lease obligations	(984)	—	(984)
Proceeds from secured borrowings	—	110,528	110,528
Repayment of secured Borrowings	—	(141,161)	(141,161)
Repayment of convertible debt	—	—	—
Net cash provided by (used in) financing activities	8,524	(30,633)	(22,109)
Effect of exchange rate changes on cash and cash equivalents	146	—	146
Increase (decrease) in cash and cash equivalents	18,123	—	18,123
Cash and cash equivalents, beginning of year	68,149	—	68,149

Cash and cash equivalents, end of year	$ 86,272	$ —	$ 86,272
Supplemental disclosure of cash flow information:			
Income taxes paid	$ 7,821	$ —	$ 7,821
Interest paid	$ 1,240	$ 17,952	$ 19,192
Supplemental disclosure of non-cash activities:			
Non-cash purchases of property	$ 107	$ —	$ 107

EXHIBIT INDEX

Exhibit Number	Description	Filed with this Form 10-K	Incorporated by Reference		
			Form	Filing Date with SEC	Exhibit Number
3.1	Certificate of Incorporation of Aspen Technology, Inc., as amended		8-K	August 22, 2003	4
3.2	By-laws of Aspen Technology, Inc.		8-K	March 27, 1998	3.2
4.1	Specimen certificate for common stock, $.10 par value, of Aspen Technology, Inc.		8-A/A	June 12, 1998	4
4.2	Rights Agreement dated March 12, 1998 between Aspen Technology, Inc. and American Stock Transfer and Trust Company, as Rights Agent, including form of Certificate of Designation of Series A Participating Cumulative Preferred Stock and form of Right Certificate		8-K	March 27, 1998	4.1
4.2a	Amendment No. 1 dated October 26, 2001 to Rights Agreement dated March 12, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	November 8, 2001	4.4
4.2b	Amendment No. 2 dated February 6, 2002 to Rights Agreement dated March 12, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	February 12, 2002	4.5
4.2c	Amendment No. 3 dated March 19, 2002 to Rights Agreement dated March 12, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	March 20, 2002	4.6
4.2d	Amendment No. 4 dated May 9, 2002 to Rights Agreement dated March 17, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	March 31, 2002	4.7
4.2e	Amendment No. 5 dated June 1, 2003 to Rights Agreement dated March 17, 1998 between Aspen Technology, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A/A	June 2, 2003	4.8

4.3	Form of WD Common Stock Purchase Warrants of Aspen Technology, Inc. dated August 14, 2003		8-K	August 22, 2003	99.3
10.1	Lease Agreement dated January 30, 1992 between Aspen Technology, Inc. and Teachers Insurance and Annuity Association of America regarding 10 Canal Park, Cambridge, Massachusetts	X			
10.1a	First Amendment to Lease Agreement dated May 5, 1997 between Aspen Technology, Inc. and Beacon Properties, L.P., successor-in-interest to Teachers Insurance and Annuity Association of America		10-K	September 28, 2000	10.2
10.1b	Second Amendment to Lease Agreement dated August 14, 2000 between Aspen Technology, Inc. and EOP-Ten Canal Park, L.L.C., successor-in-interest to Beacon Properties, L.P.		10-K	September 28, 2000	10.3
10.1c	Amendment dated September 5, 2007 to Lease Agreement dated January 30, 1992 between Aspen Technology, Inc. and MA-Ten Canal Park, L.L.C.	X			
10.2	Sublease dated September 5, 2007 between Aspen Technology, Inc. and MA-Ten Canal Park L.L.C. regarding 10 Canal Park, Cambridge, Massachusetts	X			
10.3	Lease dated May 7, 2007 between Aspen Technology, Inc. and One Wheeler Road Associates regarding 200 Wheeler Road, Burlington Massachusetts	X			
10.4	System License Agreement dated March 30, 1982 between Aspen Technology, Inc. and the Massachusetts Institute of Technology	X			

10.5	Amendment dated March 30, 1982 to System License Agreement dated March 30, 1982 between Aspen Technology, Inc. and the Massachusetts Institute of Technology	X			
10.6†	Purchase and Sale Agreement dated October 6, 2004 among Aspen Technology, Inc., Hyprotech Company, AspenTech Canada Ltd. and Hyprotech UK Ltd. and Honeywell International Inc., Honeywell Control Systems Limited and Honeywell Limited-Honeywell Limitee		10-Q	March 15, 2005	10.1
10.6a†	Amendment No. 1 dated December 23, 2004 to Purchase and Sale Agreement dated October 6, 2004 among Aspen Technology, Inc., Hyprotech Company, AspenTech Canada Ltd., and Hyprotech UK Ltd. and Honeywell International Inc., Honeywell Control Systems Limited and Honeywell Limited-Honeywell Limitee		10-Q	March 15, 2005	10.2
10.7†	Hyprotech License Agreement dated December 23, 2004 between Aspen Technology, Inc. and Honeywell International, Inc.		10-Q	March 15, 2005	10.3
10.8†	Hyprotech License Agreement dated December 23, 2004 between AspenTech Canada Ltd. and Honeywell Limited-Honeywell Limitee		10-Q	March 15, 2005	10.4
10.9†	Hyprotech License Agreement dated December 23, 2004 between Hyprotech Company and Honeywell Limited-Honeywell Limitee		10-Q	March 15, 2005	10.5
10.10†	Hyprotech License Agreement dated December 23, 2004 between AspenTech Ltd. and Honeywell Control Systems Limited		10-Q	March 15, 2005	10.6
10.11†	Hyprotech License Agreement dated December 23, 2004 between Hyprotech UK Ltd. and Honeywell Control Systems Limited		10-Q	March 15, 2005	10.7

10.12	Amended and Restated Direct Finance and Services Addendum to Letter Agreement, effective December 30, 2004 among Aspen Technology, Inc. Fleet Business Credit LLC, Fleet Business Credit (UK) Limited, and Fleet Business Credit (Deutschland) GmbH		10-K	September 13, 2005	10.9
10.13	Vendor Program Agreement dated March 29, 1990 between Aspen Technology, Inc. and General Electric Capital Corporation	X			
10.13a	Rider No. 1 dated December 14, 1994, to Vendor Program Agreement dated March 29, 1990 between Aspen Technology, Inc. and General Electric Capital Corporation	X			
10.13b	Rider No. 2 dated September 4, 2001 to Vendor Program Agreement dated March 29, 1990 between Aspen Technology, Inc. and General Electric Capital Corporation	X			
10.14	Letter Agreement dated March 25, 1992 between Aspen Technology, Inc. and Sanwa Business Credit Corporation	X			
10.14a	First Amendment dated March 3, 1994 to Letter Agreement dated March 25, 1992 between Aspen Technology, Inc. and Sanwa Business Credit Corporation	X			
10.14b	Second Amendment dated January 1, 1997 to Letter Agreement dated March 25, 1992 between Aspen Technology, Inc. and Sanwa Business Credit Corporation	X			
10.14c	Third Amendment dated March 28, 2003 to Letter Agreement dated March 25, 1992 between Aspen Technology, Inc. and Fleet Business Credit, LLC (formerly Sanwa Business Credit Corporation)		10-Q	May 15, 2003	10.9

10.15	Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	February 17, 2004	10.1
10.15a	First Amendment dated June 30, 2004 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15b	Second Amendment dated September 30, 2004 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	March 15, 2005	10.1
10.15c	Third Amendment dated December 31, 2004 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	March 15, 2005	10.8
10.15d	Fourth Amendment dated March 8, 2005 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15e	Fifth Amendment dated March 31, 2005 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	March 10, 2005	10.1
10.15f	Sixth Amendment dated December 29, 2005 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			

10.15g	Seventh Amendment dated July 17, 2006 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15h	Eighth Amendment dated September 15, 2006 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15i	Ninth Amendment dated January 12, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.		10-Q	May 10, 2007	10.3
10.15j	Tenth Amendment dated April 13, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15k	Eleventh Amendment dated June 28, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.151	Twelfth Amendment dated October 16, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			
10.15m	Thirteenth Amendment dated December 12, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	X			

10.15n	Fourteenth Amendment dated December 28, 2007 to Non-Recourse Receivables Purchase Agreement dated December 31, 2003 between Silicon Valley Bank and Aspen Technology, Inc.	8-K	January 7, 2008	10.2
10.16	Loan Agreement dated June 15, 2005 among Aspen Technology, Inc., Aspen Technology Receivables II LLC, Guggenheim Corporate Funding, LLC and the lenders named therein.	8-K	June 20, 2005	10.1
10.17	Security Agreement dated June 15, 2005 between Aspen Technology Receivables II LLC and Guggenheim Corporate Funding, LLC	8-K	June 20, 2005	10.2
10.18	Release Letter dated December 28, 2007 relating to Loan Agreement dated June 15, 2005 among Aspen Technology, Inc., Aspen Technology Receivables II LLC, Guggenheim Corporate Funding, LLC and the Lenders named therein	8-K	January 7, 2008	10.1
10.19	Purchase and Sale Agreement dated June 15, 2005 between Aspen Technology, Inc. and Aspen Technology Receivables I LLC	8-K	June 20, 2005	10.3
10.20	Purchase and Resale Agreement dated June 15, 2005 between Aspen Technology Receivables I LLC and Aspen Technology Receivables II LLC	8-K	June 20, 2005	10.4
10.21	Loan Agreement dated September 27, 2006 among Aspen Technology Funding 2006-II LLC, Aspen Technology, Inc., Portfolio Financial Servicing Company, Inc., Key Equipment Finance Inc., Keybank National Association, and Relationship Funding Company, LLC	10-Q	November 14, 2006	10.1
10.22	Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	10-Q	February 14, 2003	10.1

10.22a	Letter Agreement dated February 14, 2003 amending Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22b	First Loan Modification Agreement dated June 27, 2003 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-K	September 29, 2003	10.22
10.22c	Second Loan Modification Agreement dated September 10, 2004 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-K	September 13, 2004	10.70
10.22d	Third Loan Modification Agreement dated January 28, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22e	Fourth Loan Modification Agreement dated April 1, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-Q	May 10, 2005	10.2
10.22f	Fifth Loan Modification Agreement dated May 6, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			

10.22g	Sixth Loan Modification Agreement dated June 15, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		8-K	June 20, 2005	10.5
10.22h	Seventh Loan Modification Agreement dated September 13, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-K	September 13, 2005	10.79
10.22i	Eighth Amendment to Loan and Security Agreement dated December 30, 2005 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22j	Ninth Loan Modification Agreement dated July 17, 2006 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech	X			
10.22k	Tenth Loan Modification Agreement dated September 15, 2006 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-K	September 28, 2006	10.84
10.221	Eleventh Loan Modification Agreement dated September 27, 2006 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-Q	November 14, 2006	10.3

10.22m	Twelfth Loan Modification Agreement dated January 12, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-Q	May 10, 2007	10.1
10.22n	Thirteenth Loan Modification Agreement dated April 13, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22o	Fourteenth Loan Modification Agreement dated June 28, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22p	Fifteenth Loan Modification Agreement dated August 30, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22q	Sixteenth Loan Modification Agreement dated October 16, 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company	X			
10.22r	Seventeenth Loan Modification Agreement dated December 2007 to Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank and Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		8-K	January 7, 2008	10.3

10.23	Form of Negative Pledge Agreement dated January 30, 2003, in favor of Silicon Valley Bank, executed by Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company		10-Q	February 14, 2003	10.5
10.24	Security Agreement dated January 30, 2003 between Silicon Valley Bank and AspenTech Securities Corporation		10-Q	February 14, 2003	10.6
10.25	Unconditional Guaranty dated January 30, 2003, by AspenTech Securities Corporation in favor of Silicon Valley Bank		10-Q	February 14, 2003	10.7
10.26	Pledge Agreement, effective as of June 27, 2003, by Aspen Technology, Inc. in favor of Silicon Valley Bank		10-K	September 29, 2003	10.23
10.27	Partial Release and Acknowledgement Agreement dated June 15, 2005 among Aspen Technology, Inc., Aspentech, Inc. and Silicon Valley Bank		8-K	June 20, 2005	10.7
10.28	Partial Release and Acknowledgement Agreement dated September 27, 2006 among Silicon Valley Bank and Aspen Technology, Inc.		10-Q	November 14, 2006	10.6
10.29	Export-Import Bank Loan and Security Agreement dated January 30, 2003 among Silicon Valley Bank, Aspen Technology, Inc. and AspenTech, Inc.		10-Q	February 14, 2003	10.2
10.29a	First Loan Modification Agreement (Export-Import) dated September 10, 2004 among Aspen Technology, Inc., AspenTech, Inc. and Silicon Valley Bank		10-K	September 13, 2004	10.71
10.29b	Second Loan Modification Agreement (Export-Import) dated January 28, 2005 among Aspen Technology, Inc., AspenTech, Inc. and Silicon Valley Bank	X			

10.29c	Third Loan Modification Agreement (Export-Import) dated April 1, 2005 among Silicon Valley Bank, Aspen Technology, Inc. and AspenTech, Inc.		10-Q	May 10, 2005	10.3
10.29d	Fourth Loan Modification Agreement (Export-Import) dated June 15, 2005 among Aspen Technology, Inc., Aspentech, Inc. and Silicon Valley Bank		8-K	June 20, 2005	10.6
10.29e	Fifth Loan Modification Agreement (Export-Import) dated July 17, 2006 among Aspen Technology, Inc., AspenTech, Inc. and Silicon Valley Bank	X			
10.29f	Sixth Loan Modification Agreement (Export-Import) dated September 14, 2006 between Silicon Valley Bank and Aspen Technology, Inc.		10-K	September 28, 2006	10.85
10.29g	Seventh Loan Modification Agreement (Export-Import) dated September 27, 2006 among Silicon Valley Bank and Aspen Technology, Inc.		10-Q	November 14, 2006	10.5
10.29h	Eighth Loan Modification Agreement (Export-Import) dated January 12, 2007 among Silicon Valley Bank, Aspen Technology, Inc. and AspenTech, Inc.		10-Q	May 10, 2007	10.2
10.30	Export-Import Bank Borrower Agreement dated April 1, 2005 between Aspen Technology, Inc. and AspenTech Inc. in favor of the Export-Import Bank of the United States and Silicon Valley Bank		10-Q	May 10, 2005	10.4
10.31	Promissory Note (Export-Import) dated April 1, 2005 between Aspen Technology, Inc. and AspenTech, Inc. in favor of Silicon Valley Bank		10-Q	May 10, 2005	10.5
10.32	Investor Rights Agreement dated August 14, 2003 among Aspen Technology, Inc. and the Stockholders named therein		8-K	August 22, 2003	99.1

10.33	Management Rights Letter dated August 14, 2003 among Aspen Technology, Inc. and the entities named therein.		8-K	August 22, 2003	99.2
10.34	Amended and Restated Registration Rights Agreement dated March 19, 2002 between Aspen Technology, Inc. and the Purchasers named therein.		8-K	March 20, 2002	99.2
10.35^	Aspen Technology, Inc. 1998 Employees' Stock Purchase Plan		S-8	January 20, 1998	10.1
10.35a^	Amendment No. 1 to 1998 Employees' Stock Purchase Plan		Def 14A	November 13, 2000	C
10.36^	Aspen Technology, Inc. 1995 Stock Option Plan		S-8	September 9, 1996	4.5
10.37^	Aspen Technology, Inc. Amended and Restated 1995 Directors Stock Option Plan	X			
10.38^	Aspen Technology, Inc. 1996 Special Stock Option Plan		10-K	September 29, 1997	10.23
10.39^	Aspen Technology, Inc. Restated 2001 Stock Option Plan		10-K	September 28, 2006	10.54
10.40^	Form of Terms and Conditions of Stock Option Agreement Granted under Aspen Technology, Inc. 2001 Restated Stock Option Plan		10-Q	November 14, 2006	10.7
10.41^	Aspen Technology, Inc. 2005 Stock Incentive Plan		8-K	June 2, 2005	99.1
10.42^	Form of Terms and Conditions of Stock Option Agreement Granted under Aspen Technology, Inc. 2005 Stock Incentive Plan		10-Q	November 14, 2006	10.8
10.43^	Form of Restricted Stock Unit Agreement Granted under Aspen Technology, Inc. 2005 Stock Incentive Plan		10-Q	November 14, 2006	10.9
10.44^	Form of Restricted Stock Unit Agreement-G Granted under Aspen Technology, Inc. 2005 Stock Incentive Plan		10-Q	November 14, 2006	10.10
10.45	Non-Competition Agreement of Aspen Technology, Inc.	X			

10.46^	Aspen Technology, Inc. Executive Annual Incentive Bonus Plan for the fiscal year ending June 30, 2007		8-K	July 6, 2006	99.1
10.47^	Aspen Technology, Inc. Operations Executives Plan for the fiscal year ending June 30, 2007		8-K	July 6, 2006	99.2
10.48^	Form of Aspen Technology, Inc. Executive Annual Incentive Bonus Plan for the fiscal year ending June 30, 2008		8-K	June 20, 2007	99.1
10.49^	Form of Aspen Technology, Inc. Operations Executives Plan for the fiscal year ending June 30, 2008		8-K	June 20, 2007	99.2
10.50^	Amended and Restated Employment Agreement effective October 3, 2007 between Aspen Technology, Inc. and Mark E. Fusco	X			
10.51^	Form of Executive Retention Agreement entered into by Aspen Technology, Inc. and each executive officer of Aspen Technology, Inc. (other than Mark E. Fusco)		10-Q	November 14, 2006	10.11
10.52^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement granted to Manolis E. Kotzabasakis on or about August 18, 2003 under Aspen Technology, Inc. 1995 Stock Option Plan, as amended (Award Identification No. P040380)		8-K	January 5, 2007	10.1
10.53^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement granted to Manolis E. Kotzabasakis on or about August 18, 2003 under Aspen Technology, Inc. 2001 Stock Option Plan, as amended (Award Identification No. P040002)		8-K	January 5, 2007	10.2
10.54^	Amendment Number 1 dated December 29, 2006 to the Stock Option Agreement granted to Manolis E. Kotzabasakis on or about August 18, 2003 under Aspen Technology, Inc. 2001 Stock Option Plan, as amended (Award Identification No. P0405621)		8-K	January 5, 2007	10.3

10.55^	Employment Agreement dated April 1, 2002 between Aspen Technology, Inc. and C. Steven Pringle.		8-K	July 11, 2003	10.1
10.56^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement granted to C. Steven Pringle on or about August 18, 2003 under Aspen Technology, Inc. 1995 Stock Option Plan, as amended (Award Identification No. P040381)		8-K	January 5, 2007	10.4
10.57^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement with C. Steven Pringle granted on or about August 18, 2003 under Aspen Technology, Inc. 2001 Stock Option Plan, as amended (Award Identification No. P040003)		8-K	January 5, 2007	10.5
10.58^	Amendment Number 1 dated December 29, 2006 to Stock Option Agreement granted to C. Steven Pringle on or about August 18, 2003 under Aspen Technology, Inc. 2001 Stock Option Plan, as amended (Award Identification No. P0405622)		8-K	January 5, 2007	10.6
14.1	Aspen Technology, Inc. Code of Conduct and Business Ethics		10-K	September 13, 2005	14.1
21.1	Subsidiaries of Aspen Technology, Inc.	X			

23.1	Consent of Deloitte & Touche LLP	X
24.1	Power of Attorney (included in signature page to Form 10-K)	X
31.1	Certification of President and Chief Executive Officer pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002	X
31.2	Certification of Principal Financial and Accounting Officer pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002	X
32.1	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
32.2	Certification of Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X

† Confidential treatment requested as to certain portions

^ Management contract or compensatory plan

QuickLinks

Exhibit 10.1

LEASE

10 CANAL PARK
CAMBRIDGE, MA

THIS INSTRUMENT IS A LEASE, dated as of January , 1992 in which the Landlord and the Tenant are the parties hereinafter named, and which relates to space in the building (the "Building") known and numbered as Ten Canal Park, Cambridge, Massachusetts. The parties to this instrument hereby agree with each other as follows:

ARTICLE I

BASIC LEASE PROVISIONS

1.1 INTRODUCTION. The following terms and provisions set forth basic data and, where appropriate, constitute definitions of the terms hereinafter listed:

1.2 BASIC DATA.

Landlord:

Teachers Insurance and Annuity
Association of America

Landlord's Original Address:

c/o Leggat McCall Properties Management, Inc.
Ten Post Office Square
Boston, MA 02109

Tenant:

Aspen Technology, Inc.,
a Massachusetts corporation

Tenant's Original Address:

251 Vassar Street
Cambridge, MA 02139

Basic Rent:

The following amounts payable as and when required by Section 3.1 of the Lease

Lease Year	Basic Rent (per annum)	Monthly Payment
1	$ 791,331.38	$ 65,944.28
2	$ 844,030.14	$ 70,335.85
3	$ 969,827.18	$ 80,818.93
4	$ 969,827.18	$ 80,818.93
5	$ 1,156,667.15	$ 96,388.93
6	$ 1,156,667.15	$ 96,388.93
7	$ 1,156,667.15	$ 96,388.93
8	$ 1,307,492.47	$ 108,957.71
9	$ 1,409,401.47	$ 117,450.12
10	$ 1,511,310.47	$ 125,942.54

Premises Rentable Area: During Lease Years 1 through and including the end of Lease Year 4; 84,99 8 square feet located on floors 2, 3, 4 and 5 of the Building and during Lease Years 5 through and including the end of Lease Year 10, 101,909 rentable square feet located on floors 2,13, 4, 5 and 6 of the Building.

Permitted Uses: General office specifically excluding offices of governmental agencies or authorities.

Escalation Factor: As determined in accordance with the Escalation Factor Computation.

Operating Expense Escalation Factor: As determined in accordance with the Operating Expense Escalation Factor Computation.

Initial Term: Ten (10) Lease Years commencing on the Commencement Date.

Security Deposit: In the form of Letters of Credit and/or Cash Deposits in such amounts as are from time to time required pursuant to Section 14.17 of this Lease.

1.3 ADDITIONAL DEFINITIONS.

Manager: The entity from time to time designated as such pursuant to the provisions of Section 14.29 of this Lease.

Building Rentable Area: 101,909 rentable square feet (excludes retail areas of the Building) as measured by the American National Standards Institute Method.

Business Days: All days except Saturday, Sunday, New Year's Day, Washington's Birthday, Patriot's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, Christmas Day (and the following day when any such day occurs on Sunday).

Commencement Date: As defined in Section 4.1.

Default of Tenant: As defined in Section 13.1.

Escalation Charges: The amounts prescribed in Sections 8.1 and 9.2.

Escalation Factor Computation: Premises Rentable Area divided by the sum of the Building Rentable Area plus the Retail Rentable Area.

Operating Expense Escalation Factor Computation: Premises Rentable Area divided by the number of rentable square feet of the Building Rentable Area occupied by office tenants (including Tenant).

Force Majeure: Collectively and individually, strike or other labor trouble, fire or other casualty, governmental preemption of priorities or other controls in connection with a national or other public emergency or shortages of, or inability to obtain, fuel, supplies or labor resulting therefrom, or any other cause, whether similar or dissimilar, beyond Landlord's reasonable control.

Landlord's Construction Representative: Leggat McCall Properties Management, Inc.

Initial Public Liability Insurance: $1,000,000 per person; $3,000,000 per occurrence (combined single limit) for property damage, bodily injury or death.

Lease Year or lease year: Each consecutive 12 calendar month period immediately following the Commencement Date, but if the Commencement Date shall fall on other than the first day of a calendar month, then such term shall mean each consecutive twelve calendar month period commencing with the first day of the first full calendar month of the Initial Term. The first lease year shall include any partial month between the Commencement Date and the first day of the first full calendar month imediately following the Commencement Date).

Operating Expenses: As set forth in Section 9.1.

Operating Year: As defined in Section 9.1.

Premises: The portions of the Building as shown on Exhibit A and Exhibit A-1 annexed hereto, it being agreed and understood that during Lease Year 1 through and including the end of Lease Year 4, the Premises will consist of 84,998 rentable square feet shown on Exhibit A and located on floors 2, 3, 4 and 5 (together with the balconies accessible therefrom) and thereafter, for the balance of the Term of this Lease beginning as of the first day of the 5th Lease Year, the Premises shall also include the space on the 6th floor of the Building as shown, on Exhibit A-1 and consist of 101,909 rentable square feet located on floors 2, 3, A, 5 and 6 of the Building (together with the balconies accessible therefrom).

Property: The Building and the land parcel on which it is located (including adjacent sidewalks and any appurtenant areas described in Section 2.2).

Retail Rentable Area: 8,934 rentable square feet.

Tax Year: As defined in Section 8.1.

Taxes: As determined in accordance with Section 8.1.

Tenants Removable Property: As defined in Section 5.2.

Tenant's Construction Representative: Reynolds, Vickery, Messina and Griefen Co.

Term of this Lease: The Initial Term and any proper extension thereof exercised in accordance with the provisions hereof.

Utility Expenses: As defined in Section 9.1.

Exhibits: The following Exhibits are annexed to this Lease and incorporated herein by this reference:

Exhibit A:	Plan showing Premises
Exhibit A-l:	Plan Showing Premises (Lease Year 5 through the remainder of the Term of this Lease)
Exhibit B:	Specifications of Improvements and Plans showing Tenant Lay-out
Exhibit C:	Building Services (Identifying certain minimum building service criteria)
Exhibit D:	Options to Extend; Right of Refusal
Exhibit E:	Operating Expenses
Exhibit F:	Building Management Specifications
Exhibit G:	East Cambridge Parking Facility - Phase I
Exhibit H:	East Cambridge Parking Facility - Phase II
Exhibit I:	Intentionally Omitted
Exhibit J:	Intentionally Omitted.
Exhibit K:	General Contractor's Letter
Exhibit L:	Initial Approved Budget

ARTICLE II

PREMISES AND APPURTENANT RIGHTS."

2.1 LEASE OF PREMISES. Landlord hereby demises and leases to Tenant for the Term of this Lease and upon the terms and conditions hereinafter set forth, and Tenant hereby accepts from Landlord, the Premises (as the Premises shall be expanded pursuant to the terms of this Lease).

2.2 APPURTENANT RIGHTS AND RESERVATIONS (a) Tenant shall have, as appurtenant to the Premises, the non-exclusive right to use, and permit its invitees to use in common with others, public or common lobbies, hallways, stairways and elevators,

roadways and common walkways necessary for access to the Building including, without limitation, all common areas and appurtenances which are intended to be used and enjoyed by all tenants of the Building but specifically excluding any such area or appurtenances as are specifically reserved for the exclusive use of other tenants of the Building; but Tenant shall have no other appurtenant rights and all such rights shall always be subject to reasonable rules and regulations from time to time established by Landlord pursuant to Section 14.7 and to the right of Landlord to designate and change from time to time areas and facilities so to be used; provided that to the extent within Landlord's control, reasonably equivalent substitutes therefor are made available. In exercising its rights pursuant to this Section 2.2(a), Landlord shall use good faith efforts, to the extent within its control to avoid unreasonable interference with Tenant's use of the Premises.

(b) Excepted and excluded from the Premises are the ceiling, floor, perimeter walls and exterior windows, except the inner surfaces thereof, but the entry doors (and related glass and finish work) to the Premises are a part thereof; and Tenant agrees that Landlord shall have the right to place in the Premises (but in such manner as to reduce to a minimum interference with Tenant's use of the Premises) interior storm windows, subcontrol devices (by way of illustration, an electric sub panel, etc.), utility lines, pipes, equipment and the like, in, over and upon the Premises. Tenant shall install and maintain, as Landlord may require, proper access panels in any high ceilings or walls as may be installed by Tenant in the Premises to afford access to any facilities above the ceiling or within or behind the walls.

(c) Landlord, for the benefit of the Landlord, the Manager and all other tenants of the Building, hereby expressly reserves the right and easement (the "Access Easement") to use (i) that portion of the Premises located on the second floor of the Building identified on Exhibit A and Exhibit A-1 as the "Access Easement" and (ii) the elevator situated in the elevator bank near the mezzanine lobby stairwell closest to the Access Easement for purposes of access to and egress from the Loading Dock Area and the respective premises of other tenants of the Building in connection with deliveries to such respective tenant's premises. Tenant hereby consents to the reservation and easement described in this Section 2.2(c). In connection with each use of the Access Easement and the elevator, the Manager shall insure that the elevator is padded to protect against damage and that a suitable screening device is in place to shield such delivery activities from the view of Tenant's reception area. It shall be the responsibility of Manager to enforce Building Rules and Regulations applicable to the timing of the use of the Access Easement and the padding and screening requirements. The provisions of this Section 2.2(c) shall be binding upon and inure to the benefit of Landlord, the Manager and Tenant and their respective successors and assigns.

ARTICLE III

BASIC RENT

3.1 PAYMENT. (a) Tenant agrees to pay to Landlord, or as directed by Landlord, commencing on the Commencement Date without offset, abatement (except as provided

in Article 12.1), deduction or demand, the Basic Rent. Such Basic Rent shall be payable in equal monthly installments, in advance, on the first day of each and every calendar month during the Term of this Lease, at Landlord's Original Address, or at such other place as Landlord shall from time to time designate by notice to Tenant, in lawful money of the United States. Until notice of some other designation is given by Landlord, Basic Rent and all other charges for which provision is herein made shall be paid by remittance payable to the Landlord and addressed to the Landlord at 730 Third Avenue, New York, New York 10017, Attention: Mr. Philip R. DiGennaro, and all remittances so received as aforesaid, or by any subsequently designated recipient, shall be treated as a payment to Landlord. In the event that any installment of Basic Rent is not paid on the due date thereof, Tenant shall pay, in addition to any Basic Rent, Escalation Charges or other additional charges due under this Lease, an administrative fee equal to 5% of the overdue payment if such overdue payment is not paid within 5 days after written notice from Landlord. It is agreed and understood that nothing contained in the immediately preceding sentence shall require that Landlord provide Tenant with written notice of any of the matters specified in Section 13.1(a)(i) in order to establish a Default of Tenant pursuant to said Section 13.1(a)(i).

(b) Basic Rent for any partial month shall be pro-rated on a daily basis, and if the first day on which Tenant must pay Basic Rent shall be other than the first day of a calendar month, the first payment which Tenant shall make to Landlord shall be equal to a proportionate part of the monthly installment of Basic Rent for the partial month from the first day on which Tenant must pay Basic Rent to the last day of the month in which such day occurs, plus the installment of Basic Rent for the succeeding calendar month.

ARTICLE IV

COMMENCEMENT DATE; TENANT'S PLANS; TENANT'S WORK; LANDLORD'S ALLOWANCE

4.1 COMMENCEMENT DATE.

(a) The Commencement Date shall be the earliest to occur of (i) that date which is 250 days after the date of this Lease (the "Anticipated Completion Date") irrespective of whether Tenant has completed Tenant's Work (as said term is hereafter defined) or obtained a certificate of occupancy for the Premises by such date, or (ii) that date on which Tenant commences occupancy of all or any portion of the Premises for the Permitted Uses, or (iii) that date which is the date of issuance of a Certificate of Occupancy (temporary or permanent) for all or any portion of the Premises, whichever first occurs. Tenant shall provide Landlord with a copy of any Certificate of Occupancy issued by the City of Cambridge for the Premises and shall not occupy all or any portion of the Premises until such time as a Certificate of Occupancy has issued for same. Each of the parties hereto agrees to, upon demand of the other, execute a declaration expressing the Commencement Date as soon as the Commencement Date has been determined. The Anticipated Completion Date shall be extended one day for each of the Landlord's Delay Days (as said term is hereinafter defined in Section 4.2(b)).

4.2 PROPOSED TENANT'S PLANS; TENANT'S PLANS; BUILDING STANDARDS; APPROVALS.

(a) Generally. Tenant acknowledges that Landlord is extremely concerned with the quality of the work to be performed by the Tenant's G.C. (as said term is hereinafter defined) with respect to materials, workmanship and suitability of the design and construction work to be employed in completing Tenant's Work in terms of integration of and compatibility with Base Building Systems (as said term is hereafter defined) and their design and the high quality of existing improvements in the Building. As used in this Article IV, the term "Proposed Tenant's Plans" shall mean working drawings, written instructions, plans and specifications prepared by Tenant's architects and/or Tenant's engineers from time to time which are to be submitted to Landlord's Construction Representative and which shall be sent under separate cover letter, specifically identifying the Proposed Tenant's Plans which are being transmitted and the specific purposes and approvals for which such materials are being submitted. All Proposed Tenant's Plans shall contain at least the information and detail specified in the Specifications of Leasehold Improvements and Tenant Lay-Out annexed as Exhibit B to this Lease. Landlord's Construction Representative (or as applicable in the case of Structural Plans, Landlord) shall respond to requests for review of Proposed Tenant's Plans in writing and transmission of such writings shall be sufficient if sent by facsimile transmission. As used in this Lease, the term "Tenant's Plans" shall mean final Proposed Tenant's Plans showing Tenant's Work which have been approved by Landlord's Construction Representative and (as applicable) Landlord. Tenant shall not perform any work or make any improvements in or to the Premises unless such work or improvements are performed in accordance with Tenant's Plans approved in accordance with the terms and provisions of this Lease.

In the event Landlord's Construction Representative, or, as applicable, Landlord shall reject any Proposed Tenant's Plans, Landlord's Construction Representative shall advise Tenant's Construction Representative of the reasons for such rejection. Review of Proposed Tenant's Plans by Landlord's Construction Representative and, as applicable, Landlord shall not be deemed or construed to mean that such plans comply with applicable rules, laws, ordinances or codes. Wherever reasonably possible, Landlord's Construction Representative shall approve Proposed Tenant's Plans with exceptions or notations for specific items without rejecting the entire Plan.

If Landlord's Construction Representative (or, as applicable, Landlord) rejects all or any portion of Proposed Tenant's Plans, Tenant shall promptly submit revised Proposed Tenant's Plans to Landlord's Construction Representative or, as applicable, to Landlord in the case of the Structural Plans.

In the event Landlord's Construction Representative (or, as applicable, Landlord) rejects such revisions, Landlord's Construction Representative shall advise Tenant's Construction Representative in writing of the reasons for such rejection. If necessary, the process described in the foregoing provisions of this Section 4.2(a) shall be repeated until such time as the Proposed Tenant's Plans and outline specifications have been approved by Landlord's Construction Representative and (as applicable) Landlord.

All Proposed Tenant's Plans submitted to Landlord's Construction Representative or (as applicable) Landlord for approval pursuant to the provisions of this Section 4.2(a) which are approved and initialled by Landlord's Construction Representative and (as applicable) Landlord shall, for all purposes under this Lease constitute "Tenant's Plans". Landlord's Construction Representative and Tenant's Construction Representative shall develop a list of Tenant's Plans as Proposed Tenant's Plans are approved and finalized. In the event that, once approved, Tenant desires to change or amend any aspect of Tenant's Plans, all such changes or amendments must be submitted to Landlord's Construction Representative as Proposed Tenant's Plans for approval in the manner described in the Change Order provisions of this Lease as contained in this Section 4.2(a).

Landlord hereby acknowledges that Landlord's Construction Representative and (as applicable), Landlord will not act in an arbitrary, capricious or dilatory manner in connection with requests for approvals of Proposed Tenant's Plans; provided, however, that Tenant and Tenant's Construction Representative hereby acknowledge that Landlord's Construction Representative or (as applicable) Landlord shall not be required to approve any work or materials shown on Proposed Tenant's Plans or any aspect of Tenant's Plans (or any Change Orders) which are not compatible with plans and specifications for mechanical, electrical, structural, plumbing or HVAC systems in place in the Building or which do not comply with applicable laws, ordinances or codes.

Landlord and Tenant hereby acknowledge that, in connection with a build-out of tenant improvements of the nature and scope comprising the Tenant's Work, the need to make changes or deletions to the work contemplated in Tenant's Plans (a "Change Order") may from time to time arise. In any case where Tenant determines the need to effect deviations in the Tenant's Work from the work and materials shown on Tenant's Plans, Tenant shall advise Landlord's Construction Representative and Landlord of the nature and scope of each such Change Order.

Landlord's Construction Representative shall have the right to review and approve or reject each and every Change Order and thereafter, if such Change Order is approved, Landlord's Construction Representative and Tenant's Construction Representative shall make specific notations on Tenant's Plans evidencing the Change Order.

Except for Change Orders reviewed and approved by-Landlord's Construction Representative, Tenant shall not deviate from the approved Tenant's Plans in connection with performing Tenant's Work.

As used in this Lease, the term "Base Building Systems" shall mean (i) HVAC main trunk-lines (exclusive of minor distribution systems), (ii) exterior windows, (iii) the exterior facade of the Building, (iv) any structural member of the Building, (v) any elevator systems (including, without limitation, shafts, mechanical equipment and cabs), (vi) stairways, (vii) basic electrical systems as far as the main electrical panels on each floor, (viii) plumbing systems, and (ix) water distribution systems.

(b) LANDLORD'S DELAYS; LANDLORD'S DELAY DAYS DEFINED. Landlord acknowledges that Tenant desires to complete Tenant's Work as quickly as

possible and that the cooperation of Landlord's Construction Representative and Landlord in terms of a prompt Response (as said term is hereafter defined) to requests for review of Proposed Tenant's Plans is crucial in achieving that end. Accordingly, Landlord has agreed that certain delays in providing Responses to requests for review of Proposed Tenant's Plans will cause the Anticipated Completion Date to be extended. As used in this Article IV, the term "Landlord's Delays" shall mean failure by the Landlord's Construction Representative to provide a Response to requests for review of Proposed Tenant's Plans or Change Orders within the time and manner required by this Section 4.2. As used in this Article IV, the term "Landlord's Delay Days" shall mean, in each instance, one day for each full day that, without cause, Landlord's Construction Representative shall delay in providing a Response to a request for approval of Proposed Tenant's Plans or a Change Order (which are submitted to Landlord and Landlord's Construction Representative and as applicable, Landlord for approval in the form required by the provisions of this Lease) beyond the time periods specified in this Section 4.2.

In any instance where Tenant is claiming that a Landlord's Delay is taking place, Tenant's Construction Representative shall provide Landlord and Landlord's Construction Representative with oral and written notice via telephone and facsimile transmission setting forth in specific detail the nature of such claimed Landlord's Delay. It shall be a condition precedent to the commencement and occurrence of any Landlord's Delay that Tenant provide Landlord and Landlord's Construction Representative with the notice of such claimed Landlord's Delay in the manner required by this paragraph.

Tenant has advised Landlord that Proposed Tenant's Plans will be submitted to Landlord from time to time in the manner hereinafter specified:

(a) The Initial Space Plans ("Initial Space Plans") for the Premises have been provided to Landlord and Landlord's Construction Representative. Landlord and Landlord's Construction Representative have each approved the Initial Space Plans.

(b) Proposed Tenant's Plans consisting of architectural drawings, instructions and specifications and structural drawings, plans and specifications consistent with the matters shown on the Initial Space Plans (herein collectively the "Initial Proposed Tenant' s Plans") containing the detail required by Exhibit B shall be completed by Tenant's architects and engineers and submitted to Landlord and Landlord's Construction Representative as soon as possible. Landlord shall have the right to review the structural plan component of the Initial Proposed Tenant's Plans and provided that they are consistent in scope and design with the Initial Space Plans, Landlord's Construction Representitive shall have the sole right to review the balance of the Initial Proposed Tenant's Plans; and

(c) the balance of Proposed Tenant's Plans shall be prepared on a "Design/Build" basis ("Proposed Design/Build Plans") and submitted to Landlord and Landlord's Construction Representative from time to time. Landlord's Construction Representative shall have the sole right to review Proposed Design/Build Plans.

Provided that Proposed Tenant's Plans are submitted to Landlord and Landlord's Construction Representative in the manner required by this Lease, Landlord's Construction Representative shall provide Tenant's Construction Representative with a Response (as said term is hereafter defined) to a request for review of Proposed Tenant's Plans within the following time periods:

Type of Proposed Tenant's Plans	Applicable Approval Period
Initial Proposed Tenant's Plans (exclusive of structural components thereof)	15 business days from receipt
Structural Components of Initial Proposed Tenant's Plans	5 business days from receipt
Proposed Design/Build Plans	5 business days from receipt
Change Orders	2 business days from receipt

As used herein, the term "Response" as it pertains to Proposed Tenant's Plans shall mean any of the following:

(i) a written acceptance of all or portions of such Proposed Tenant's Plans by Landlord's Construction Representative with notations of those portions as are accepted in the case of a partial acceptance;

(ii) a written rejection of such Proposed Tenant's Plans by Landlord's Construction Representative giving reasonable detail for the reasons of rejection; or

(iii) a written request for additional information with regard to such Proposed Tenant's Plans.

(c) The Landlord's Construction Representative shall have the right to reject any work or materials which are not performed or installed in a good and workmanlike manner or which do not comply with the Tenant's Plans (as same may be revised pursuant to approved Change Orders) or the terms and provisions of this Lease pertaining to compliance with laws, statutes, ordinances, by-laws and codes and, upon the written request of Landlord's Construction Representative, Tenant shall immediately cause-Tenant's G.C. to remove and replace such work or materials as are not performed or installed in a good and workmanlike manner or which do not comply with the Tenant's Plans or which are not performed or designed in accordance with applicable laws, ordinances, statutes, by-laws or codes. It is agreed and understood that (i) approval of Tenant's Plans or Change Orders by Landlord or Landlord's Construction Representative shall not be deemed a representation or warranty by Landlord or Landlord's Construction Representative that such plans and the work or materials depicted thereon complies with

applicable laws, statutes, ordinances, by-laws or codes and (ii) the responsibility for compliance of the design of all work, materials and improvements to be included in Tenant's Work with applicable laws, statutes, by-laws, ordinances and codes shall rest solely with Tenant and Tenant's Construction Representative and Landlord and Landlord's Construction Representative shall have no responsibility therefor whatsoever.

4.3 TENANT'S G.C.; SELECTION; ASSIGNMENT.

(a) Tenant's G.C. Landlord has granted Tenant the right to select Tenant's general contractor (herein "Tenant's G.C") and to bid out Tenant's Work. Tenant shall promptly advise Landlord as to its selection of the Tenant's G.C. in writing. Tenant shall select one of the following entities as Tenant's G.C: (i) Structuretone, (ii) Turner Small Projects, (iii) Kaplan, (iv) Macomber, (v) Sienna Construction and (vi) Essex Builders (the entities described in clauses (i) through and including (vi) are hereafter the "Approved Contractors").

(b) Prior to commencing Tenant's Work. Tenant shall deliver to Landlord a General Contractor's Letter in the form set forth in Exhibit K to this Lease unmodified and fully executed and delivered by Tenant's G.C. In the event of a Default of Tenant under this Lease, Tenant hereby agrees that Landlord, at its option, shall have the right to cause Tenant's G.C. or (or if the Tenant's G.C. shall be in default under its contract with Tenant) a contractor selected by Landlord to perform Tenant's Work. As a material inducement to Landlord to enter into this Lease, Tenant hereby assigns and sets over unto Landlord all rights and benefits inuring to the benefit of Tenant under the contract between Tenant and Tenant's G.C. for the performance of Tenant's Work (the "Construction Contract"), which assignment is a conditional assignment and shall be exercisable by Landlord only upon an Event of Default of Tenant (as said term is defined in Section 13.1(a) of this Lease). Tenant shall promptly provide Landlord with a true and accurate copy of the Construction Contract or any permitted, amendment thereto as and when same shall be executed. Tenant hereby covenants and agrees with Landlord that-it shall not amend or alter the Construction Contract in any way (with the exception only of modifications necessary to reflect approved Change Orders) without first obtaining Landlord's Construction Representatives' written approval.

4.4 TENANT'S WORK; SPECIAL CONDITIONS.

(a) Tenant shall cause Tenant's G.C., at Tenant's sole cost and expense (subject to Landlord's obligation to pay the "Allowance"), to complete all of the work and provide all of the materials (the "Tenant's Work") shown on Tenant's Plans (as same may be revised pursuant to approved Change Orders) strictly in accordance with Tenant's Plans (as same may be revised pursuant to approved Change Orders) and in accordance with the Final Approved Budget (as said term is hereafter defined). Tenant shall not perform any work in the Premises unless and until each of the conditions contained in this Article IV are satisfied and then only pursuant to approved Tenant's Plans. This Subsection (a) and Section 5.2 of this Lease shall apply before and during the Term. All of the Tenant's Work and all alterations, additions and installation of furnishings shall be coordinated with any work being performed by Landlord in the Building and in such

manner as to maintain harmonious labor relations and not damage the Property or interfere with Building construction or operation and shall be performed by Tenant's G.C. in the case of the work shown on Tenant's Plans and in the case of future alterations or improvements (ie. other than those required to complete Tenant's Plans) at Tenant's sole cost and expense by a general contractor or workmen first approved by Landlord, which approval shall not be unreasonably withheld or delayed. Tenant, before its work is started, shall: secure all licenses and permits necessary therefor and deliver copies thereof to Landlord; deliver to Landlord a statement of the names of all its contractors and subcontractors as and when each has been selected and approved by Landlord's Construction Representative and the estimated cost of all labor and material to be furnished by them; and cause each contractor and subcontractor to carry workmen's compensation insurance in statutory amounts covering all the contractor's and subcontractor's employees; and cause its general contractor to carry comprehensive public liability insurance and property damage insurance with such limits as Landlord may reasonably require but in no event less than a $5,000,000.00 combined single limit and its subcontractors to carry not less than $1,000,000 in such insurance (all such insurance shall insure Landlord and Tenant as well as the contractors) , and to deliver to Landlord certificates of all such insurance. Provided that Landlord shall be in compliance with its obligations to fund Requisitions from time to time (as those obligations of Landlord to fund Requisitions are qualified, limited and conditioned by the terms and provisions of this Lease), Tenant agrees to pay promptly when due the entire cost of any work done on the Premises by Tenant, Tenant's G.C. or their agents, employees, subcontractors or independent contractors, and not to cause or permit any liens for labor or materials performed or furnished in connection therewith to attach to the Premises or the Property and immediately to discharge any such liens which may so attach and Tenant agrees to deliver to Landlord security (in the form of lien bonds as provided in M.G.L. Ch.254 S.14) satisfactory to Landlord against liens arising out of the furnishing of such labor and materials. Upon completion of any work done on the Premises by Tenant, Tenant's G.C. or their agents, employees, or independent contractors, Tenant shall promptly deliver to Landlord original lien releases and waivers executed by each contractor, subcontractor, supplier, materialmen, or other party which furnished labor, materials or other services in connection with such work and pursuant to which all liens, claims and other rights of such party with respect to labor, material or services furnished in connection with such work are unconditionally released and waived. Such lien waivers shall be in forms provided to Tenant by Landlord's Construction Representative. Tenant and Tenant's G.C. shall at all times maintain a payment and performance bond for the benefit of Landlord and Tenant in an amount which is not less than the amount of the costs associated with Tenant's Work including hard costs, general conditions and overhead (but excluding all other so-called "soft costs"). Tenant shall provide Landlord with evidence that such bond is in place prior to commencing Tenant's Work.

Prior to commencing Tenant's Work and, thereafter, from time to time, upon the request of Landlord's Construction Representative, Tenant's Construction Representative shall provide Landlord's Construction Representative with a schedule that shall include the identity of each of Tenant's agents, employees, contractors and subcontractors involved in performing Tenant's Work.

(b) Prior to commencing occupancy, Tenant shall, at its sole expense, procure a certificate of occupancy from the City of Cambridge, Massachusetts and shall deliver a copy thereof to Landlord. Entry by Tenant or its agents or contractors for the purpose of performing Tenant's Work and/or decorations and/or for installation of equipment and furnishings in the Premises shall be permitted by Landlord prior to the Commencement Date. Tenant, from and after the date of such entry, shall be bound prior to the Commencement Date by the provisions contained in Articles IV, V, VI, X, XI, XII, XIII of this Lease and Sections 14.1, 14.2, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 14.10, 14.11, 14.12, 14.15, 14.16, 14.17, 14.18, 14.20, 14.21, 14.25, 14.26, 14.27, and 14.28 notwithstanding that such entry and Tenant's Work will occur prior to the Commencement Date of this Lease. With the sole exception of extensions due to Landlord's Delay Days, in no event shall the Anticipated Completion Date or Commencement Date of this Lease be delayed by reason of (i) Tenant's failure to complete the work described in Tenant's Plans and specifications prior to the Anticipated Completion Date (ii) Force Majeur or (iii) any challenge of a Legal Requirement as permitted by Section 14.32 of this Lease. All deliveries of equipment, furnishings, fixtures and construction materials and equipment (collectively, "Work Materials") to (and all removals of such Work Materials from) the Premises in connection with Tenant's Work shall be made only through the Building's loading docks. Tenant shall take such reasonable protective measures as may be necessary in order to protect the Building or any part thereof from injury or damage due to, or in connection with, Tenant's Work. Tenant shall not store any materials or equipment on any sidewalks or streets adjacent to the Building. Tenant shall remove all debris, trash and construction rubbish from the Premises and the Property as provided in this Lease. Tenant shall keep all areas of the Building and all sidewalk and street areas adjacent to the Building free of trash and debris from Tenant's Work and shall, upon completion of its work, clean all areas of the Building, sidewalks and streets affected thereby. Tenant shall not damage, deface or injure the Building or any part thereof in connection with the Tenant's Work and shall promptly reimburse Landlord for the cost of repairing and/or replacing any damage, defacement or injury to the Building caused by Tenant, its employees, workmen, guests, invitees, contractors, subcontractors, materialmen and all other parties who are involved in performing all or any part of Tenant's Work. Tenant shall use its best efforts to perform Tenant's Work in such a manner as to avoid interference with the use and enjoyment of the Building by other tenants in the Building. Tenant shall comply with all laws, orders, rules, regulations and demands of the City of Cambridge and any other governmental authority or agency having jurisdiction over Tenant's Work and the Building in performing Tenant's Work and loading and unloading and delivering and removing Work Materials to and from the Premises.

All construction work required or permitted by this Lease shall be done in a good and workmanlike manner and in compliance with all applicable laws and lawful ordinances, regulations and orders of governmental authority (including, without limitation of the foregoing, the terms and provisions of the Americans with Disabilities Act of 1991, as amended, but see, Section 14.33) and insurers of the Property. Each party authorizes the other to rely, in connection with design and construction, upon approval and other actions on the party's behalf by any Construction Representative of the party, if any, named in Article I or any person named in substitution or addition by notice to the party relying.

4.5 PERFORMANCE OF TENANT'S WORK; COMPLIANCE WITH DIRECTION OF LANDLORD'S CONSTRUCTION REPRESENTATIVE; INDEMNITY; SPECIFIC PERFORMANCE.

Tenant hereby acknowledges that Landlord has consented to the Tenant's G.C. performing Tenant's Work as an accommodation to Tenant. Tenant hereby acknowledges that Landlord is vitally interested that the Tenant's Work be performed in a manner such as to minimize, to the maximum extent possible, interference with ongoing work in the Building being performed by Landlord, the use and enjoyment of other space in the Building by other tenants of the Building and the continued and uninterrupted operation of all structural, mechanical and electrical components of the Building. Tenant further acknowledges that Landlord is vitally interested in maintaining the high quality, character and standards of the Building as a First Class Office Building with retail use and that but for the Tenant's assurances given below, Landlord would not enter this Lease nor permit Tenant to perform Tenant's Work. Accordingly, in order to provide Landlord with the assurances in that regard and as a material inducement to the Landlord to enter into this Lease, Tenant hereby covenants and agrees with Landlord as follows:

(i) In addition to and without limitation of any other term, covenant, provision or condition contained in this Lease regarding alterations and improvements to be performed by Tenant, the Tenant, for itself, for Tenant's Construction Representative hereby covenants and agrees with Landlord that Tenant and Tenant's Construction Representative shall promptly comply with and shall cause Tenant's G.C. and its subcontractors, employees, independent contractors and agents to comply with all directions, orders, instructions, rules, directives and regulations now or hereafter implemented or made by Landlord's Construction Representative including, without limitation, compliance with any request or order by Landlord's Construction Representative to cease and desist from performing any part of Tenant's Work. Landlord's Construction Representative shall not act in an arbitrary or capricious manner in exercising its rights under this clause (i).

(ii) All complaints against Tenant or Tenant's G.C. or its subcontractors resulting from the performance of Tenant's Work or any conduct by Tenant/ Tenant's G.C. or their agents, servants, employees and Tenant's G.C.'s subcontractors received by the Landlord, the Landlord's Construction Representative or the Manager from other tenants in the Building will, upon oral or written notice from Landlord's Construction Representative, be resolved or cured to the satisfaction of the Landlord's Construction Representative within a reasonable time after oral or written notice thereof (but in no event more than twenty-four (24) hours after such notice) provided, however, that if such resolution or cure is of such a nature that it cannot, despite best efforts, be completed within such 24 hour period, such resolution or cure shall be commenced within such 24 hour period and thereafter deligently pursued to completion.

(iii) Tenant and Tenant's Construction Representative shall comply with the oral or written directions of the Landlord's Construction Representative with respect to the covenants of Tenant contained in the foregoing clauses (i) and (ii) above and if not

corrected or cured to the satisfaction of the Landlord's Construction Representative within the time permitted then, Landlord shall have the right, but not the obligation, in addition to all other rights and remedies afforded the Landlord pursuant to this Lease, to seek and obtain specific performance of such covenants by way of injunctive relief or other equitable remedy. Tenant hereby covenants and agrees to comply with and to cause Tenant's Construction Representative, Tenant's G.C. and Tenant's G.C.'s Subcontractors and employees to comply with the requirements, orders or directions of the Landlord's Construction Representative as set forth in the immediately preceding paragraphs of this Section 4.5. In addition to the foregoing, Landlord shall have the right to seek and enforce specific performance of all of the obligations of Tenant and the rights and powers of Landlord and/or Landlord's Construction Representative under this Article IV.

(b) Tenant's Indemnity with respect to Tenant's Work To the maximum extent this Agreement may be made effective according to law, Tenant hereby agrees to indemnify and save Landlord harmless from and against any and all loss, cost, penalties, liabilities, damages and claims (including, without limitation, reasonable attorney's fees) arising from any act, omission or negligence of Tenant or Tenant's G.C. or its subcontractors or their contractors, licensees, agents, servants or employees arising from the performance of Tenant's Work caused to any person or to the property of^ any person, the Building, or the Property. This indemnity shall, to the maximum extent this agreement may be made effective according to law, also extend to all loss, cost, penalties, liability, damage, claims of whatever nature asserted against the Landlord arising out of the use or occupancy or passage or travel in, over or upon, the Building or the Property by Tenant or by any person claiming by, through or under Tenant including, without limitation, Tenant's G.C., its subcontractors and their respective agents, employees, contractors and customers or arising out of any delivery to or service supplied to the Premises or on account of or based on anything whatsoever done in the Property by any of them including, without limitation, any loss, cost, damages or claims sustained or incurred by Landlord as the direct result of any tenant of the Building (including any retail tenant) claiming a breach of the covenant of quiet enjoyment or an interference with ongoing business operations as the result of Tenant's Work. Landlord shall notify all other tenants of the Building, of the commencement of Tenant's Work. The indemnity contained in this Paragraph (b) shall include indemnity against all cost, expenses and liabilities incurred in or in connection with any such claim or proceeding brought thereon and the defense thereof with counsel approved by the Landlord. The indemnity contained in this Paragraph (b) shall survive any expiration or earlier termination of this Lease, and shall be subject to the provisions of Section 14.34 hereof.

(c) Landlord's Right to Complete Tenant's Work In addition to and without limitation of any other right or remedy provided to Landlord pursuant to the Lease, at law or in equity, and in the event that (i) Tenant's G.C. upon notice from Landlord's Construction Representative shall fail or refuse to continue to perform Tenant's Work for any reason or (ii) Tenant's G.C. shall abandon the project and cease performing Tenant's Work for more than ten (10) Business Days (so long as Landlord shall be in compliance with its obligations to fund Requisitions from time to time, as those obligations are qualified and conditioned by the terms and provisions of this Lease) (iii) all or any portion of Tenant's Work is not performed strictly in accordance with Tenant's Plans (as

same may be amended by Change Orders approved by Landlord's Construction Representative) then, in any such case, Landlord shall have the right, but not the obligation, to complete Tenant's Work (at Landlord's option with or without Tenant's G.C.) in accordance with Tenant's Plans at the sole cost and expense of Tenant. In the event that Landlord shall exercise such right, Tenant agrees to pay Landlord forthwith upon demand all such sums incurred by Landlords in so completing Tenant's Work in excess of an then unpaid portion of the Allowance, together with-interest thereon at a rate equal to three (3%) percent over the prime rate in effect from time to time at the Bank of Boston (but in no event, more than the maximum rate permitted under Massachusetts law) as an additional charge hereunder. Landlord shall give Tenant three (3) days written notice of its intent to exercise any of the rights granted to Landlord pursuant to this clause (c).

4.6 APPROVED BUDGET. Tenant hereby acknowledges that Landlord, in connection with its payment of the Allowance, is expending substantial funds for purposes of Tenant completing Tenant's Work. To that end, Landlord, while acknowledging that so-called "soft costs" in terms of planning, design, engineering and construction management services are inherently a part of a construction project of the magnitude of Tenant's Work, is vitally interested in seeing that an appropriate allocation of the Allowance is dedicated to the cost of materials and labor to be incorporated in Tenant's Work. Therefore, annexed hereto as Exhibit L is a Construction Budget (the "Initial Approved Budget") setting forth preliminary detailed line item allocations for the various aspects of Tenant's Work inclusive of so-called "hard costs" and "soft costs".

Landlord acknowledges that the construction process involved in completing Tenant's Work will be done on a so-called "fast track" basis. It is agreed and understood that the nature of a fast track construction process involves a multi-phase bidding process as to subcontractors and design build applications. At such time as Tenant has determined the final line item budget amounts, Tenant shall submit to Landlord a detailed line item budget indicating the allocations for each line item. In performing Tenant's Work, Tenant shall use good faith efforts to comply with the line item allocations set forth on the Initial Approved Budget except that nothing contained herein shall be deemed or construed to limit the total amount of "hard costs" for materials and labor incorporated into Tenant's Work or to limit variations within the line items allocating hard costs within the Initial Approved Budget (it being agreed and understood however that Landlord shall have no responsibility for hard or soft costs which in the aggregate exceed the Allowance) . As and to the extent that Tenant shall exceed the aggregate total line item allocation for "soft costs" set forth in the Initial Approved Budget by more than 2% of the entire amount of the Allowance, such excess soft costs shall not be drawn through the Allowance and shall be paid for by Tenant at its sole cost and expense.

4.7 LANDLORD'S ALLOWANCE; PAYMENT; RETAINAGE

(a) Landlord shall make a dollar contribution (hereafter the "Allowance") toward the cost of completing Tenant's Work (which shall include Tenant's G.C.'s general conditions and overhead, construction supervision and construction management fees payable to Landlord's Construction Representative and Tenant's Construction

Representative, labor, materials, architectural and engineering fees, application fees, permit fees, filing fees and fees associated with Requisitions and Date Down Endorsements) in the following amounts per the following schedule:

Floor	Allowance Allocation
Floors 2-5	$ 2,405,490.00
Floor 6	$ 355,131.00
	$ 2,760,621.00

The total cost of the Tenant's Work in excess of the amount of the Allowance Allocation for each portion of the Premises above specified (such excess costs being hereafter the "Excess Costs") shall be borne by Tenant. It is agreed and understood that Landlord shall be entitled to retain any portion of the Allowance not used by Tenant in connection with completing Tenant's Work. It is agreed and understood that the portion of the Allowance allocated to floor 6 shall not be paid until the time of performance of Tenant's Work on the 6th floor of the Building. In no event shall that portion of the Allowance allocable to the 6th floor of the Building be (i) applicable to any portion of Tenant's Work on floors 2-5 or (ii) paid prior to commencement of such work on the 6th floor of the Building and then only in accordance with the provisions of this paragraph (a) and paragraph (b) of this Section 4.7

(b) Payment. Payments of the Allowance by Landlord to Tenant will be made on a monthly basis as the work progresses, upon suitable application, invoice, required documentation and based on the value of work satisfactorily completed and materials in place or suitably stored and segregated as certified by Landlord's Construction Representative.

Upon final approval of Tenant's Plans by Landlord, Landlord shall fund the Allowance Account (as said term is hereafter defined) in an amount not to exceed 25% of the total cost of Tenant's Work as evidenced by the Initial Approved Budget. Thereafter, Landlord shall periodically deposit additional funds into the Allowance Account in such amounts as are deemed appropriate by Landlord's. Construction Representative in order to meet projected levels of future Requisitions.

Provided that Tenant is not otherwise in default in the performance or observance of any of the terms, covenants, conditions or warranties to be performed or observed by Tenant under this Lease, periodically, but not more than once per calendar month, Tenant's Construction Representative shall submit to Landlord's Construction Representative an application or invoice for Tenant's Work performed during such period on Standard AIA Requisition Forms with appropriate line item break-downs (a "Requisition"), which Requisitions shall be subject to the written approval of Landlord's Construction Representative. Within 10 business days after Landlord's Construction Representative's receipt of each applicable Requisition and upon (i) approval of such Requisition by Landlord's Construction Representative and (ii) satisfaction of each of the Advance Conditions (as said term is hereafter defined), Landlord's Construction Representative shall release a portion of the Allowance (which shall be funded through an account to be herein known as the "Allowance Account" maintained by Landlord's Construction

Representative) in an amount equal to the cost of that portion of Tenant's Work performed to date as shown on the applicable Requisition, less a retainage of not more than ten (10%) percent (the "Retainage") of the total amount of each such Requisition, provided, however, the 10% Retainage shall not apply to so-called "soft costs" described in any Requisition. Tenant's Construction Representative and Landlord's Construction Representative shall determine whether a Retainage shall apply to certain Requisition line items on a case by case basis and shall use good faith efforts to maximize the Retainage amounts. It is agreed and understood that subject to all other provisions of this Section 4.7 and provided that the Advance Conditions are satisfied within such 10 day period, advances upon the Allowance shall be made within the applicable 10 day period after Landlord's Construction Representative's receipt of each applicable Requisition. As used in this Section 4.7(b), the term "Advance Conditions" shall mean with respect to each Requisition that (i) Landlord's Construction Representative shall have received the applicable Requisition together with all information required to be delivered in connection therewith and has approved same and (ii) Tenant's Construction Representative shall deliver to Landlord's Construction Representative, appropriate fully executed partial lien waivers from Tenant's G.C. which shall include subcontractor's invoices for Tenant's Work performed to date and appropriate fully executed partial lien waivers from Tenant's subcontractors on lien waiver forms provided to Tenant's Construction Representative by Landlord's Construction Representative and (iii) delivery to -Tenant's Construction Representative at Tenant's expense, a "clean" date-down endorsement to Landlord's Owner's Title Insurance Policy issued by Ticor Title Insurance Company dating down the coverage under said Policy through the date of advance of the applicable Requisition, without exception, for any mechanic's liens or any other lien for labor or services rendered (a "Date-Down Endorsement").

(c) Retainage. Provided that Tenant is not otherwise in default in the performance or observance of any of the terms, covenants or warranties to be performed or observed by Tenant under this Lease, no sooner than thirty (30) days after the Commencement Date and after Tenant has submitted to Landlord (i) the final Requisition, (ii) appropriate final lien waivers from Tenant's G.C. which includes final subcontractors' invoices and appropriate final lien waivers from Tenant's subcontractors, (iii) a Certificate from Tenant and Tenant's Architect that the Tenant's Work has been completed (iv) upon final acceptance of Tenant's Work by Landlord's Construction Representative, and (v) receipt of a final Date-Down Endorsement, Landlord shall pay the amount of the final Requisition from the Allowance or the Retainage, if any amounts are so available. It is agreed and understood that Landlord's contribution toward the total cost of Tenant's Work shall not exceed the Allowance and that Landlord shall not be required to pay or release any portion of the Retainage unless and until all conditions precedent to the release thereof have been satisfied. Tenant hereby covenants and agrees with Landlord that all sums paid from the Allowance Account pursuant to Requisitions shall be paid to the party to which such funds are to be directed pursuant to each applicable Requisition.

Tenant shall not permit any mechanics' lien, materialmen's lien, or any other lien to be filed against the Premises, the Building, the Property or Landlord by reason of Tenant's Work or by reason of any other work performed by Tenant, Tenant's G.C. or Tenant's subcontractors or suppliers. Provided that Landlord's Construction Representative is in

compliance with its obligation to fund Requisitions from time to time (as those obligations are qualified and conditioned by the terms and provisions of this Lease), Tenant shall indemnify and hold Landlord wholly harmless from and against all loss, cost, expense, liability and damage resulting from any failure of Tenant to pay for the Tenant's Work including, without limitation, legal fees incurred by Landlord in connection with such failure to pay for costs and expenses associated with Tenant's Work. The indemnity contained in the immediately preceding sentence shall survive any expiration or earlier termination of this Lease.

ARTICLE V

USE OF PREMISES

5.1 PERMITTED USE. (a) Tenant agrees that the Premises shall be used and occupied by Tenant only for Permitted Uses.

(b) Tenant agrees to conform to the following provisions during the Term of this Lease:

(i) Tenant shall cause all freight to be delivered to or removed from the Building and the Premises in accordance with reasonable rules and regulations established by Landlord therefor;

(ii) Except as expressly permitted by Section 14.22, Tenant will not place on the exterior of the Premises (including both interior and exterior surfaces of doors and interior surfaces of windows) or on any part of the Building outside the Premises, any signs, symbol, advertisements or the like visible to public view outside of the Premises.

(iii) Tenant shall not perform any act or carry on any practice which may injure or damage the Premises, or any other part of the Building, or cause offensive odors or loud noise or constitute a nuisance or menace to any other tenant or tenants or other persons in the Building;

(iv) Tenant shall, in its use of the Premises, comply with the requirements of all applicable governmental laws, rules and regulations including, without limitation, the Americans with Disabilities Act of 1991, as amended; and

(v) Tenant shall continuously throughout the Term of this Lease occupy the Premises for the Permitted Uses and for no other purposes.

5.2 INSTALLATION AND ALTERATIONS BY TENANT. (a) Tenant shall make no alterations, additions or improvements in or to the Premises without Landlord's prior written consent. Any such alterations, additions or improvements shall (i) be in accordance with complete plans and specifications prepared by Tenant and approved in advance by Landlord; (ii) be performed in a good and workmanlike manner and in compliance with all applicable laws; (iii) be performed \ and completed in the manner required in Section 5.2(d) hereof; (iv) be made at Tenant's sole expense and in such a

manner as to avoid interference with the use or enjoyment of the respective premises of other tenants in the Building (including, without limitation, building systems which affect the use of other tenants of the Building); and (v) become a part of the Premises and the property of Landlord unless, upon the giving of consent to such improvement or alteration, Landlord shall make removal of such improvement or alteration by Tenant a condition of such consent. Notwithstanding the foregoing to the contrary. Landlord shall not unreasonably withhold or delay its consent to changes, additions or improvements to the Premises which do not alter or increase demand on Base Building Systems.

(b) All articles of personal property and all business fixtures, machinery and equipment and furniture owned or installed by Tenant solely at its expense in the Premises ("Tenant's Removable Property") shall remain the property of Tenant and may be removed by Tenant at any time prior to the expiration of this Lease, provided that Tenant, at its expense, shall repair any damage to the Building caused by such removal.

(c) Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic's or other lien for any such labor or materials shall attach to or affect the reversion or other estate or interest of Landlord in and to the Premises. Whenever and as often as any mechanic's lien shall have been filed against the Premises based upon any act or interest of Tenant or of anyone claiming through Tenant, Tenant shall forthwith take such actions by bonding, deposit or payment as will remove or satisfy the lien.

(d) All of the Tenant's alterations, additions and installation of furnishings shall be coordinated with any work being performed by Landlord and in such manner as to maintain harmonious labor relations and not damage the Property or interfere with Building construction or operation and, except for installation of furnishings, shall be performed by contractors or workmen first approved by Landlord, which approval shall not be unreasonably withheld or delayed. Except for work by Landlord's general contractor, Tenant before its work is started shall: secure and (as required) post conspicuously within the Building or Premises all licenses and permits necessary therefor; deliver to Landlord a statement of the names of all its contractors and subcontractors and the estimated cost of all labor and material to be furnished by them; and cause each contractor to carry workmen's compensation insurance in ; statutory amounts covering all the contractor's and subcontractor's employees and comprehensive public liability insurance and property damage insurance with such limits as Landlord may reasonably require but in no event less than a combined single limit of Two Million and No/100ths ($2,000,000.00) Dollars (all such insurance to be written in companies approved by Landlord and insuring Landlord as an additional insured and Tenant as well as the contractors), and to deliver to Landlord certificates of all such insurance. Tenant agrees to pay promptly when due the entire cost of any work done on the Premises by Tenant, its agents, employees, or independent contractors, and not to cause or permit any liens for labor or materials performed or furnished in connection therewith to attach to the Premises or the Property and immediately to discharge any such liens which may so attach and, at the request of Landlord to deliver to Landlord security satisfactory to Landlord against liens (in the form of lien bonds as provided for in M.G.L. Ch.254 Section 14) arising out of the furnishing of such labor and material. Upon completion of

any work done on the Premises by Tenant, its agents, employees, or independent contractors. Tenant shall promptly deliver to Landlord original lien releases and waivers executed by each contractor, subcontractor, supplier, materialmen, architect, engineer or other party which furnished labor, materials or other services in connection with such work and pursuant to which all liens, claims and other rights of such party with respect to labor, material or services furnished in connection with such work are unconditionally released and waived. Tenant shall pay within fourteen (14) days after being billed therefor by Landlord, as an additional charge hereunder, one hundred percent (100%) of any increase in real estate tares on the Property not otherwise billed to Tenant which shall, at any time after commencement of the Term, result from any alteration, addition or improvement to the Premises made by or on behalf of Tenant (including Tenant's original installation and Tenant's subsequent alterations, additions, substitutions and improvements) whether done prior to or after the commencement of the Term of this Lease.

ARTICLE VI

ASSIGNMENT AND SUBLETTING

6.1 PROHIBITION. (a) Tenant covenants and agrees that whether voluntarily, involuntarily, by operation of law or otherwise, neither this Lease nor the term and estate hereby granted, nor any interest herein or therein, will be assigned, mortgaged, pledged, encumbered or otherwise, transferred and that neither the Premises nor any part thereof will be encumbered in any manner by reason of any act or omission on the part of Tenant, or used or occupied, by anyone other than Tenant, or for any use or purpose other than a Permitted Use, or be sublet (which term, without limitation, shall include granting of concessions, licenses and the like) in whole or in part, or be offered or advertised for assignment or subletting.

(b) The provisions of paragraph (a) of this Section shall apply to a transfer (by one or more transfers) of a majority of the stock or partnership interests, or other evidences of ownership of Tenant as if such transfer were an assignment of this Lease; but such provisions shall not apply to transactions with an entity into or with which Tenant is merged, purchased or pooled or to which substantially all of Tenant's assets are transferred or to any entity which controls or is controlled by Tenant or is under common control with Tenant, provided that in any of such events (i) the successor to Tenant has a net worth computed in accordance with generally accepted accounting principles at least equal to the net worth of Tenant immediately prior to such merger, purchase, pooling or transfer, (ii) proof satisfactory to Landlord of such net worth shall have been delivered to Landlord at least 10 days prior to the effective date of any such transaction, and (iii) the assignee agrees directly with Landlord, by written instrument in form satisfactory to Landlord, to be bound by all the obligations of Tenant hereunder including, without limitation, the covenant against further assignment or subletting.

(c) In connection with any request by Tenant for consent to assignment or subletting, Tenant shall submit to Landlord in writing: (i) the name of the proposed assignee or subtenant, (ii) such information as to its financial responsibility and standing as Landlord

may reasonably require including, without limitation, audited financial statements, balance sheets and cash flow statements, and (iii) all terms and provisions upon which the proposed assignment or subletting is to be made. Upon receipt from Tenant of such request and information, the Landlord shall have an option (sometimes hereinafter referred to as the "option" or Take Back Option") to be exercised in writing within forty-five (45) days after its receipt from Tenant of such request and information, if the request is to assign the Lease or to sublet all of the Premises, to cancel or terminate this Lease, or, if the request is to sublet a portion of the Premises only, to cancel and terminate this Lease with respect to such portion, in each case, as of the date set forth in Landlord's notice of exercise of such option, which shall be not less than sixty (60) nor more than one hundred twenty (120) days following the giving of such notice; in the event Landlord shall exercise such option, Tenant shall surrender possession of the entire Premises, or the portion which is the subject of the option, as the case may be, on the date set forth in such notice in accordance with the provisions of this Lease relating to surrender of Premises at the expiration of the Term of this Lease. If this Lease, shall be cancelled as to a portion of the Premises only, Basic Rent, the Operating Expense Escalation Factor and the Escalation Factor shall thereafter be abated and reduced proportionately according to the ratio the number of square feet of the portion of the space surrendered bears to the Premises Rentable Area. As additional rent, Tenant shall promptly reimburse Landlord for reasonable legal and other expenses incurred by Landlord in connection with any request by Tenant for consent to assignment or subletting. If Landlord shall not exercise its option to cancel this Lease or take back portions of the Premises pursuant to the foregoing provisions or, if the Take Back Option is not applicable to such request due to circumstances specifically excluding the Landlord's right to exercise the Take Back Option, then within the 45 day period set forth above in this subsection (c), Landlord will not unreasonably delay or withhold its consent to the assignment or subletting to the party referred to upon all the terms and provisions set forth in Tenant's notice to Landlord, provided that the terms and provisions of such assignment or subletting shall specifically make applicable to the assignee or sublessee all of the provisions of this Article VI of the Lease so that Landlord shall have against the assignee or sublessee all rights with respect to any further assignment or subletting which are set forth in this Article VI of this Lease except that no such assignee or sublessee shall have any right to further assign this Lease or sublet all or any portion of the Premises. Subject to all other terms and provisions of this Article VI and without limitation of any other right of Landlord hereunder and provided that Tenant is not then in default under this Lease, it is agreed and understood that the Take Back Option will not apply (the "Take Back Exemption") to subleases of portions of the Premises which do not, in the aggregate, exceed up to 25% of the Premises. In any case where Landlord consents to an assignment of this Lease, Landlord shall be entitled to receive 100% of all amounts received by Tenant in connection with such assignment. Further, in any case where Landlord consents to a subletting (rather than an assignment), Landlord shall be entitled to receive (a) 50% of all Subleasing Overages (as said term is hereinafter defined). As used herein, the term "Subleasing Overages" shall mean, for each period in question, all amounts received by Tenant in excess of Basic Rent, Escalation Charges and other items of additional rent reserved under this Lease attributable to of Tenant the space sublet (including, without limitation, all lump sum payments made in connection therewith). Termination of this Lease or any

Default of Tenant (beyond expiration of applicable notice and cure periods, if any), by Tenant shall terminate (i) all right of Tenant to participate in or retain any Subleasing Overages and (ii) the Take Back Exemption.

Any such assignment or subletting shall nevertheless be subject to all the terms and provisions of this Article VI and no assignment shall be binding upon Landlord or any of Landlord's mortgagees, unless Tenant shall deliver to Landlord an instrument in recordable form which contains a covenant of assumption by the assignee running to Landlord and all persons claiming by, through or under Landlord. The failure or refusal of the assignee to execute such instrument of assumption shall not release or discharge the assignee from its liability as Tenant hereunder. In addition, Tenant shall furnish to Landlord a conformed copy of any sublease effected under the terms of this Article VI.

(d) If this Lease be assigned, or if the Premises or any part thereof be sublet or occupied by anyone other than Tenant, Landlord may, at any time and from time to time, collect rent and other charges from the assignee, subtenant or occupant, and apply the net amount collected to the rent and other charges herein reserved, but no such assignment, subletting, occupancy, collection or modification of any provisions of this Lease shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as a tenant or a release of the original named Tenant from the further performance by the original named Tenant hereunder. No assignment or subletting hereunder shall relieve Tenant from its obligations hereunder and Tenant shall remain fully and primarily liable therefor. No assignment or subletting, or occupancy shall affect the Permitted Uses.

ARTICLE VII

RESPONSIBILITY FOR REPAIRS AND CONDITION OF PREMISES

7.1 BUILDING SERVICES; REPAIRS

(a) Repairs by Landlord. Except as otherwise provided in this Lease, Landlord agrees to keep in good order, condition and repair the roof, the exterior walls and the common areas of the Building. Landlord shall in no event be responsible to Tenant for the condition of glass in and about the Premises or for the doors leading to the Premises or for any condition of the Premises or the Building caused by any act or negligence of Tenant or any contractor, agent, employee or invitee of Tenant, or anyone claiming by, through or under Tenant. Landlord shall not be responsible to make any improvements or repairs to the Building or the Premises other than as expressed in this Section 7.1(a) unless expressly otherwise provided in this Lease.

(b) Building Services. The Landlord, through the Manager, shall cause the services described in Exhibit C to be provided to the Building during the Term of this Lease. Subject to satisfaction of each and every one of the Building Service Change Criteria (as said term is hereinafter defined), Tenant shall be permitted, from time to time by written notice to the Manager, to request that Landlord provide more services than are set forth in Exhibit C but only insofar as they relate directly to the Premises or to Building Common

Areas which are subject to the exclusive use and control of Tenant. As used herein, the term "Building Service Change Criteria" shall mean that (i) Tenant shall be responsible for one hundred (100%) percent of all costs associated with the change and provision of any applicable service(s), (ii) the requested change in services (or level thereof) can be effected without constituting a default under existing management agreements and vendor contracts, (iii) the requested change in services shall not have an adverse affect on Base Building Systems (as said term is defined in Section 4.2(a)) or on the use and enjoyment of the Building and the respective premises of other tenants of the Building and (iv) Landlord shall consent to the applicable change in services in writing in advance of the effective dates of such change (which consent subject to satisfaction of all other Building Service Change Criteria shall not be unreasonably withheld or delayed) .

7.2 TENANT'S AGREEMENT. (a) Tenant will keep neat and clean and maintain in good order, condition and repair the Premises and every part thereof, excepting only (i) those repairs for which Landlord is responsible under the terms of this Lease, (ii) reasonable wear and tear of the Premises, and (iii) damage by fire or other casualty and as a consequence of the exercise of the power of eminent domain; and shall surrender the Premises, at the end of the Term, in such condition. Without limitation, Tenant shall continually during the Term of this Lease maintain the Premises in accordance with all laws, codes and ordinances from time to time in effect and all directions, rules and regulations of the proper officers of governmental agencies having jurisdiction and shall, at Tenant's own expense, obtain all permits, licenses and the like required by applicable law. Notwithstanding the foregoing or the provisions of Article XII, Tenant shall be responsible for the cost of repairs which may be t necessary by reason of damage to the Building caused by any act or neglect of Tenant or its agents, employees, contractors or invitees (including any damage by fire or any other casualty arising therefrom).

(b) If repairs are required to be made by Tenant pursuant to the terms hereof, Landlord may demand that Tenant make the same forthwith, and if Tenant refuses or neglects to commence such repairs and complete the same with reasonable dispatch after such demand, Landlord may (but shall not be required to do so) make or cause such repairs to be made (the provisions of Section 14.18 being applicable to the costs thereof) . Notwithstanding the foregoing, Landlord may elect to take action hereunder immediately and without notice to Tenant if Landlord reasonably believes an emergency to exist.

7.3 FLOOR LOAD - HEAVY MACHINERY. (a) Tenant shall not place a load upon any floor in the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by law. Landlord reserves the right to prescribe the weight and position of all business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight. Business machines and mechanical equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient, in Landlord's judgment, to absorb and prevent vibration, noise and annoyance. Tenant shall not move any safe, heavy machinery, heavy equipment, freight, bulky matter or fixtures into or out of the Building without the prior written consent of the Manager, which consent may include a requirement to provide insurance, naming Landlord as an insured, in such amounts as Landlord may deem reasonable.

(b) If such safe, machinery, equipment, freight, bulky matter or fixtures requires special handling. Tenant agrees to employ only persons holding a Master Rigger's License to do such work, and that all work in connection therewith shall comply with applicable laws and regulations. Any such moving shall be at the sole risk and hazard of Tenant, and Tenant will exonerate, indemnify and save Landlord harmless against and from any liability, loss, injury, claim or suit resulting directly or indirectly from such moving. The indemnity provided in this paragraph (b) shall survive any expiration or earlier termination of this Lease.

7.4 BUILDING SERVICES. (a) Landlord reserves the right to curtail, suspend, interrupt and/or stop the supply of water, sewage, electrical current, cleaning, and other services (including, without limitation, the Building Minimum Services), and to curtail, suspend, interrupt and/or stop use of entrances and/or lobbies serving access to the Building, without thereby incurring any liability to Tenant, when necessary by reason of accident or emergency, or when prevented from supplying such services or use by strikes, lockouts, difficulty in obtaining materials, accidents or any other cause beyond Landlord's control, or by laws, orders or inability, by exercise of reasonable diligence, to obtain electricity, water, gas, steam, coal, oil or other suitable fuel or power. No diminution or abatement of rent or other compensation, nor any direct, indirect or consequential damages shall or will be claimed by Tenant as a result of, nor shall this Lease or any of the obligations of Tenant be affected or reduced by reason of, any such interruption, curtailment, suspension or stoppage in the furnishing of services or use, irrespective of the cause thereof. Failure or omission on the part of Landlord to furnish any services or use shall not be construed as an eviction of Tenant, actual or constructive, nor entitle Tenant to an abatement of rent, nor to render the Landlord liable in damages, nor release Tenant from prompt fulfillment of any of its covenants under this Lease. In the event Landlord shall exercise any of its rights pursuant to this Section 7.4, Landlord shall not act in an arbitrary or capricious manner and to the extent within its control, Landlord shall use good faith efforts to reinstate such suspended or curtailed services when conditions practically permit.

(b) Landlord reserves the right to curtail, suspend, interrupt and/or stop the supply of water, sewage, electrical current, cleaning, and other services (including, without limitation, the Building Minimum Services), and to curtail, suspend, interrupt and/or stop use of entrances and/or lobbies serving access to the Building, without thereby incurring any liability to Tenant, when necessary for repairs, alterations, replacements, or improvements, provided that in each case, Landlord has given Tenant the maximum notice reasonably practical, but at least twenty-four (24) hours' written notice, and provided that Landlord will coordinate the timing, and use good faith efforts to minimize the disruption of Tenant's business in carrying out such work. The provisions of Section 10.3 shall apply to any exercise of Landlord's rights pursuant to this Section 7.4.

7.5 ELECTRICITY. (a) Tenant shall purchase and receive electric current for the Premises directly from the public utility corporation serving the Building and Landlord shall permit Landlord's existing wires, risers, conduits and other electrical equipment of Landlord to be used for such purpose. Tenant covenants and agrees that its use of electric current shall not exceed the amounts and capacities installed in and existing in the Premises as of

the Commencement Date (subject to the provisions of Article IV of this Lease) and its total connected load will not exceed the maximum load and demand utilization thereof from time to time permitted by applicable governmental regulations. Landlord shall not in any way be liable or responsible to Tenant for any loss or damage or expense which Tenant may sustain or incur if, during the Term of this Lease, either the quantity or character of electric current is changed or electric current is no longer available or suitable for Tenant's requirements due to a factor or cause beyond Landlord's control. Landlord, at Tenant's expense, shall purchase and install all lamps, tubes, bulbs, starters and ballasts. Tenant shall pay all charges for electricity used or consumed in the Premises. Tenant shall bear the cost of installation, repair and maintenance of any electric meter to be used or installed in the Premises (including, without limitation, the submeters of any sublessee or assignee of Tenant).

(b) In order to insure that the foregoing requirements are not exceeded and to avert possible adverse affect on the Building's electrical system, Tenant shall not, without Landlord's prior consent, connect any fixtures, appliances or equipment to the Building's electrical distribution system other than typewriters, word processors, secretarial work stations, personal computers, photocopiers, and other similar customary office equipment.

ARTICLE VIII

REAL ESTATE TAXES

8.1 PAYMENTS ON ACCOUNT OF REAL ESTATE TAXES (a) for the purposes of this Article, the term "Tax Year" shall mean the twelve-month period commencing on the July 1 immediately preceding the Commencement Date and each twelve-month period thereafter commencing during the Term of this Lease; and the term "Taxes" shall mean real estate taxes assessed with respect to the Property for any Tax Tear. Landlord shall provide Tenant with copies of all applicable bills for Taxes upon the written request of Tenant.

(b) Tenant shall pay to Landlord, as an Escalation Charge, an amount equal to the amount of Taxes attributable to each Tax Year, multiplied by the Escalation Factor, such amount to be apportioned for any fraction of a Tax Year in which the Commencement Date falls or the Term of this Lease ends.

(c) Estimated payments by tenant on account of Taxes shall he made monthly and at the time and in the fashion herein provided for the payment of Basic Rent. The monthly amount so to be calculated by and paid to Landlord shall be sufficient to provide Landlord by the time real estate tax payments are due a sum equal to Tenant's required payments/ as reasonably estimated by Landlord from time to time, on account of Taxes for the then current Tax Year. Promptly after receipt by Landlord of bills for such Taxes, Landlord shall advise Tenant of the amount thereof and the computation of Tenant's payment on account thereof. If estimated payments theretofore made by Tenant for the Tax Year covered by such bills exceed the required payments on account thereof for such Year, Landlord shall credit the amount of overpayment against subsequent obligations of

Tenant on account of Taxes (or refund such overpayment if the Term of this Lease has ended and Tenant has no further matured monetary obligation to Landlord); but if the required payments on account thereof for such' Year are greater than estimated payments theretofore made on account thereof for such Year, Tenant shall make payment to Landlord within 30 days after being so advised by Landlord. Landlord shall have the same rights and remedies for the non-payment by Tenant of any payments due on account of Taxes as Landlord has hereunder for the failure of tenant to pay Basic Rent.

8.2 ABATEMENT. If Landlord shall receive any tax refund or reimbursement of Taxes or sum in lieu thereof with, respect to any Tax Year, then out of any balance remaining thereof after deducting Landlord's expenses reasonably incurred in obtaining such refund, Tenant shall be entitled to a credit against subsequent obligations of Tenant on account of Taxes (or Landlord shall refund such amount to Tenant if the Term of this Lease has expired and Tenant has no further matured monetary obligations to Landlord or, if Landlord actually receives a return of cash, Tenant shall receive a cash amount) provided there does not then exist a Default of Tenant, in an amount equal to such refund or reimbursement or sum in lieu thereof (exclusive of any interest) multiplied by the Escalation Factor; provided, that in no event shall Tenant be entitled to receive a credit for more than the payments made by Tenant on account of real estate taxes for such Year pursuant to paragraph (b) of Section 8.1.

8.3 ALTERNATE TAXES (a) If some-method or type of taxation shall replace the current method of assessment or real estate taxes in whole or in part, or the type thereof, or if additional types of taxes are imposed upon the Property or Landlord relating to the Property, Tenant agrees that Tenant shall pay a proportionate share of the same as an, additional charge computed in a fashion -consistent with the method of computation herein provided, to the end that Tenant's share thereof shall be, to the maximum extent practicable, comparable to that which Tenant would bear under the foregoing provisions.

(b) If a tax (other than Federal or State net income tax) is assessed on account of the rents or other charges payable by Tenant to Landlord under this Lease, Tenant agrees to pay the same as an additional Charge within ten (10) days after billing therefor, unless applicable law prohibits the payment of such tax by Tenant.

ARTICLE IX

OPERATING EXPENSES

9.1 DEFINITIONS. For the .purposes of this Article, the following terms shall have the following respective meanings:

(i) Operating Year: Each calendar year in which any part of the Term of this Lease shall fall.

(ii) Operating Expenses: The aggregate costs or expenses reasonably incurred by Landlord with respect to the operation, administration, cleaning, repair, maintenance and management of the Property (but specifically excluding Utility

Expenses) all as set forth in Exhibit E annexed hereto, provided that, if during any portion of the Operating Year for which Operating Expenses are being computed, less than all of Building Rentable Area was occupied by tenants or if Landlord is not supplying all tenants with the services being supplied hereunder, actual Operating Expenses incurred shall be reasonably extrapolated by Landlord on an item by item basis to the estimated Operating Expenses that would have been incurred if the Building were fully occupied for such Year and such services were being supplied to all tenants, and such extrapolated amount shall, for the purposes hereof, be deemed to be the Operating Expenses for such Year.

(iii) Utility Expenses: The aggregate costs or expenses reasonably incurred by Landlord with respect to supplying electricity (other than electricity supplied to those portions of the Building leased to tenants), oil, steam, gas, water and sewer and other utilities supplied to the Property and not paid for directly by tenants, provided that, if during any portion of the Operating Year foe which Utility Expenses are being computed, less than all Building Rentable Area eras occupied by tenants or if Landlord is not supplying all tenants with the utilities being supplied hereunder, actual utility expenses incurred shall be reasonably extrapolated by Landlord on an item-by-item basis to the estimated Utility Expenses that would have been incurred if the Building were fully occupied for such Year and such utilities were being supplied to all tenants, and such extrapolates amount shall; for the purposes hereof, be deemed to be the Utility Expenses for such Year.

(iv) Utility Expenses: the aggregate costs of expenses reasonably incurred by Landlord with respect to supplying electricity (other than electricity supplied to those portions of the Building leased to tenants), oil, steam, gas, water and sewer and other utilities supplied to the Property and not paid for directly by tenants, provided that, if during any portion of the Operating Year for which Utility Expenses are being computed, less than all Building Rentable Area was occupied by tenants or if Landlord is not supplying all tenants with the utilities being supplied hereunder, actual utility expenses incurred shall be reasonably extrapolated by Landlord on an item-by-item basis to the estimated Utility Expenses that would have been incurred if the Building were fully occupied for such Year and such utilities were being supplied to all tenants, and such extrapolated amount shall, for the purposes hereof, be deemed to be the Utility Expenses for such Year.

9.2 TENANT'S PAYMENTS. (a) Tenant shall pay to Landlord, as an Escalation Charge, an amount equal to (i) Operating Expenses for each Operating Year multiplied by (ii) the Operating Expense Escalation Factor, such amount to be apportioned for any partial Operating Year in which the Commencement Date falls or the Term of this Lease ends.

(b) Tenant shall pay to Landlord, as an Escalation Charge, an amount equal to (i) Utility Expenses for each Operating Year multiplied by (ii) the operating Expense Escalation Factor, such amount to be apportioned for any partial Operating Year in which the Commencement Date falls or the Term of this Lease ends.

(c) Estimated payments by Tenant on account of Operating Expenses shall be made monthly and at the time and in the fashion herein provided for the payment of Basic Rent. The monthly amount so to be paid to Landlord shall be sufficient to provide Landlord by the end of each Operating Year a sum equal to Tenant's required payments, as estimated by Landlord from time to time during each Operating Year, on account of Operating Expenses and Utility Expenses for such Operating Year. After the end of each Operating Year, Landlord shall submit to Tenant a reasonably detailed accounting of Operating Expenses and Utility Expenses for such Year, and Landlord shall certify to the accuracy thereof. If estimated payments theretofore made for such Year by Tenant exceed Tenant's required payment on account thereof for such Year, according to such statement, Landlord shall credit the amount of overpayment against subsequent obligations of Tenant with respect to Operating Expenses and Utility Expenses (or refund such overpayment if the Term of this Lease has ended and Tenant has no further obligation to Landlord), but, if the required payments on account thereof for such Year are greater than the estimated payments (if any) theretofore made on account thereof for such Year, Tenant shall make payment to Landlord within thirty (30) days after being so advised by Landlord. Landlord shall have the same rights and remedies for the nonpayment by Tenant of any payments due on account of Operating Expenses and Utility Expenses as Landlord has hereunder for the failure of Tenant to pay Basic Rent.

(d) Tenant shall have the right exercisable within 30 days after receipt of a statement for Operating Expenses and Utility Expenses, (but only once with respect to each such statement) to inspect and copy (at Tenant's expense) Landlord's books and records pertaining to Operating Expenses and Utility Expenses which are the subject of such statement. Such inspection shall take place within 30 days after the date of Tenant's exercise of such option, time being of the essence, at the location where such books and records are maintained. Such inspection shall be at the sole cost and expense of Tenant. Tenant shall not be entitled to remove any materials from the place of such inspection. Failure to timely exercise this right shall be deemed a waiver of such right with respect to the applicable statements.

ARTICLE X

INDEMNITY AND PUBLIC LIABILITY INSURANCE

10.1 TENANT'S INDEMNITY. To the maximum extent this agreement may be made effective according to law, Tenant agrees to defend, indemnity and save harmless Landlord from and against all claims, loss, liability, costs and damages of whatever nature arising from any default by Tenant under this Lease and the following: (i) from any accident, injury, death or damage whatsoever to any person, or to the property of any person, occurring in or about the Premises; (ii) from any accident, injury, death or damage occurring outside of the Premises but on the Property, where such accident, damage or injury results or is claimed to have resulted from an act or omission on the part of Tenant or Tenant's agents, employees, invitees, guests, customers or independent contractors; or (iii) in connection with the conduct or management of the Premises or of any business therein, or any thing or work whatsoever done, or any condition created (other than by Landlord or Landlord's agents or employees) in or about the Premises;

and, in any case, occurring after the date of this Lease, until the end of the Term of this Lease, and thereafter so long as Tenant is in occupancy of the Premises. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses and liabilities incurred in, or in connection with, any such claim or proceeding brought thereon, and the defense thereof, including, without limitation, reasonable attorneys' fees and costs at both the trial and appellate levels. The foregoing provisions shall not be construed to require Tenant to indemnify Landlord for matters resulting from injuries to third parties which are the direct result of the willful misconduct or negligence of Landlord or Landlord's agents or employees. The provisions of this Section 10.1 shall survive the expiration or any earlier termination of this Lease.

10.2 PUBLIC LIABILITY INSURANCE. Tenant agrees to maintain in full force from the date upon which Tenant first enters the Premises for any reason, throughout the Term of this Lease, and thereafter so long as Tenant is in occupancy of any part of the Premises, a policy of general liability and property damage insurance (including, without limitation, any other insurance requirement set forth in this Lease, broad form contractual liability and independent contractor's hazard) under which Landlord, Manager (and such other persons as are in privity of estate with Landlord as may be set out in notice from time to time) and Tenant are named as insureds, and under which the insurer agrees to defend, indemnify and hold Landlord, Manager, and those in privity of estate with Landlord, harmless from and against all cost, expense and/or liability arising out of or based upon any and all claims, accidents, injuries and damages set forth in Section 10.1. Each such policy shall be non-cancellable and non-amendable with respect to Landlord, Manager and Landlord's said designees without thirty (30) days' prior notice to Landlord and shall be in at least the amounts of the Initial Public Liability Insurance specified in Section 1.3 or such greater amounts as Landlord shall from time to time request, and a duplicate original or certificate thereof shall be delivered to Landlord.

10.3 TENANT'S RISK. To the maximum extent this agreement may be made effective according to law, Tenant agrees to use and occupy the Premises and to use such other portions of the Property as Tenant is herein given the right to use at Tenant's own risk; and Landlord shall have no responsibility or liability for any loss of or damage to Tenant's Removable Property or for any inconvenience, annoyance, interruption or injury to business (nor shall there be a claim by Tenant of constructive eviction or breach of the covenant of quiet enjoyment) arising from Landlord's making any repairs or changes which Landlord is permitted by this Lease or required by law to make in or to any portion of the Premises or other sections of the Property, or in or to the fixtures, equipment or appurtenances thereof provided that Landlord has complied with its obligations pursuant to Section 7.4. Tenant shall carry "all-risk" property insurance on a "replacement cost" basis (including so-called improvements and betterments), and provide a waiver of subrogation as required in Section 14.20. The provisions of this Section 10.3 shall be applicable from and after the execution of this Lease and until the end of the Term of this Lease, and during such further period as Tenant may use or be in occupancy of any part of the Premises or of the Building.

10.4 INJURY CAUSED BY THIRD PARTIES To the maximum extent this agreement may be made effective according to law, Tenant agrees that Landlord shall not be responsible

or liable to Tenant, or to those claiming by, through or under Tenant, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connecting with the Premises or any part of the Property or otherwise. The provisions of this Section 10.4 shall survive the expiration or any earlier termination of this Lease.

10.5 LANDLORD'S FIRE AND HAZARD INSURANCE . The Landlord shall keep the Premises insured against loss or damage by fire including the usual extended coverage endorsements customary for buildings in the area of the Building and such other insurance as the then holder of the first mortgage which includes the Premises shall require in amounts not less than 100% of the full replacement value thereof above foundation walls, including such improvements as are installed by Tenant pursuant to the Allowance (including the Allowance allocable to the 6th floor when the sixth floor shall be built-out) , with such deductibles as the Landlord deems advisable but not in excess of deductibles customarily maintained by landlords in comparable buildings in the vicinity of the Building, but specifically excluding any property or other improvements installed by Tenant pursuant to Section 5.2 of this Lease or any property or improvements belonging to the Tenant. The cost of the premiums for all insurance on the Building or Property carried by Landlord including, without limitation, the insurance coverage referenced herein shall be an Operating Expense pursuant to this Lease.

ARTICLE XI

PREMISES

11.1 LANDLORD'S RIGHTS. Landlord shall have the right to enter the Premises at all reasonable hours for the purpose of inspecting or making repairs to the same, and Landlord shall also have the right to make access available at all reasonable hours to prospective or existing mortgagees, purchasers or tenants of any part of the Property. Landlord shall endeavor to provide Tenant with reasonable advance oral notice of its intent to enter the Premises as permitted herein but in no event shall failure to provide such notice to Tenant preclude Landlord from entering the Premises.

ARTICLE XII

FIRE, EMINENT DOMAIN, ETC.

12.1 ABATEMENT OF RENT. If the Premises shall be damaged by fire or casualty, Basic Rent and Escalation Charges payable by Tenant shall abate proportionately for the period in which, by reason of such damage, there is substantial interference with Tenant's use of the Premises, having regard to the extent to which Tenant may be required to discontinue Tenant's use of all or a portion of the Premises, but such abatement or reduction shall end if and when Landlord shall have substantially restored the Premises (excluding any alterations, additions or improvements made by Tenant

pursuant to Section 5.2) to the condition in which they were prior to such damage. If the Premises shall be affected by any exercise of the power of eminent domain, Basic Rent and Escalation Charges payable by Tenant shall be justly and equitably abated and reduced according to the nature and

extent of the loss of use thereof suffered by Tenant. In no event shall Landlord have any liability for damages to Tenant for inconvenience, annoyance, or interruption of business arising from such fire, casualty or eminent domain.

12.2 LANDLORD'S RIGHT OF TERMINATION. If (a) the Premises or the Building are substantially damaged by fire or casualty (the term "substantially damaged" meaning damage of such a character that the same cannot, in ordinary course, reasonably be expected to be repaired within ninety (90) days from the time the repair work would commence), or (b) if any part of the Building is taken by any exercise of the right of eminent domain, or (c) a material uninsured fire or other casualty loss to the Building shall occur, or (d) the Premises or the Building are substantially, damaged and any mortgagee then holding a mortgage on the Property or on any interest of the Landlord therein, should require that all, or substantially all, of the insurance proceeds payable as a result of such casualty be applied to the payment of such mortgage debt, then Landlord shall have the right to terminate this Lease (even if Landlord's entire interest in the Premises may have been divested) by giving notice of Landlord's election so to do within 90 days after the occurrence of such casualty or the effective date of such taking, whereupon this Lease shall terminate thirty (30) days after the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

12.3 RESTORATION. If this Lease shall not be terminated pursuant to Section 12.2, Landlord shall thereafter use due diligence to restore the Premises (excluding any alterations, additions or improvements made by Tenant and not paid for through the Allowance) to proper condition for Tenant's use and occupation, provided that Landlord's obligation shall be limited to the amount of insurance proceeds available therefor. If, for any reason, such restoration shall not be substantially completed within six months after the expiration of the 90-day period referred to in Section 12.2 (which six-month period may be extended for such periods of time as Landlord is prevented from proceeding with or completing such restoration for any cause beyond Landlord's reasonable control, but in no event for more than an additional 30 day period), Tenant shall have the right to terminate this Lease by giving notice to Landlord thereof within thirty (30) days after the expiration of such period (as so extended) . Upon the giving of such notice, this Lease shall cease and come to an end without further liability or obligation on the part of either party unless, within such 30-day period, Landlord substantially completes such restoration. Such right of termination shall be Tenant's sole and exclusive remedy at law ox in equity for Landlord's failure so to complete such restoration.

12.4 AWARD. Landlord shall have and hereby reserves and excepts, and Tenant hereby grants and assigns to Landlord, all rights to recover for damages to the Property and the leasehold interest hereby created, and to compensation accrued or hereafter to accrue by reason of such taking, damage or destruction, and by way of confirming the foregoing, Tenant hereby grants and assigns, and covenants with Landlord to grant and assign to Landlord, all rights to such damages or compensation. Nothing contained herein shall be construed to prevent Tenant from, at its sole cost and expense, prosecuting a separate condemnation proceeding with respect to a claim for the value of any of Tenant's

Removable Property installed in the Premises by Tenant at Tenant's expense and for relocation expenses, provided that such action shall not affect the amount of compensation otherwise recoverable by Landlord from the taking authority.

ARTICLE XIII

DEFAULT

13.1 TENANT'S DEFAULT. (a) If at any time subsequent to the date of this Lease any one or more of the following events (herein referred to as a "Default of Tenant") shall happen:

(i) Tenant shall fail to pay the Basic Rent, Escalation Charges or other sums payable as additional charges hereunder (including, without limitation, any sum or charge payable by Tenant to the "Subtenant" pursuant to Section 14.29 of this Lease) within 7 days of the due date thereof (it being agreed and understood that Landlord shall not be required to provide Tenant written notice of any event specified in this Section 13.1(a)(i)); or

(ii) Tenant shall neglect or fail to perform or observe any other covenant herein contained on Tenant's part to be performed or observed, or Tenant shall desert or abandon the Premises or the Premises shall become, or appear to have become vacant (regardless whether the keys shall have been surrendered or the rent and all other sums due shall have been paid), and Tenant shall fail to remedy the same within thirty (30) days after written notice to Tenant specifying such neglect or failure, or if such failure is of such a nature that Tenant cannot reasonably remedy the same within such thirty (30) day period, Tenant shall fail to commence promptly to remedy the same and to prosecute such remedy to completion with diligence and continuity; or

(iii) Tenant's leasehold interest in the Premises shall be taken on execution or by other process of law directed against Tenant; or

(iv) Tenant shall make an assignment for the benefit of creditors or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future Federal, State or other statute, law or regulation for the relief of debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties, or shall admit in writing its inability to pay its debts generally as they become due; or

(v) A petition shall be filed against Tenant in bankruptcy or under any other law seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future Federal, State or other statute, law or regulation and shall remain undismissed or unstayed for an

aggregate of sixty (60) days (whether or not consecutive), or if any debtor in possession (whether or not Tenant) trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed without the consent or acquiescence of Tenant and such appointment shall remain unvacated or unstayed for an aggregate of sixty (60) days (whether or not consecutive); or

(vi) If a Default of Tenant of the kind set forth in clauses (i) or (ii) above shall occur and if either (a) Tenant shall cure such Default within the applicable grace period or (b) Landlord shall, in its sole discretion , permit Tenant to cure such Default after the applicable grace period has expired, and an event which would constitute a similar Default if not cured within the applicable grace period shall occur more than twice within the next 365 days, whether or not such event is cured within the applicable grace period;

then in any such case (1) if such Default of Tenant shall occur prior to the Commencement Date, this Lease shall ipso facto, and without further act on the part of Landlord, terminate, and (2) if such Default of Tenant shall occur after the Commencement Date, Landlord may terminate this Lease by notice to Tenant, and thereupon this Lease shall come to an end as fully and completely as if such date" were the date herein originally fixed for the expiration of the Term of this Lease, and Tenant will then quit and surrender the Premises to Landlord, but Tenant shall remain liable as hereinafter provided.

(b) If this Lease shall be terminated as provided in this Article, or if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the Premises shall be taken or occupied by someone other than Tenant, then Landlord may, without notice, re-enter the Premises, either by summary proceedings, ejectment or otherwise (except by force), and remove and dispossess Tenant and all other persons and any and all property from the same, as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end.

(c) In the event of any termination, Tenant shall pay the Basic Rent, Escalation Charges and other sums payable hereunder up to the time of such termination, and thereafter Tenant, until the end of what would have been the Term of this Lease in the absence of such termination, and whether or not the Premises shall have been relet, shall be liable to Landlord for, and shall pay to Landlord, as liquidated current damages, the Basic Rent, Escalation Charges and other sums payable hereunder as additional rent, less the net proceeds, if any, of any reletting of the Premises, after deducting all expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys' fees, advertising, expenses of employees, alteration costs and expenses of preparation for such reletting. Tenant shall pay such current damages to Landlord monthly on the days which the Basic Rent would have been payable hereunder if this Lease had not been terminated.

(d) At any time after such termination, whether or not Landlord shall have collected any such current damages, as liquidated final damages and in lieu of all such current damages beyond the date of such demand, at Landlord's election Tenant shall pay to Landlord an amount equal to the excess, if any, of the Basic Rent, which would be payable hereunder from the date of such demand for what would be the then unexpired Term of this Lease if the same had remained in effect, over the then fair net rental value of the Premises for the same period. The amounts payable pursuant to this paragraph (d), to the extent payable in one lump sum, shall be discounted to present value (using the 10 year Treasury Bill Rate as the discount factor). For purposes of this paragraph, "fair net rental value" shall mean 100% of the "Fair Market Rental Value" determined in accordance with Exhibit D employing such additional criteria as are set forth in this paragraph (d) except that the fees, costs and expenses of all appraisers shall be deemed a cost of Tenant and paid for by Tenant as an additional charge under this Lease.

(e) In the case of any Default by Tenant, re-entry, expiration and dispossession by summary proceeding or otherwise, Landlord may (i) re-let the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease and may grant concessions or free rent to the extent that Landlord considers advisable and-necessary to re-let the same and (ii) may make such reasonable alterations, repairs and decorations in the Premises as Landlord in its sole judgment considers advisable and necessary for the purpose of reletting the Premises; and the making of such alterations, repairs and decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Premises, or, in the event that the Premises are re-let, for failure to collect the rent under such re-letting. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any of the covenants and conditions of this Lease.

(f) If a Guarantor of this Lease is named in Section 1.2, the happening of any of the events described in paragraphs (a)(iv) or (a)(v) of this Section 13.1 with respect to the Guarantor shall constitute a Default of Tenant hereunder.

(g) The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be entitled to lawfully, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

(h) All costs and expenses incurred by or on behalf of Landlord (including, without limitation, attorneys' fees and expenses) in enforcing its rights hereunder or occasioned by any Default of Tenant shall be paid by Tenant.

13.2 LANDLORD'S DEFAULT. Landlord shall in no event be in default of the performance of any of Landlord's obligations hereunder unless and until Landlord shall have

unreasonably failed to perform such obligation within a period of time reasonably required to correct any such default, after notice by Tenant to Landlord specifying wherein Landlord has failed to perform any such obligations.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

14.1 EXTRA HAZARDOUS USE. Tenant covenants and agrees that Tenant will not do or permit anything to be done in or upon the Premises, or bring in anything or keep anything therein, which shall increase the rate of. property or liability insurance on the Premises or of the Building above the standard rate applicable to premises being occupied for Permitted Uses; and Tenant further agrees that; in the event that Tenant shall do any of the foregoing, Tenant will promptly pay to Landlord, on demand, any such increase resulting therefrom, which shall be due and payable as an additional charge hereunder.

14.2 WAIVER. (a) Failure on the part of Landlord or Tenant to complain of any action or non-action on the part of the other, no matter how long the same may continue, shall never be a waiver by Tenant or Landlord, respectively, of any of their respective rights hereunder. Further, no waiver at any time of any of the provisions hereof by Landlord or Tenant shall be construed as a waiver of any of the other provisions hereof, and a waiver at any time of any of the provisions hereof shall not be construed as a waiver at any subsequent time of the same provisions. The consent or approval of Landlord or Tenant to or of any action by the other requiring such consent or approval shall not be construed to waive or render unnecessary Landlord's or Tenant's consent or approval to or of any subsequent similar act by the other.

(b) No payment by Tenant, or acceptance by Landlord, of a lesser amount than shall be due from Tenant to Landlord shall be treated otherwise than as a payment on account of the earliest installment of any payment due from Tenant under the provisions hereof. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that such lesser amount is payment in full, shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant,

14.3 COVENANT OF QUIET ENJOYMENT. Tenant, subject to the terms and provisions of this Lease, on payment of the Basic Rent and Escalation Charges and observing, keeping and performing all of the other terms and provisions of this Lease on Tenant's part to be observed, kept and performed, shall lawfully, peaceably and quietly have, hold, occupy and enjoy the Premises during the term hereof, without hindrance or ejection by any persons lawfully claiming under Landlord to have title to the Premises superior to Tenant; the foregoing covenant of quiet enjoyment is in lieu of any other covenant, express or implied.

14.4 LANDLORD'S LIABILITY. (a) Tenant specifically agrees to look solely to Landlord's then equity interest in the Property at the time owned, for recovery of any judgment from Landlord; it being specifically agreed that Landlord (original or successor) shall never be

personally liable for any such judgment, or for the payment of any monetary obligation to Tenant.

(b) With respect to any services or utilities to be furnished by Landlord to Tenant, Landlord shall in no event be liable for failure to furnish the same when prevented from doing so by Force Majeure, strike, lockout, breakdown, accident, order or regulation of or by any governmental authority, or failure of supply, or inability by the exercise of reasonable diligence to obtain supplies, parts or employees necessary to furnish such services, or because of war or other emergency, or for any cause beyond Landlord's reasonable control, or for any cause due to any act or neglect of Tenant or Tenant's servants, agents, employees, licensees or any person claiming by, through or under Tenant; nor shall any such failure give rise to any claim in Tenant's favor that Tenant has been evicted, either constructively or actually, partially or wholly.

(c) In no event shall Landlord ever be liable to Tenant for any loss of business or any other indirect or consequential damages suffered by Tenant from whatever cause.

(d) With respect to any repairs or restoration which are required or permitted to be made by Landlord, the same may be made during normal business hours provided, however, that to the extent within its control, Landlord shall use good faith efforts to avoid unnecessary interference with Tenant's use of the Premises. Landlord shall have no liability for damages to Tenant for inconvenience, annoyance or interruption of business arising therefrom.

14.5 NOTICE TO MORTGAGEE OR GROUND LESSOR. After receiving notice from any person, firm or other entity that it holds a mortgage or a ground lease which includes the Premises, no notice from Tenant to Landlord alleging any default by Landlord shall be effective unless and until a copy of the same is given to such holder or ground lessor (provided Tenant shall have been furnished with the name and address of such holder or ground lessor), and the) curing of any of Landlord's defaults by such holder or

ground lessor within the time period allocated to Landlord for such performance shall be treated as performance by Landlord.

14.6 ASSIGNMENT OF RENTS AND TRANSFER OF TITLE. (a) With reference to any assignment by Landlord of Landlord's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage on property which includes the Premises, Tenant agrees that the execution thereof by Landlord, and the acceptance thereof by the holder of such mortgage, shall never be treated as an assumption by such holder of any of the obligations of Landlord hereunder unless such holder shall, by notice sent to Tenant, specifically otherwise elect and that, except as aforesaid, such holder shall be treated as having assumed Landlord's obligations hereunder only upon exercising its rights and taking possession pursuant to such assignment or mortgage (but only during such time as such holder is actually in possession under such assignment or mortgage) or upon foreclosure of such holder's mortgage and the taking of possession of the Premises.

(b) In no event shall the acquisition of Landlord's interest in the Property by a purchaser which, simultaneously therewith, leases Landlord's entire interest in the Property back to the seller thereof be treated as an assumption by operation of law or otherwise, of Landlord's obligations hereunder, but Tenant shall look solely to such seller-lessee, and its successors from time to time in title, for performance of Landlord's obligations hereunder. In any such event, this Lease shall be subject and subordinate to the lease to such purchaser provided that such purchaser/lessor shall enter into an agreement with Tenant, recordable in form, to the effect that in the event of a termination of such lease, this Lease shall not be terminated or disturbed by such purchaser/lessor or anyone claiming by, through or under such purchaser/lessor so long as no Default of Tenant is then continuing or shall thereafter occur beyond expiration of applicable notice and cure periods, if any. For all purposes, such seller-lessee, and its successors in title, shall be the Landlord hereunder unless and until Landlord's position shall have been assumed by such purchaser-lessor.

(c) Except as provided in paragraph (b) of this Section, in the event of any transfer of title to the Property by Landlord, Landlord shall thereafter be entirely freed and relieved from the performance and observance of all covenants and obligations hereunder.

14.7 RULES AND REGULATIONS. Tenant shall abide by rules and regulations from time to time established by Landlord, it being agreed that such rules and regulations will be established and applied by Landlord in a non-discriminatory fashion, such that all rules and regulations shall be generally applicable to other tenants of the Building of similar nature to the Tenant named herein. Landlord agrees to use reasonable efforts to insure that any such rules and regulations are uniformly enforced, but Landlord shall not be liable to Tenant for violation of the same by any other tenant or occupant of the Building, or persons having business with them. In the event that there shall be any conflict between such rules and

regulations and the provisions of this Lease, the provisions of this Lease shall control.

14.8 ADDITIONAL CHARGES. If Tenant shall fail to pay when due any sums under this Lease designated or payable as an additional charge or additional rent, Landlord shall have the same rights and remedies against Tenant as Landlord has hereunder for failure to pay Basic Rent.

14.9 INVALIDITY OF PARTICULAR PROVISIONS. If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by Law.

14.10 PROVISIONS BINDING, ETC. Except as herein otherwise provided, the terms hereof shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of Landlord and Tenant and, if Tenant shall be an individual, upon and to his heirs, executors, administrators, successors and assigns. Each term and each provision of this Lease to be performed by Tenant shall be construed to be both a covenant and a condition. The reference contained to successors and assigns of Tenant is not intended to constitute a consent to assignment by Tenant, but has reference only to those instances in which Landlord may later give consent to a particular assignment as required by those provisions of Article VI hereof.

14.11 RECORDING. Tenant agrees not to record this Lease, but each party hereto agrees, on the request of the other, to execute a so-called notice of lease in form recordable and complying with applicable law and reasonably satisfactory to Landlord's attorneys. In no event shall such document set forth the rent or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the" provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

14.12 NOTICES. Whenever, by the terms of this Lease, notices, consents or approvals shall or may by given either to Landlord or to Tenant, such notices, consents or approvals shall be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid:

If intended for Landlord, addressed to Landlord at Landlord's Original Address with separate copies addressed to Landlord at 730 Third Avenue, New York, New York 10017 (a) Attention: Philip R. DiGennaro, Vice President Mortgage and Real Estate Division and (b) Attention: Legal Department (or to such other address as may from time to time hereafter by designated by Landlord by like notice).

If intended for Tenant, addressed to Tenant at Tenant's Original Address until the Commencement Date and thereafter to the Premises (or to such other address or addresses as may from time to time hereafter be designated by Tenant by like notice.)

All such notices shall be effective when deposited in the United States Mail within the Continental United States, provided that the same are received in ordinary course at the address to which the same were sent.

14.13 WHEN LEASE BECOMES BINDING. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated herein and this Lease expressly supersedes any proposals or other written documents relating hereto. This Lease may be modified or altered only by written agreement between Landlord and Tenant, and no act or omission of any employee or agent of Landlord shall alter, change or modify any of the provisions hereof.

14.14 PARAGRAPH HEADINGS. The paragraph headings throughout this instrument are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction, or meaning of the provisions of this Lease.

14.15 RIGHTS OF MORTGAGEE OR GROUND LESSOR. (a) This Lease shall be subordinate to any mortgage or ground lease from time to time encumbering the Premises, whether executed and delivered prior to or subsequent to the date of this Lease, if the holder of such mortgage or ground lease shall so elect. If this Lease is subordinate to any mortgage or ground lease and the holder thereof (or successor) shall succeed to the interest of Landlord, at the election of such holder (or successor) Tenant shall attorn to such holder and this Lease shall continue in full force and effect between such holder (or successor) and Tenant. Tenant agrees to execute such instruments of subordination or attornment in confirmation of the foregoing agreement as such holder may request. Failure to comply with any such request shall be deemed a Default of Tenant under this Lease.

(b) Notwithstanding anything to the contrary contained in Section 14.15(a), Tenant shall not be required to subordinate this Lease to any mortgage or ground lease or to the lien of any mortgage nor shall the subordination provided herein be self-operative unless the holder of such mortgage or ground lease shall enter into an agreement with Tenant, recordable in form to the effect that in the event of foreclosure of or similar action taken under such mortgage or termination of such ground lease, this Lease shall not be terminated or disturbed by such mortgageholder or ground lessor or anyone claiming under such mortgageholder or ground lessor, so long as Tenant shall not be in default under this Lease. The form of any such agreement shall be the form as required by any such mortgagee

or ground lessor. It is agreed and understood that the provisions of this clause (b) shall only be applicable to the rights of the original Tenant named herein, Aspen Technology, Inc. and such rights shall not inure to the benefit of, nor be applicable to, any successor or assign of Aspen Technology, Inc.

14.16 STATUS REPORT. Recognizing that both parties may find it necessary to establish to third parties, such as accountants, banks, mortgagees, ground lessors, or the like, the then current status of performance hereunder, either party, on the request of the other made from time to time, will promptly furnish to Landlord, or the holder of any mortgage or ground lease encumbering the Premises, or to Tenant, as the case may be, a statement of the status of any matter pertaining to this Lease, including, without limitation, acknowledgement that (or the extent to which) each party is in compliance with its obligations under the terms of this Lease.

14.17 SECURITY DEPOSIT.

(a) The cash security deposits (hereafter collectively the "Cash Deposit") or Letters of Credit required by this Paragraph 14.17 shall be in the following amounts during the following periods:

Valid and to be held or applied by Landlord for 30 days beyond the expiration of Lease Year#	Substitute Letter of Credit	Minimum Aggregate Dollar Amount of Cash Deposit or Letters of Credit to be Provided by Tenant
1	$ 200,000	$ 400,000
2	$ 300,000	$ 500,000
3	$ 150,000	$ 350,000
4	$ -0-	$ 200,000
5 – 10	$ -0-	$ -0-

Landlord has agreed that the security deposit to be held by the Landlord as security for the performance of Tenant's obligations under this Lease may be deposited with Landlord in the form of one or more Letters of Credit (as hereinafter specified) or in the form of Cash Deposits or in the form of Letters of Credit and a Cash Deposit, provided, however, that at all times Landlord shall have in its possession and control, the Minimum Aggregate Dollar amount of Cash Deposit or Letters of Credit to be provided by Tenant as and when specified by the provisions of this Section 14.17(a) of this Lease.

(b) Cash Deposit. Upon execution and delivery of this Lease, Tenant has deposited with Landlord the amount of $200,000.00 (the "First Portion of the Cash Deposit") as a portion of the Cash Deposit to be held by Landlord under this Lease. On or before March 1, 1992, Tenant shall deposit an additional $200,000.00 in cash with Landlord to be held with the First Portion of the Gash

Deposit until such time as Tenant either provides Landlord with Letters of Credit in the amounts and form required by Section 14.27(a) and Section 14.27(c) hereof in substitution for the Cash Deposit or until such time as the Minimum Aggregate Dollar Amount of Cash Deposit or Letters of Credit to be provided by Tenant pursuant to Section 14.17(a) shall decrease as provided in Section 14.17(a). Tenant shall from time to time deposit additional Cash Deposits with Landlord as and when required by Section 14.17(a).

It is agreed that in the event of a Default of Tenant under this Lease, (whether prior to or after the Commencement Date) Landlord may use, apply or retain the whole or any part of the Cash Deposit so deposited with Landlord but only as and to the extent necessary to satisfy the payment of any Basic Rent, additional rent or any other sum as to which Landlord may expend or be required to expend by reason of a Default of Tenant in -) respect of any of the terms, covenants and conditions of this Lease, including, but hot limited to, any damages or deficiency in the reletting of the Premises, whether such damages or deficiency occurred before or after summary proceedings or other re-entry by Landlord. If Landlord applies all or any part of the Cash Deposit to cure any Default of Tenant under this Lease, Tenant shall, within 5 days after the applicable draw, deposit with Landlord additional cash in an amount equal to the amount so applied by Landlord so that at all times Landlord shall have the full amount of the Cash Deposit in the Minimum Aggregate Dollar Amount of Cash Deposit or Letters of Credit to be provided by Tenant as required by Section 14.17(a) of this Lease. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease, the Cash Deposit or portions thereof then in the possession of Landlord shall be returned to Tenant on or before the date fixed in Section 14.17 (a) for the release of all or portions of the Cash Deposit.

In the event of a sale or lease of the Property, Landlord shall transfer the Cash Deposit to the vendee or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such Cash Deposit, and Tenant agrees to look solely to the new Landlord for the return of said security and it is agreed and understood that the provisions hereof shall apply to every transfer or assignment made of the Cash Deposit to a new Landlord. Any Cash Deposit so transferred or assigned to a successor to Landlord shall be deposited in one or more fully insured (FDIC) accounts and shall not be comingled with any other assets of such successor to the Original Landlord named herein. Tenant further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as a Cash Deposit and that neither Landlord nor it successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. It shall be a Default of Tenant (without the requirement of any notice or opportunity to cure) in the event that Tenant shall fail to deposit the remaining $200,000.00 of the Cash Deposit with Landlord on or before March 1, 1992, time being of the essence. For so long as there exists no Default of Tenant under this Lease, the Cash Deposit (or so much thereof as is being held by the Landlord shall bear interest at an annual rate equal to the One

Year Treasury Bill Rate. All such interest shall be paid to Tenant annually on the anniversary of the date of this Lease. Tenant shall not be entitled to receive any interest on the Cash Deposit during the pendency of any Default of Tenant under this Lease. Provided there exists no Default of Tenant, Landlord shall release the Cash Deposit plus interest thereon then being held by Landlord under this Lease upon delivery to Landlord of the Letters of Credit in form and substance approved by Landlord and permitted to be deposited with Landlord by Tenant pursuant to Sections (c), (d) and (e) of this Section 14.17. It is agreed and understood that neither Landlord nor the Manager shall be required to advance any portion of the Allowance (as said term is defined in Article IV hereof) until such time as Tenant has deposited the full $400,000.00 in the form of a Cash Deposit as required hereunder. It is agreed and understood that any delays in completing the Premises for occupancy as a result of Landlord's failure to advance all or any portion of the Allowance due to Tenant's failure to deposit the entire $400,000.00 Cash Deposit with Landlord within the time and manner provided above shall (i) be the sole responsibility of Tenant and (ii) not affect the validity of this Lease nor cause any delays in the occurrence of the Commencement Date. Tenant shall provide Landlord with 30 days advance written notice of its desire to substitute Letters of Credit for the Cash Deposit pursuant to this Section 14.17.

(c) Letters of Credit Defined. All Letters of Credit to be deposited with Landlord pursuant to this Section 14.17 shall be unconditional, confirmed, irrevocable, automatically renewable and payable through (or confirmed by) a New York City Bank approved by Landlord in its sole discretion and which Letters of Credit shall be in form and content satisfactory to Landlord in its sole and absolute discretion in each instance. As used herein, the term "Original Letter of Credit" shall mean that certain letter of credit in the amount of $200,000.00. The Original Letter of Credit shall be and remain in force and effect from the date of deposit with Landlord through and including the 30th day beyond the expiration of the Fourth (4th) Lease Year and shall expressly provide for its continuance for the period beginning on the date of deposit with Landlord and expiring on the thirtieth (30th) day beyond the expiration of the Fourth (4th) Lease Year. The term "First Substitute Letter of Credit" shall mean that certain letter of credit in the amount of $200,000.00 which Tenant shall deliver to Landlord simultaneously with the Original Letter of Credit and shall be and remain in force and effect for the period beginning on the date of deposit of the Original Letter of Credit with Landlord through that date which is thirty (30) days beyond the expiration of the First (1st) Lease Year. The term "Additional Substitute Letters of Credit" shall mean (i) that certain letter of credit in the amount of $300,000.00 that is issued by a bank satisfactory to Landlord and in the form required by this Section 14.17 and approved by Landlord which Tenant shall deliver to Landlord at least twenty (20) days prior to the commencement of the Second (2nd) Lease Year and shall be and remain in force and effect for the period beginning on the date which is 20 days prior to the first day of the Second (2nd) Lease Year through and including that date which is thirty (30) days after the expiration of the Second (2nd) Lease Year and (ii) that certain letter of credit in the amount of $150,000.00 that is issued by a bank satisfactory to Landlord and in the form required by this Section 14.17 and

approved by Landlord which Tenant shall deliver to Landlord at least twenty (20) days prior to the commencement of the Third (3rd) Lease Year and shall be and remain in force and effect for the period beginning on the date which is 20 days prior to the first day of the Third Lease Year through and including the date which is thirty (30) days after the expiration of the Third (3rd) Lea-se Year. The term "Letters of Credit" shall mean the Original Letter of Credit, the First Substitute Letter of Credit and the Additional Substitute Letters of Credit. All such Letters of Credit shall be subject to the prior written approval of Landlord in its sole discretion and shall be in the form required by this Section 14.17.

(d) Subject to the provisions of 14.27(a), Tenant shall, as applicable, deposit with Landlord at the times and manner previously described herein the Original Letter of Credit, the First Substitute Letter of Credit and the Additional Substitute Letters of Credit, at Tenant's sole cost and expense, as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of the Lease. If a Default of Tenant occurs in respect of any of the terms, provisions and conditions of the Lease prior to or after the Commencement Date, including, but not limited to, the payment of Basic Rent, Escalation Charges or Additional Rent, Landlord may draw on the bank(s) issuing any of the Letters of Credit at sight for any or all of the balance remaining under the Letters of Credit and Landlord shall have the right to draw upon and use, apply or retain the whole or any part thereof but only as and to the extent necessary to satisfy the payment of any Basic Rent, Additional Rent or any other sum to which the Default of Tenant has occurred or for any sum which Landlord may expend or may be required to expend by reason of such Default of Tenant in respect of any of the terms, covenants and conditions of the Lease including, but not limited to, any damage or deficiency accrued before or after summary proceedings or other re-entry by Landlord. In the event of a sale of the Land and/or the Building or the leasing of the Building, Landlord shall have the right to transfer the Letters of Credit to the transferee, assignee or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security; and Tenant shall look solely to the new landlord for the return of said security; the provisions hereof shall apply to every transfer or assignment made of the security to a new landlord. Tenant further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither Landlord, nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. In the event that Landlord draws upon and applies or retains any portion or all of the Letters of Credit from time to time deposited hereunder, Tenant shall restore the amount so drawn upon and applied or retained within five (5) business days of the applicable draw of such amounts so that at all times (subject to the five day grace period herein referenced) Landlord shall be entitled to draw down upon the full aggregate amount of the Letters of Credit from time to time required to be deposited with Landlord hereunder in the instance of a Default of Tenant. Any failure of Tenant to deliver to Landlord any of the Letters of Credit as prescribed herein or to restore any amount drawn under any Letter of Credit within the time and manner specified herein shall automatically be deemed to be a Default of Tenant under

this Lease and entitle Landlord to (i) exercise any and all rights afforded to Landlord pursuant to Section 13.1(a) of this Lease and (ii) to immediately draw down any of the Letters of Credit then in force or effect and Landlord shall retain such cash amounts as a Cash Deposit pursuant to the provisions of this Section 14.17.

(e) The Letters of Credit shall be deposited and maintained with Landlord and held by Landlord as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this Lease and in the event that (i) any Default of Tenant occurs under the terms of the Lease or (ii) Landlord transfers its right, title and interest under the Lease to a third party and any bank(s) issuing any of the Letters of Credit shall not consent to the transfer of any of the beneficial interest of such Letters of Credit to such third party or (iii) if any such Letter of Credit shall be terminated prior to the date upon which it is required to be in effect hereunder, then Landlord may draw on the Letters of Credit in their entirety, except that in the case of a Default of Tenant as set forth in clause (i) hereof, Landlord shall only be entitled to draw down such amounts as may be necessary to satisfy or remedy such Default of Tenant and the balance of the proceeds of the Letters of Credit (if any) shall be held and applied as security as a Cash Deposit under this Section 14.17 and shall be replenished (or, if applicable, portions shall be released to Tenant), if necessary, as provided above so that at all times hereunder Landlord shall be in possession of only (but no less than) the Minimum Aggregate Dollar Amount of Cash Deposit or Letters of Credit described in Section 14.17(a). Tenant shall pay all costs associated with obtaining, replacing (as necessary), transferring, extending and maintaining the Letters of Credit in accordance with the terms of this Paragraph 14.17. All such amounts held on deposit with Landlord as Cash Deposits and not drawn upon by Landlord together with interest thereon pursuant to the terms of this Lease shall be returned to Tenant within 30 days after the end of the Fourth Lease Year.

14.18 REMEDYING DEFAULTS. Landlord shall have the right, but shall not be required, to pay such sums or to do any act which requires the expenditure of monies which may be necessary or appropriate by reason of the failure or neglect of Tenant to perform any of the provisions of this Lease, and in the event of the exercise of such right by Landlord, Tenant agrees to pay to Landlord forthwith upon demand all such sums, together with interest thereon at a rate equal to 3% over the prime rate in effect from time to time at the Bank of Boston (but in no event greater than the highest rate permitted by law), as an additional charge. Any payment of Fixed Rent, Escalation Charges or other sums payable hereunder not paid when due shall, at the option of Landlord, bear interest at a rate equal to 3% over the prime rate in effect from time to time at the Bank of Boston or if the Bank of Boston shall cease to publish such prime rate, a similar rate of interest published by a bank in Boston, Massachusetts designated by Landlord (but in no event greater than the highest rate permitted by law) from the due date thereof and shall be payable forthwith on demand by Landlord, as an additional charge.

14.19 HOLDING OVER. Any holding over by Tenant after the expiration of the Term of this Lease shall be treated as a daily tenancy at sufferance at a rate equal to the then fair rental value of the Premises but in no event less than one and one half (1 1/2) of the sum of (i) Fixed Rent and (ii) Escalation Charges in effect on the expiration date. Tenant shall also pay to Landlord all damages, direct and/or indirect (including any loss of a tenant or rental income), sustained by reason of any such holding over. Otherwise, such holding over shall be on the terms and conditions set forth in this Lease as far as applicable.

14.20 WAIVER OF SUBROGATION. Insofar as, and to the extent that, the following provision shall not make it impossible to secure insurance coverage obtainable from responsible insurance companies doing business in the locality in which the Property is located (even though extra premium may result therefrom) Landlord and Tenant, mutually agree that any property damage insurance carried by either shall provide for the waiver by the insurance carrier of any right of subrogation against the other, and they further mutually agree that, with respect to any damage to property, the loss from which is covered by insurance then being carried by them, respectively, the one carrying such insurance and suffering such loss releases the other of and from any and all claims with respect to such loss to the extent of the insurance proceeds paid with respect thereto.

14.21 SURRENDER OF PREMISES. Upon the expiration or earlier termination of the Term of this Lease, Tenant shall peaceably quit and surrender to Landlord the Premises in neat and clean condition and in good order, condition and repair, together with all alterations, additions and improvements which may have been made or installed in, on or to the Premises prior to or during the Term of this Lease, excepting only ordinary wear and use and damage by fire or other casualty for which, under other provisions of this Lease, Tenant has no responsibility of repair and restoration. Tenant shall remove all of Tenant's Removable Property and, to the extent specified by Landlord pursuant to or as a condition of Landlord's consent to any improvement or alteration made by Tenant pursuant to

Section 5.2, all alterations and additions made by Tenant and all partitions wholly within the Premises other than those partitions work and improvements paid for through the Allowance and shall repair any damage to the Premises or the Building caused by such removal. Any Tenant's Removable Property which shall remain in the Building or on the Premises after the expiration or termination of the Term of this Lease shall be deemed conclusively to have been abandoned, and either may be retained by Landlord as its property or may be disposed of in such manner as Landlord may see fit, at Tenant's sole cost and expense.

14.22 SIGNAGE. Landlord acknowledges that Tenant intends to erect a sign on the exterior of the Building similar in size to the former "Interleaf sign. Landlord shall have the right to approve the size, content, location and manner of illumination of such exterior signage, which approval shall not be unreasonably withheld or delayed provided that such signage is consistent with the size, location and manner of illumination of the prior existing Interleaf signage and the content thereof consists merely of Tenant's name and corporate logo. The cost of erecting, maintaining and repairing the approved signage shall be borne by Tenant at its sole cost and expense. Tenant shall also be responsible for obtaining all necessary permits and approvals for the approved signage from any governmental agency having jurisdiction thereover. Tenant shall provide Landlord with copies of. all permits and approvals obtained in connection with the approved signage prior to erection thereof. Tenant" shall repair any damage to the property or the Building sustained in connection with the erection, maintenance, repair or removal of the approved signage. Upon expiration or any earlier termination of this Lease, Tenant shall, at its sole cost and expense, remove the approved signage and repair any damage to the property and/or the Building resulting from such removal. The provisions regarding Tenant's obligation .to pay the cost of erection, maintaining and repairing the approved signage and removal thereof and the repair of any damage to the Building as a result thereof shall survive any expiration or earlier termination of this Lease. Except as permitted by this Section 14.22, Tenant shall erect no signs or lettering on any portion of the Building which are visable from the exterior of the Building without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld or delayed.

14.23 SUBSTITUTE SPACE. Intentionally Omitted.

14.24 BROKERAGE. Tenant warrants and represents that Tenant has dealt with no broker in connection with the consummation of this Lease other than Lynch, Murphy, Walsh & Partners and Fallon, Hines &. O'Connor (collectively the "Broker"), and, in the event of any brokerage claims against Landlord predicated upon prior dealings with Tenant, Tenant agrees to defend the same and indemnify Landlord against any such claim (except any claim by the Broker). Landlord shall be responsible for the payment of brokerage commissions or fees due and owing the Broker.

14.25 SPECIAL TAXATION PROVISIONS. Landlord shall have the right at any time and from time to time, to unilaterally amend the provisions of this Lease if Landlord is advised by its Counsel that all or any portion of the monies paid by Tenant to Landlord hereunder are, or may be deemed to be, unrelated business income within the meaning of the United States Internal Revenue Code, or regulation issued thereunder, and Tenant agrees that it will execute all documents or instruments necessary to effect such amendment or amendments, provided that no such amendment shall result in Tenant having to pay in any one calendar year more money on account of its occupancy of the demised premises under the provisions of this Lease as so amended and provided further, that no such amendment or amendments shall result in Tenant receiving under the provisions of this Lease less services than it is entitled to receive nor services of a lesser quality.

Anything contained in the foregoing provisions of this Lease (including, without limitation, Article 6 hereof) 5 to the contrary notwithstanding, neither Tenant nor any other person having an interest in the possession, use, occupancy or utilization of the Premises shall enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Premises which provides for rental or other payment for such use, occupancy or utilization based, in whole or in part, on the net income or profits derived by any person from the premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and any such purported lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises.

14.26 HAZARDOUS MATERIALS. Tenant shall not (either with or without negligence) cause or permit (by Tenant or anyone claiming by, through or under Tenant) the escape, disposal, release or threat of release of any biologically or chemically active or other Hazardous Materials (as said term is hereafter defined) on, in, upon or under the Property or the Premises. Tenant shall not allow the generation, storage, use or disposal of such Hazardous Materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the generation, storage, use and disposal of such Hazardous Materials, nor allow to be brought into the Property any such Hazardous Materials except for use in the ordinary course of Tenant's business, and then only after written notice is given to Landlord of the identity of such Hazardous Materials. Hazardous Materials shall include, without limitation, any material or substance which is (i) petroleum, (ii) asbestos, (iii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act, 33 u.S.C. SS 1251 et seq. (33 U.S.C. SS 1321) or listed pursuant to SS 307 of the Federal Water Pollution Control Act (33 U.S.C. SS 1317), (iv) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. SS 6901 et seq. (42 U.S.C. SS 6903), (v) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. SS 9601 et seq. (42 U.S.C. SS 9601), as amended, or (vi) defined

as "oil" or a "hazardous waste", a "hazardous substance", a "hazardous material" or a "toxic material" under any other law, rule or regulation applicable to the Property, including, without limitation, Chapter 21E of the Massachusetts General Laws, as amended. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of Hazardous Materials, then the reasonable costs thereof > shall be reimbursed by Tenant to Landlord upon demand as additional charges but only if such requirement is the result of the acts or omissions of Tenant. In addition, Tenant shall execute affidavits, representations and the like, from time to time, at Landlord's request concerning Tenant's best knowledge and belief- regarding the presence of Hazardous Materials on the Premises. In all events, Tenant shall indemnify and save Landlord harmless from any release or threat of release or the presence or existence of Hazardous Materials on the Premises occurring while Tenant is in possession, or elsewhere on the Property if caused by Tenant or persons acting under Tenant. The within covenants and indemnity shall survive the expiration or earlier termination of the Term of this Lease. Landlord expressly reserves the right to enter the Premises to perform regular inspections. Landlord shall endeavor to provide Tenant with advance oral notice of its intent to enter the Premises or permitted herein, but in no event shall failure to provide such notice to Tenant preclude Landlord from entering the Premises or exercising its rights under this Section 14.27.

14.27 NET LEASE. This is, and is intended to be, a Net Lease, and accordingly, except as expressly otherwise provided for herein, all charges, assessments and impositions made upon the Property and all costs, expenses and other obligations paid or incurred by Landlord of any kind or nature whatsoever in insuring, maintaining and/or repairing the Premises or the Building or the Property or any additions to the Building shall be included in determining Landlord's costs of which Tenant is obligated to pay a pro rata share or the entirety, as the case may be, as provided hereinabove.

14.28 GOVERNING LAW. This Lease shall be governed exclusively by the provisions hereof and by the laws of the Commonwealth of Massachusetts, as the same may from time to time exist.

14.29 MANAGER; MANAGEMENT FEES; DESIGNATION; MANAGEMENT SPECIFICATIONS.

(a) Generally: At all times during the Term of this Lease, there shall be a Manager of the Building, which Manager shall, at a minimum, perform the functions specified in Exhibit F to this Lease for the benefit of all of the tenants of -the Building or as may be required by the terms of all leases with respect to the Building. As and to the extent that Tenant shall desire or require management functions and/or services in excess of those set forth in Exhibit F, Tenant shall advise Landlord of such need or requirement and, to the extent reasonably possible, such function shall be provided by the Manager and 100% of the costs of providing such function shall be borne by Tenant, as an additional charge to

Tenant Tinder this Lease.At all times during the Term of this Lease., the functions and "services to be provided by the Manager shall X performed pursuant to a written contract with the Landlord (a "Management Contract") and each such Management Contract shall provide for cancellation by the Landlord upon 30 days written notice given at any time. Similarly, all outside service and vendor contracts ("Outside Vendor Contracts") entered into by the Manager shall provide for 30 day cancellation at any time by written notice from the Manager.

Landlord and Tenant each hereby agree that they desire to have high quality services provided to the Building at competitive costs. Each Lease Year during the Term of this Lease, the Manager shall review recurring Outside Vendor Contracts having an annual cost in excess of $5,000.00 (such contracts-being "Major Service Contracts"). As part of such review, the Manager shall consult with Tenant so as to obtain Tenant's opinion of the services provided by each vendor. The annual review of Major Service Contracts shall include, without limitation, HVAC, cleaning and trash hauling. In the event that, based oa such review Landlord shall, in its discretion, determine that any such service or function being provided through a Major Service Contract, may be provided to the Building at the same or better level of service with reduced costs and in the best interests of all tenants of the Building, then, Landlord may, but shall not be required to, terminate the applicable Major Service Contract and enter into a substitute Major Service Contract with another party at lower cost. It is agreed that all determinations and decisions with respect to Outside Vendor Contracts any Major Service Contracts shall be made by Landlord in its sole discretion.

The amount of the fixed management fee charged by the Manager ("Fixed Management Fee") shall be limited as hereinafter set forth. For the First Lease Year, the Fixed Management Fee shall be $,38 per rentable square foot contained in the Building (including the rentable square footage of the Retail Rentable Area but excluding the number of rentable square feet on the sixth floor of the Building not actually leased to Tenant or other tenants). In no event shall the Fired Management Fee, for and with respect to any Lease Year, exceed the suro of the Fixed Management Fee incurred during the previous Lease Year plus an amount equal to the Fixed Management Fee payable in connection with the immediately preceding Lease Year multiplied by the CPI Percentage. As used herein, the term "CPI Percentage" shall mean the x percentage increase, if any, in the consumer price index all items Boston, Massachusetts (the "CPI Index?) publishes by the United States Department of Labor (or if there ceases to be such an index, an index reasonably selected by Landlord to reflect increases in consumer costs and prices in the Boston, Massachusetts area) between the CPX Index last published prior to commencement of the immediately preceding Lease Year and the CPI Index last published prior to commencement of the Lease Year for which the Fixed Management Fee is being computed.

(b) Designation of Manager.

(i) Initially, the Manager shall be Leggat McCall Property Management, Inc, Landlord shall have the sole and absolute right to designate the Manager during Lease Years one through and including, four.

(ii) As and to the extent that commencing with the beginning of the Fifth Lease Year, Tenant shall be-leasing neatly the entire Building, Landlord has agreed to grant Tenant the right to designate the Manager. Subject to the terms and provisions hereafter set forth and provided that Tenant shall give Landlord sis months written notice of its desire to be more directly involved in the selection of the Manager (a "Management Selection Notice") and provided further that Tenant shall not then, or at any time thereafter be in default in the performance or observance of any term, covenant or condition in the Lease contained to be performed or observed by Tenant, Tenant shall have the right to select the Manager. It is agreed and. understood that the Manager selected by Tenant ("Tenant's Management Selection") shall be chosen from a list of 4 reputable companies regularly engaged in managing office buildings comparable to the Building in size and use, which list shall be designated by Landlord and Tenant. Landlord and Tenant shall each select two qualified management companies. The Tenant's selections to this list shall be subject to the advance approval of Landlord. Within 60 days of Landlord's receipt o£ a Management Selection Notice, Landlord shall provide Tenant with its list of 2 reputable management companies and shall approve or reject Tenant's selections. The provisions of paragraph (a) of this Section 14.29 shall apply to the Tenant's Management Selection and any Management Contract entered into by Landlord, with Tenant's Management Selection.

Provided that there is no Default of Tenant pursuant to this Lease, in the event of any cancellation or termination of the Management Contract between Landlord and the Tenant's Management selection or in the event Tenant, for cause, shall determine that Tenant's Management Selection is no longer acceptable the selection process set forth in the first paragraph of this paragraph (ii) shall be repeated.

14.30 PARKING. As used herein, the tern "Parking Leases" shall mean (i) that certain Lease Agreement for Parking Spaces in the East Cambridge Parking Facility - Phase I dated November 19, 1965 by and between the City of Cambridge (the "City"), as the lessor, and Edgewater Place Limited Partnership (the "Partnership"), as the lessee, as amended ,by that certain First Amendment to Lease Agreement for Parking Spaces in the East Cambridge Parking Facility - Phase 1 dated August, 1986 by and between the City, as lessor, and the Partnership, as the lessee, copies of which are attached hereto as Exhibit G with respect to 30 parking spaces within a garage facility known as the East Cambridge Parking Facility located at the corner of First Street and Thorndike Street in Cambridge, Massachusetts (the "First Street Garage") and (ii) that certain Lease Agreement for Parking Spaces in the East .Cambridge Parking Facility .-Phase II dated November 19, 1985 by and between the City, as lessor, and the Partnership, as lessee, as amended by that certain First Amendment to Lease Agreement for

Parking Spaces .in the East Cambridge Parking Facility -Phase II November 19, 1985 dated August, 1986 by and between the City, as lessor, and the Partnership, as lessee, copies of which are attached hereto as Exhibit H, with respect to 75 parking spaces at the First Street Garage.

(a) Tenant acknowledges and agrees that Landlord shall cause to be available to Tenant unreservad and undesignated parking spaces in tha parking area located at the Building (the "Building Garage") and the First Street Garage, During Lease Years one (1) through and including four (4), Landlord shall make available to Tenant 119 parking spaces as follows:

Location	Number of Parking Spaces
Building Garage	31
First Street Garage	88
TOTAL	119

Commencing on the first day of the fifth (5th) Lease Year of the Term of this Lease, Landlord shall increase the availability of parking for the Tenant by 22 parking spaces to a total of 141'parking spaces as follows;

Location	Number of Parking Spaces
Building Garage	36
First Street Garage	105
TOTAL	141

(b) Subject to the written consent of the City as required under the Parking Leases, Landlord shall sublease all of the 105 parking spaces at the First Street Garage referred to in the Parking Leases (the "First Street Parking Spaces") to the Manager or another entity chosen by Landlord, in its sole and absolute discretion (the "Subtenant"). It is expressly understood and agreed that Subtenant shall execute and deliver to Landlord a Sublease pursuant to which Subtenant expressly agrees (i) to assume all of the obligations of the lessee under the Parking Leases and (ii) to perform all of the terms, provisions, conditions, covenants and agreements contained in the Parking Leases to be performed by the lessee thereunder. Furthermore, it is expressly understood and agreed that the Sublease shall provide that Subtenant lease the required number of First Street Parking Spaces to Tenant hereunder. Subtenant shall rent to Tenant the First Street Parking Spaces at the First Street Garage at the rate and terms set forth in the Parking Leases. Tenant shall pay to Subtenant in advance, on or before the first day of each month during the Term of this Lease without offset, deduction, abatement or demand the then current monthly parking rate (the "Parking Charges") for each parking space allocated to Tenant (regardless of whether each such Parking Space was actually used by Tenant or not) as set forth under the terms and conditions of the Parking Leases. It is agreed and understood that the Parking Charges shall apply to each parking space allocated to Tenant hereunder,

regardless of use or non-use thereof by Tenant. Any failure of Tenant (i) to make prompt and timely payments to Subtenant of the rent required under the Parking Leases or (ii) to perform any and all other monetary and non-monetary obligations under the Parking Leases shall constitute a Default of Tenant under this Lease.

(c) Tenant shall provide the Subtenant with the license plate number of any motor vehicle to be parked in the First Street Garage and in the Building Garage. Landlord, at its option, may provide parking stickers to Tenant to identify any motor vehicle which may be parked in the First Street Garage and the Building Garage. Any motor vehicle not properly identified as belonging to Tenant or not containing appropriate identification may be removed by Subtenant, at the sole cost and expense of Tenant, without any notice to Tenant.

(d) Tenant agrees to indemnify and save Landlord harmless from and against any and all liabilities, obligations, damages, fines, penalties, claims losses, demands, costs, charges, judgments and expenses including, without limitation, reasonable attorneys' l fees, which the Landlord or its successors or assigns may sustain as a result of the actions of Tenant and its invitees, guests, agents, servants, employees, architects, engineers and consultants in using the First Street Garage and the Building Garage. This indemnity shall survive any expiration or early termination of the Term of this Lease.

(e) To the maximum extent this agreement may be made effective according to law, Tenant agrees that Landlord shall not be responsible or liable to Tenant or to those claiming by, through or under Tenant, for any loss or damage that may be occasioned by or through the acts or omissions of any person in connection with use and occupancy of the First Street Parking Spaces and the First Street Garage. Tenant and its invitees, guests, agents, servants, employees, architects, engineers and consultants accept any and all risks associated with the use and occupancy of the First Street Parking Spaces and the First Street Garage.

(f) Upon the occurrence of the Commencement Date, Landlord shall exercise its option to extend the Parking Leases for such terms as will be at least co-terminus with the expiration of the term of this Lease. Landlord shall provide Tenant with notices of any defaults under or pursuant to the Parking Leases.

14.31 ACCESS TO THE PREMISES. Subject to expiration or earlier termination of the Term of this Lease and the terms and provisions of Section 7.4 and Article XII of this Lease, from and after the Commencement Date, Tenant shall have the right to enter the Premises 365 days per year on a 24 hour per day basis.

14.32 REQUIREMENTS OF PUBLIC AUTHORITY.

(a) Legal Requirements. Tenant shall, at its own cost and expense, promptly observe and comply with all Legal Requirements (as said term is hereafter defined). Tenant shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims and demands, that may in any manner arise out of or be imposed

on the Landlord or the Property because of the failure of Tenant to comply with the covenants of this Section 14.32 or any Legal Requirement. As used herein, the term "Legal Requirements" shall mean and include all Federal, State, county and local laws, rules, ordinances, codes, regulations, statutes, administrative orders, by-laws or orders of any governmental agency or authority applicable to, imposed upon or relating to tenant's use and enjoyment of anything done in the Property or the Premises by Tenant, as same are the responsibility of Tenant under this Lease.

(b) Contests. Provided that Tenant shall not be in default under this Lease (beyond expiration of applicable notice and cure periods, if any), Tenant shall have the right to contest by appropriate legal proceedings diligently conducted in good faith, in the name of the Tenant, without cost, expense, liability or damage to the Property or to Landlord, the validity or application of any Legal Requirement and, if compliance with any of the terms of any such Legal Requirement may legally be delayed pending the prosecution of any such proceeding. Tenant may delay such compliance therewith until the final determination of such proceeding (but in no event shall such a delay extend or delay the Anticipated Completion Date or the Commencement Date), provided in each case that: (a) Landlord shall not be subject to civil or criminal, claims, penalty or damages or to prosecution for a crime, nor shall the Property or any equipment and improvements therein or any part thereof be subject to being condemned or vacated, or subject to any lien or encumbrance, by reason of non-compliance or otherwise by reason of such contest; (b) before the commencement of such contest, Tenant shall furnish to Landlord the bond of a surety company satisfactory to Landlord, in form and substance satisfactory to Landlord and in an amount equal to one hundred percent (100%) of the cost of such compliance (as estimated by Landlord) and shall indemnify Landlord against the cost of such compliance and any liability resulting from or incurred in connection with such contest or non-compliance (including, without limitation, attorneys fees); (c) such non-compliance or contest shall not constitute or result in any violation of any mortgage or ground lease now or hereafter encumbering the Property, or if any present or future holder of any such mortgage or the lessor's position under any ground lease (a "Land Lessor") shall condition such non-compliance or contest upon the taking of action or furnishing of security by Landlord, such action shall be taken and such security shall be furnished at the expense of Tenant; and (d) Tenant shall keep Landlord regularly advised as to the status of such proceedings in good faith and shall diligently prosecute same1 to completion. Landlord shall be deemed subject to prosecution for a crime if Landlord, any present or future holder of any such mortgage, a Land Lessor or any of their officers, directors, partners, shareholders, agents or employees, is charged with a crime of any kind whatever unless such charge is withdrawn five (5) days before such party is required to plead or answer thereto. This section 14.32 shall survive the expiration or earlier termination of this Lease.

14.33 COMPLIANCE WITH THE ADA: LANDLORD'S and TENANT'S OBLIGATIONS. In any case where it is determined that the^ ADA shall be

applicable to the Building or the Premises, it is agreed and understood that the costs of work . improvements and materials necessary to effect such compliance shall be born by Landlord or Tenant, as applicable in accordance with the following allocations:

Location	Party Responsible for Costs
Exterior of Premises including common areas not exclusively used by Tenant	Landlord
Premises including common areas exclusively used by Tenant	Tenant

14.34 INDEMNITIES. Wherever in this Lease it is provided that one of the parties hereto (the "Indemnitor") agrees to indemnify the other party hereto (the "Indemnitee"), it is hereby agreed that:

(i) as soon as reasonably practical after obtaining knowledge of the existence of a claim or demand upon which it may be entitled to indemnification, the Indemnitee shall provide written notice thereof to the Indemnitor, which notice shall state the facts giving rise to the claim or demand for which the indemnity is asserted;

(ii) the Indemnitee shall cooperate in the defense of any such claim or demand (at no cost to the Indemnitee), including making available at reasonable times to the Indemnitor and its counsel the personnel and records of the Indemnitee relevant to such defense; and

(iii) no such action, suit or proceeding shall be settled or otherwise compromised without (a) giving the Indemnitee timely notice of such proposed settlement or compromise and (b) the express written consent of the Indemnitee.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed, under seal, by persons hereunto duly authorized, in multiple copies, each to be considered an authorized, in multiple copies, each to be considered an original hereof, as of the date first set forth above.

TENANT:

Aspen Technology, Inc.

By: /s/

Its: Director

LANDLORD:

Teachers Insurance and
Annuity Association of America

By: /s/

Its: Director

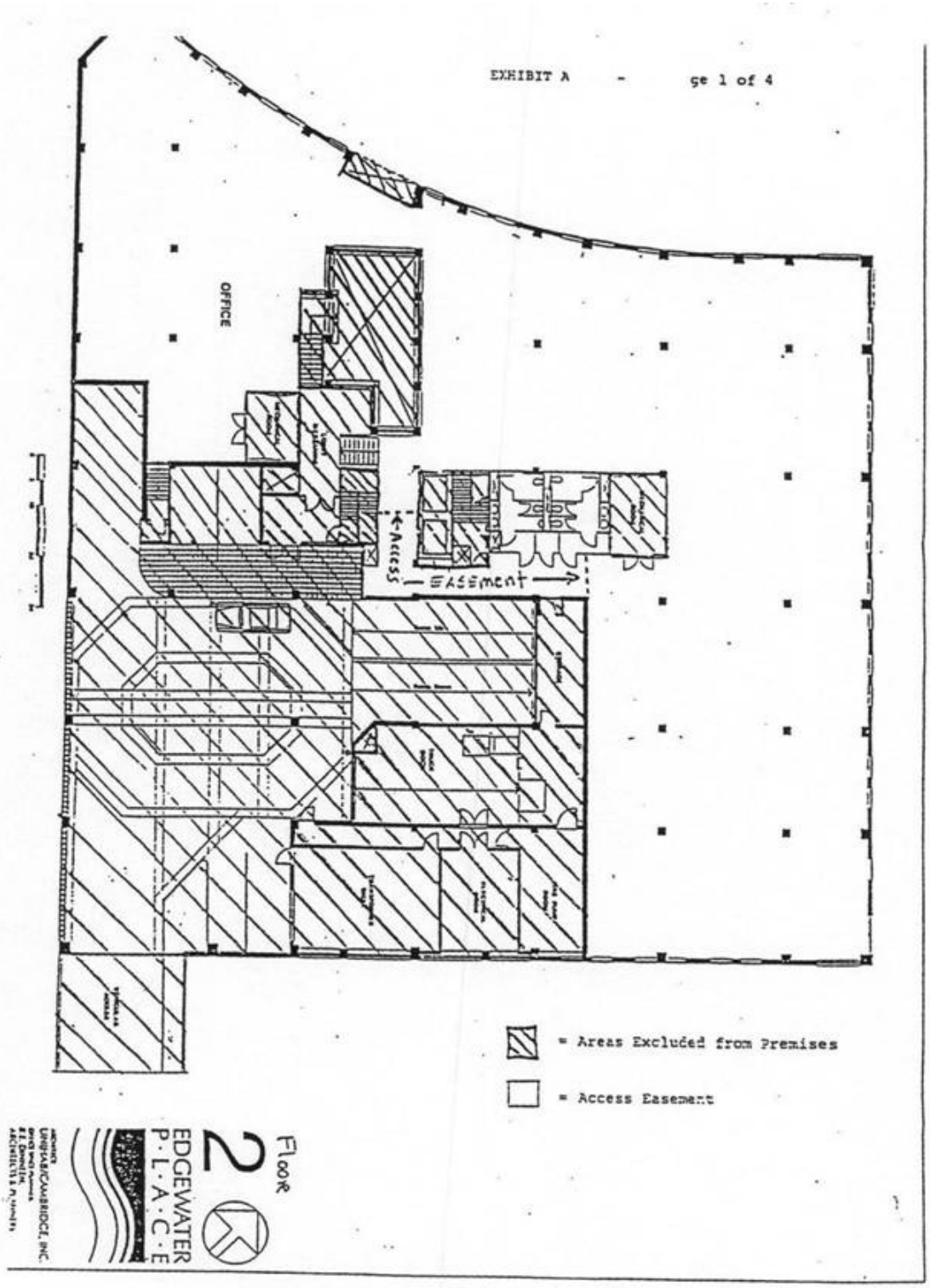
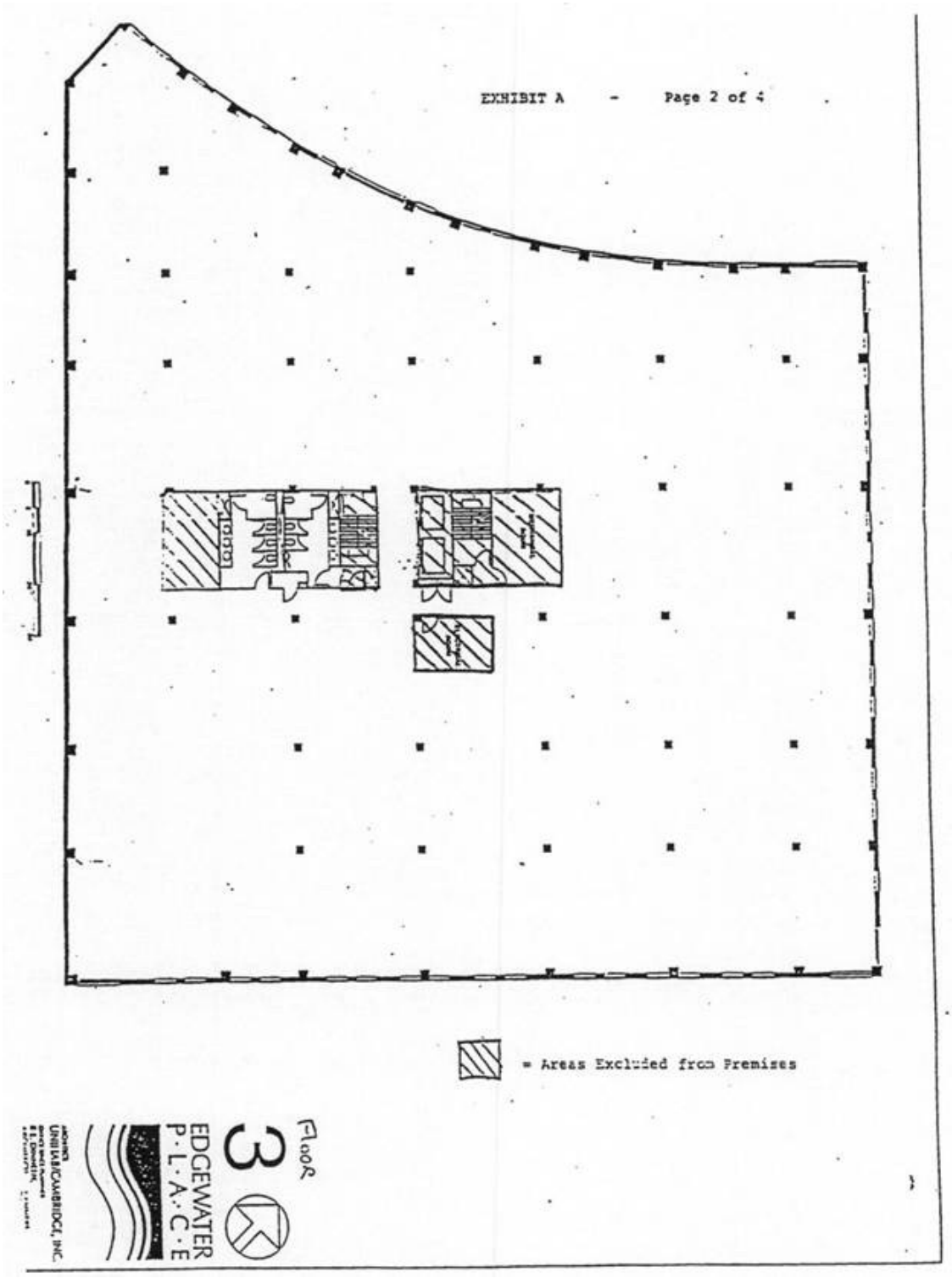


EXHIBIT A - ge 1 of 4
OFFICE
Access Easement
= Areas Excluded from Premises
= Access Easement
Floor 2
EDGEWATER P·L·A·C·E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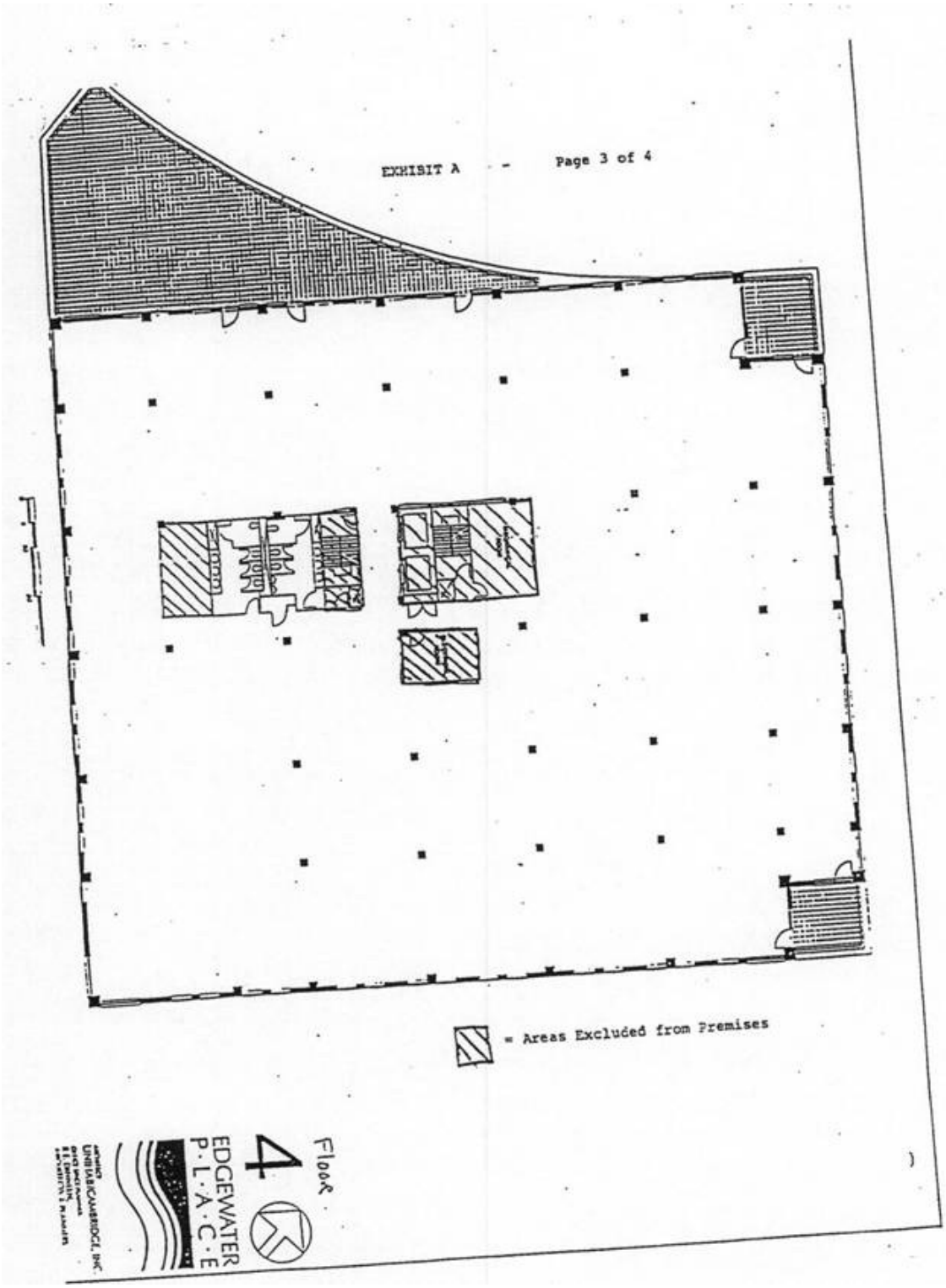
Floor 3
EDGEWATER P·L·A·C·E
UNGALA/CAMBRIDGE, INC.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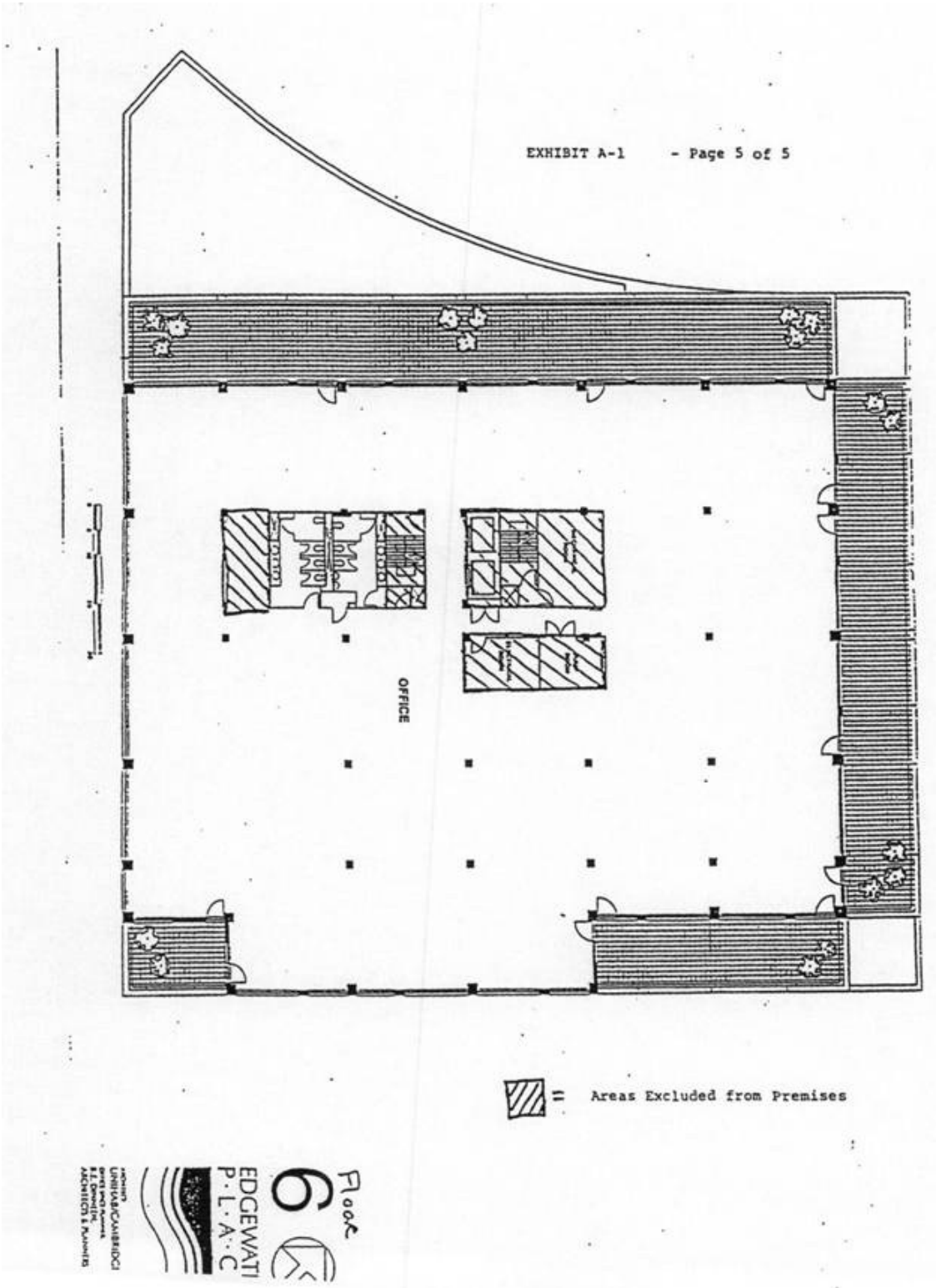
4 Floor
EDGEWATER P·L·A·C·E


OFFICE
Areas Excluded from Premises
Floor 6
EDGEWATER P·L·A·C

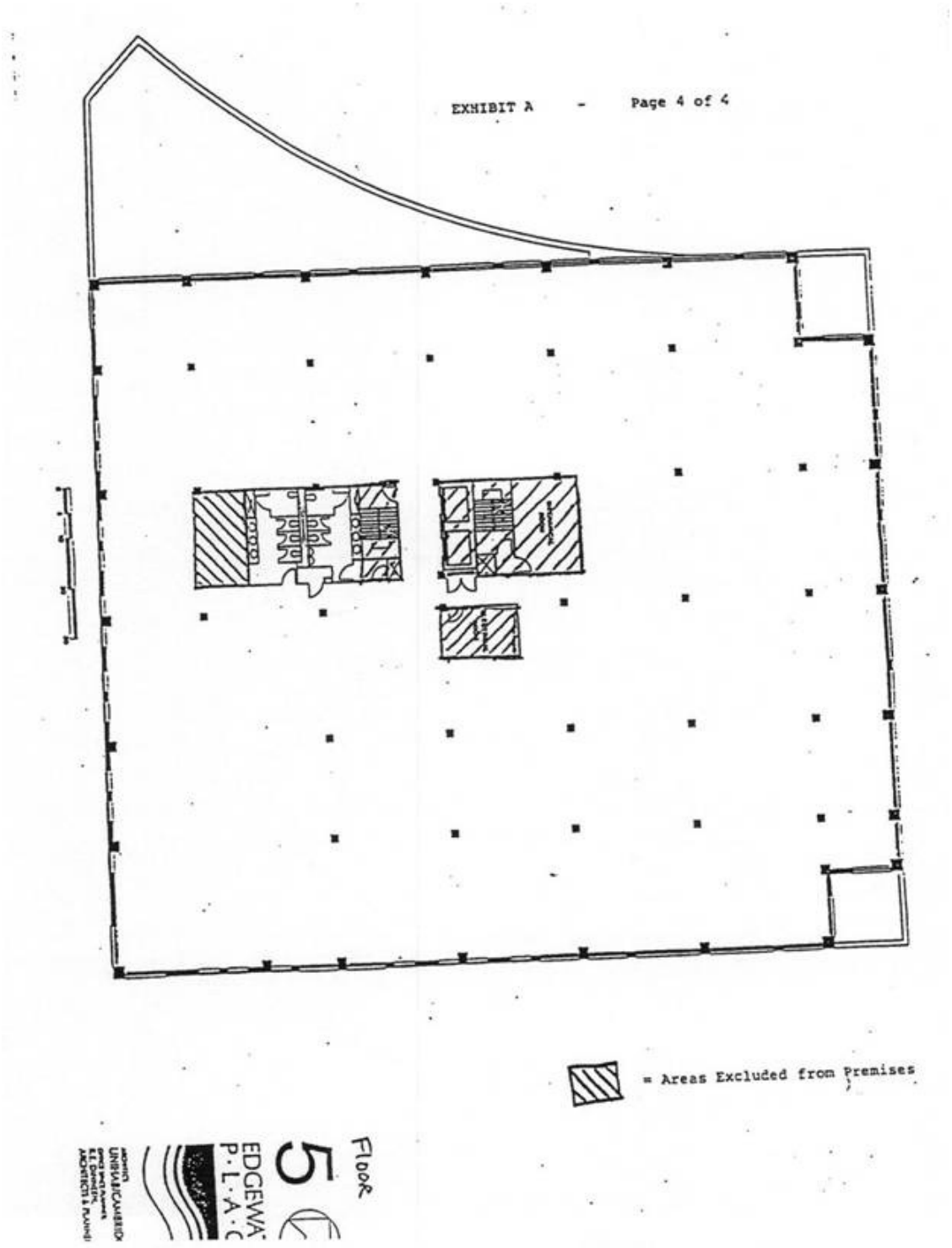


EXHIBIT B

Specifications of Leasehold Improvements and Tenant Layout
Attached to and made part of Lease dated as of January . 1992 between
TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, Landlord
and
ASPEN TECHNOLOGY, INC., Tenant
with respect to certain premises at
10 Canal Park, Cambridge, Massachusetts

1. Dimensional floor plan indicating location of partitions, doors and exit locations and changes (details required of partition and door types).

2. Location of standard electrical convenience outlets and telephone outlets.

3. Location and specification of special electrical- outlets; e.g. copiers, computers, etc.

4. Reflected ceiling plan showing layout of standard ceiling and lighting fixtures. Partitions to be shown lightly with switches located indicating fixtures to be controlled.

5. Locations and details of special ceiling conditions, lighting fixtures, speakers, diffusers, sprinkler heads, etc.

6. Location and specifications of floor covering, paint or paneling with paint colors specified.

7. Finish schedule plan indicating wall covering, paint, or paneling with paint colors specified.

8. Details and specifications of raised flooring, special millwork, glass partitions, rolling doors and grilles, blackboards, shelves, demolition work, etc.

9. Hardware schedule indicating door number keyed to plan, size, hardware required including butts, latchsets or locksets, closures, stops, and any special items such as thresholds, soundproofing, etc. Keying schedule is required.

10. Locations and verified dimensions of all built-in equipment (file cabinets, lockers, plan files, etc.).

11. In the case of Design Block Plans, all necessary mechanical, plumbing and electrical and sprinkler drawings to complete the Premises in accordance with Tenant's Plans and tie same into Building systems.

12. Location and details of special floor areas whose loading exceeds applicable building codes or building design.

13. Location of any special soundproofing requirements.

14. Existence of any extraordinary HVAC requirements necessitating perforation of structural members.

15. Location and details of any interior stairs, blended deck or other special requirements affecting the structure.

16. Any necessary increase in the design loads for the building electrical system and air conditioning system over Building design specifications.

Deliveries and Receiving - Hours –

1. The Landlord will use its best efforts to restrict deliveries to Retail Tenants to the following hours:

    a) Monday through Friday – 6:00 a.m. to 8:00 a.m.

EXHIBIT C

Tenant Services – Specifications

Attached to and made part of Lease
dated as of January 30, 1992 between
TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA, Landlord
and
ASPEN TECHNOLOGY, INC., Tenant
with respect to certain premises at
10 Canal Park, Cambridge, Massachusetts

Cleaning (excepting Saturdays and Holidays)

Lobby

Nightly -

1. Brick floor to be swept and mopped using methods and materials specified by owner
2. All ash urns to be emptied, wiped down and filled with fresh sand.
3. Elevator doors to be wiped down and polished.
4. All brass railings and metal surfaces to be wiped down and polished.
5. All glass, including doors, entrance windows, and building directory to be cleaned and polished.
6. Smudges and fingerprints to be wiped from walls, switchplates, doors counters, elevator call buttons and elsewhere as needed.
7. All brass planters to be polished and arranged properly on floor.
8. Security desk to be cleaned and wiped down.
9. All carpeted areas to be vacuumed and spot treated as necessary.

Weekly –

1. All horizontal surfaces to be wiped down and dusted, including moldings, baseboards, pictures, charts and any other area within reach of cleaner.

Monthly –

1. High dusting to be performed, including all horizontal surfaces beyond reach of cleaner.

2. All carpeted areas to be cleaned using extraction method.

Quarterly –

1. Dusting of high hats, diffusers, window frames and sconce light fixtures.

Elevators

Daily -

1. Carpeted floors to be vacuumed and sport treated as needed.
2. All polished metal surfaces to be cleaned and polished.
3. All door tracks to be vacuumed and polished.
4. All panel edges and moldings to be dusted.
5. All non-metal hard surfaces to be wiped down and left without streaks.

Weekly –

1. All carpeted areas to be cleaned using extraction method.

Receiving Areas, Garages, Base Building Common Areas –

Daily –

1. All brick floors to be swept and mopped.
2. All doors to be wiped down.
3. All garage and turn-around areas, including loading dock ramps to be swept and picked up.
4. All trash receptacles to be emptied and cleaned.

Weekly –

1. Loading dock to be pressure-washed.

Restrooms and Showers –

Daily –

1. All tiled floors to be swept and mopped.
2. All tiled wall surfaces to be washed down with a germicidal solution and wiped down without streaks.

3. All toilets and urinals to be cleaned thoroughly using a germicidal solution, both inside and out.

4. All sinks and counters to be cleaned and wiped down using a germicidal solution.

5. All soap dispensers to be filled.

6. All feminine products to be stocked.

7. All paper products, including tissue dispensers, paper towels and toilet tissue to be re-stocked.

8. All mirrors to be cleaned and polished.

9. All trash and waste receptacles to be emptied and liners replaced.

Weekly –

1. All partitions, and horizontal surfaces to be wiped down with a germicidal solution.

2. All trash and waste receptacles to be removed, washed out and replaced.

Monthly –

1. All tiled floors to be stripped, power scrubbed and sealed.

2. All light fixtures and diffusers to be dusted.

Office Spaces

Daily –

1. All high traffic carpeted areas to be vacuumed.

2. All VCT floors to be swept and mopped.

3. All trash receptacles to be emptied and liners replaced.

4. All reception areas to be left in neat and orderly condition.

Weekly –

1. All low-traffic carpeted areas to be vacuumed and spot treated if needed.

2. All table lamps and hard furniture to be dusted.

Monthly –

1. High dusting of pictures, wall hangings, charts, wall hangings and any other areas beyond normal reach of cleaner.

Quarterly –

1. Stripping, sealing and buffing of all VCT floors.

Building Security

Manned Coverage –

1. Shift A – Monday through Friday, 6:00 a.m. to 9:00 a.m.
2. Shift B – Monday through Friday, 5:00 p.m. to 9:00 p.m.

Card Access System for After-hours entry –

1. Monday through Friday, 9:00 p.m. to 6:00 a.m.
2. Saturday, Sunday and Holidays – 24 hours.

Miscellaneous Tenant Services

Window Cleaning

1. Exterior – Quarterly in March, July, October and December

Maintenance

Building Mechanic/Superintendent –

1. On duty Monday through Friday, 9:00 a.m. to 5:00 p.m.
2. On call 24 hours a day, 7 days a week.

Building Hours of Operation

1. Monday through Friday, 6:00 a.m. to 9:00 p.m., excluding the following holidays:

    a) New Years Day
    b) President's Day
    c) Martin Luther King Day
    d) Memorial Day
    e) Independence Day
    f) Labor Day
    g) Columbus Day
    h) Veteran's Day
    i) Thanksgiving Day

j) Christmas Day (and the following day when any such day occurs on Sunday).

EXHIBIT D
to TEN CANAL PARK (the "Lease")
by and between
TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA, as Landlord
and
ASPEN TECHNOLOGY, INC., as Tenant
dated as of even date herewith
with respect to certain premises at
Ten Canal Park, Cambridge, MA

OPTIONS TO EXTEND; RIGHT OF REFUSAL

1. OPTIONS TO EXTEND

1.1 Tenant shall have the right and option, which said option and right shall not be severed from this Lease or separately assigned, mortgaged or transferred, to extend the Initial Terra for two (2) additional consecutive periods of five (5) years each (hereinafter collectively referred to as the "Extension Period" and singularly as the "First Extension Period" and the "Second Extension Period", respectively), provided that (a) Tenant shall give Landlord notice of Tenant's exercise of each such option at least eighteen (18) full months prior to the expiration of the (i) Initial Term with respect to the first such option, and (ii) First Extension Period with respect to the second such option and (b) Tenant shall not be in default (beyond expiration of applicable notice and cure periods, if any) in the performance or observance of any of the terms and provisions of the Lease on the part of Tenant to be performed or observed at the time of giving applicable notice and the commencement of each such Extension Period. Except for the amount of Basic Rent (which is to be determined as hereinafter provided), all the terms, covenants, conditions, provisions and agreements in the Lease contained shall be applicable to the additional period through which the Initial Term shall be extended as aforesaid, except that there shall be no further option to extend the Term nor shall there be any Allowance nor shalL Landlord be obligated to make or pay for any improvements to the Premises nor pay any architectural or engineering fees, legal fees, brokerage fees or inducement payments of any kind or nature. If Tenant shall give notice of its exercise of each such option to extend in the manner and within the time period provided aforesaid, the Term shall be extended upon the giving of such notice without the requirement of any further attention on the part of either Landlord or Tenant. Landlord hereby reserves the right, exercisable by Landlord in its sole discretion, to waive (in writing) any or all conditions precedent to Tenant's exercise of any such option, which conditions are set forth in clauses (a) and (b) above.

If Tenant shall fail to give timely notice of the exercise of any such option as aforesaid, Tenant shall have no right to extend the Term of this Lease, time being of the essence of the foregoing provisions. Failure to timely exercise the first such option shall terminate Tenant's right to exercise the second such option. Any assignment by Tenant of its interest under this Lease or any subleasing of all or any part of the Premises (other than a subletting of a portion of the Premises consented to by Landlord pursuant to Article VI) or any termination of this Lease Agreement shall terminate the rights hereby granted Tenant. Any subletting of the Premises will not transfer to the sublessee any of the rights granted hereby.

The Basic Rent payable for each twelve (12) month period during each Extension Period shall be 90% of the Fair Market Rental Value (as said term is hereinafter defined) as of commencement of the applicable Extension Period, but, in no event, less than the Basic Rent for and with respect to the twelve (12) month period immediately preceding commencement of the applicable Extension Period. "Fair Market Rental Value" shall be computed as of the date in question at the then current annual rental charges, including provisions for subsequent increases and other adjustments by reference to new leases then currently being negotiated or executed for comparable space located in comparable buildings within a two mile radius of the Building in Cambridge.

Dispute as to Fair Market Value. Landlord shall initially designate the Fair Market Rental Value and shall furnish data in support of such designation. If Tenant disagrees with Landlord's designation of the Fair Market Rental Value, Tenant shall have the right, by written notice given to Landlord within thirty (30) days after Tenant has been notified of Landlord's designation, to submit such Fair Market Rental Value to arbitration as follows: Fair Market Rental Value shall be determined by impartial arbitrators, one to be chosen by Landlord, one to be chosen by Tenant, and a third to be selected, if necessary, as below provided. The unanimous written decision of the two first chosen, without selection and participation of a third arbitrator, or otherwise, the written decision of a majority of three arbitrators chosen and selected as provided below, shall be conclusive and binding upon Landlord and Tenant. Landlord and Tenant shall each notify the other of its chosen arbitrator within ten (10) days following the call for arbitration and, if such two arbitrators shall not have reached a unanimous decision within thirty (30) days after their designation, they shall so notify the then president of the Boston Bar Association and request him to select an impartial third arbitrator, who shall be an office building owner, a real estate counsellor or lawyer or a broker dealing with like types of properties, to determine Fair Market Rental Value as herein defined. The arbitrators shall advise the parties of their determination at least 30 days prior to the Extension Period. If the dispute between the parties as to a Fair Market Rental Value has not been resolved before the commencement of tenant's obligation to pay rent based upon such Fair Market Rental Value, then Tenant shall pay Basic Rent and other charges under the Lease in respect of the Premises in the amounts which were applicable to the twelve (12) month period immediately prior to the applicable Extension Period until either the agreement of the parties as to the Fair Market Value designated by Landlord/ or the decision of the arbitrators, as the case may be, at which time Tenant shall pay any underpayment of Basic Rent and other charges to Landlord.

2. RIGHT OF FIRST REFUSAL. Tenant and Landlord acknowledge that Damons ("Damons") and Pizzeria Uno ("Uno") lease space on the first floor of the Building. In addition, the space located on the sixth floor of the Building is presently vacant. In the event that (i) either Damons or Uno's shall vacate the Building or (ii) Landlord shall receive an offer to Lease the space on the sixth floor from a third party, prior to entering into a lease for such vacant space with any third party desiring to lease such vacant space, Landlord shall first submit to Tenant a writing (the "Offer") setting forth the terms and conditions upon which such third party would agree to lease such vacant space. Within ten (10) days of Tenant's receipt of the Offer, Tenant shall have the right to accept each and every term contained in the Offer by written notice to Landlord, whereupon Landlord and Tenant shall enter into an additional lease or an amendment to this Lease incorporating the terms and provisions of the Offer within twenty (20) days of Tenant's acceptance of the Offer. Failure of Tenant to (i) accept the Offer in its entirety within the ten

(10) day period set forth above or (ii) to enter into the Lease or an amendment to this Lease regarding the terms of the Offer within the twenty (20) day period set forth above shall be deemed a waiver of Tenant's rights with respect to the space described in the Offer and Landlord shall be free to lease such space described in the Offer to such third party tenant upon the terms and conditions set forth in the Offer. It is agreed that time is of the essence with respect to the foregoing provisions of this Paragraph 2. If, after Tenant has failed to enter into such Lease or amendment, Landlord thereafter fails to enter into a lease of such space to a third party on the terms presented to Tenant within 90 days of Landlord's submission of the Offer to Tenant, then Tenant shall again have its right of first refusal to such space. In the event that Tenant shall accept an Offer with respect to the vacant space on the sixth floor, the amount of the Allowance to be made available to Tenant in the Fifth Lease Year for the purpose of improving the sixth floor space pursuant to Section 4.7(a) shall be reduced dollar for dollar by the amount of any tenant improvement allowance or the cost of any tenant improvements provided to Tenant for purposes of improving the sixth floor space for leasing pursuant to the terms of an accepted Offer.

IN WITNESS WHEREOF, this Exhibit D to the Ten Canal Park Lease has been executed under seal by the parties hereto as of the date set forth herein below.

LANDLORD: TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

By: _____

Its: Director

TENANT: ASPEN TECHNOLOGY, INC.

By: _____

Its: Vice President

Dated: January , 1992

EXHIBIT E

(ITEMS INCLUDED IN BUILDING/
UTILITY COSTS AND OPERATING EXPENSES)

A. Without limitation, Building Energy/Utility Costs shall include:

Costs for electricity, fuel, oil, gas, steam, water and sewer use charges and other utilities supplied to the Property and not paid for directly by tenants.

B. Without limitation, Operating Expenses shall include:

1. All expenses incurred by Landlord or Landlord's agents which shall be directly related to employment of personnel, including amounts incurred for wages, salaries and other compensation for services, payroll, social security, unemployment and similar taxes, workmen's compensation insurance, disability benefits, pensions, hospitalization, retirement plans and group insurance, uniforms and working clothes and the cleaning thereof, and expenses imposed on Landlord or Landlord's agents in connection with the operation, repair, maintenance, cleaning, management (including the Fixed Management Fee, as said term is defined in Section 14.29 of the Lease) and protection of the Property, and its mechanical systems including, without limitation, day and night supervisors, property manager, accountants, bookkeepers, janitors, carpenters, engineers, mechanics, electricians and plumbers and personnel engaged in supervision of any of the persons mentioned above: provided that, if any such employee is also employed on other property of Landlord, such compensation shall be suitably allocated by Landlord among the Property and such other properties.

2. The cost of services, materials and supplies furnished or used in the operation, repair, maintenance, cleaning, management and protection of the Property including, without limitation, fees and assessments, if any, imposed upon Landlord, or charged to the Property, by any governmental agency or authority or other duly authorized private or public entity on account of public safety services, transit, housing, police, fire, sanitation, office park covenants and maintenance agreements or other services or purported benefits.

3. The cost of replacements for tools and other similar equipment used in the repair, maintenance, cleaning and protection of the Property, provided that, in the case of any such equipment used jointly on other property of Landlord, such costs shall be allocated by Landlord among the Property and such other properties.

4. Premiums for insurance against damage or loss to the Building from such hazards as shall from time to time be generally required by institutional mortgagees in the Boston area for similar properties, including, but not by way of limitation, insurance covering loss of rent attributable to any such hazards, and public liability insurance.

5. Intentionally Omitted.

6. If, during the Term of this Lease, Landlord shall make a capital expenditure (i) which is intended for purposes of making the Building operate more eficiently or to reduce Operating Expenses or (ii) required to be made by federal, state or local regulation, statute, law or ordinance not in effect as of the date of this Lease, the total cost of which is not properly includable in Operating Expenses for the Operating Year in which it was made, there shall nevertheless be included in such Operating Expenses for the Operating Year in which it was made and in Operating Expenses for each succeeding Operating Year. The annual charge-off to be included in Operating Expenses shall be determined by dividing the original capital expenditure plus an interest factor, reasonably determined by Landlord, as being the interest rate then being charged for long-term mortgages, by institutional lenders on like properties within the locality in which the Building is located, by the number of years of useful life of the capital expenditure, and the useful life shall be determined reasonably by Landlord in accoradance with generally accepted accounting principles and practices in effect at the time of making such expenditure. No other capital expenditures shall be included in Operating Expenses.

7. Betterment assessments provided the same are apportioned equally over the longest period permitted by law.

8. Amounts paid to independent contractors for services, materials and supplies furnished for the operation, repair, maintenance, cleaning and protection of the Property.

9. Landlord and Tenant each acknowledge that certain services and amenities provided by Landlord for the Building benefit not only Tenant but other tenants of the Building occupying the retail spaces of the Building. Therefore, Landlord and Tenant have agreed to allocate and exclude certain costs which relate to certain specified services or amenities benefiting the retail tenants from the definition of Operating Expenses hereinabove set forth. The following percentages of the following costs shall be excluded from Operating Expense line items hereunder:

6% of administrative payroll benefits and taxes;
6% of repairs and maintenance on the Building Elevator System;
6% of administrative payroll; and
8% of the following items:

(a) Professional Fees – Management
(b) Insurance
(c) Rental Expense
(d) Telephone Expense
(e) Office Supplies
(f) Furniture and Equipment Rental
(g) Postage and Delivery
(h) Repairs and Maintenance, Exterior
(i) Repairs and Maintenance, Interior

(j) Repairs and Maintenance, Equipment
(k) Repairs and Maintenance, HVAC
(l) Repairs and Maintenance, General
(m) Window Cleaning
(n) Lamps and Lightbulbs
(o) Trash Removal and Sanitation
(p) Extermination
(q) Grounds Expense
(r) Snow Removal
(s) Building Electric
(t) Water and Sewer

EXHIBIT F

Building Management Specifications

Attached to and made part of Lease
dated as of January , 1992 between
TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA, Landlord
and
ASPEN TECHNOLOGY, INC., Tenant
with respect to certain premises at
10 Canal Park, Cambridge, Massachusetts

Contracting of Services

The manager shall develop specifications, accept bids and award contracts for the following:

1. Contract cleaning
2. Window washing.
3. HVAC service contract maintenance.
4. Condenser water chemical treatment service.
5. Elevator maintenance (full-service.)
6. Sprinkler system and fire pump maintenance and inspection.
7. Fire alarm system inspection and testing.
8. Contract security.
9. Rubbish hauling.
10. Snow removal.
11. Extermination and pest control.
12. Annual thermographic inspection and maintenance of the building electrical system.
13. Common area planting. – interior.
14. Air quality testing and analysis.
15. Landscaping – exterior.
16. Common area carpet cleaning.

Maintenance Contract – Required Specifications

HVAC – The maintenance contract will be "full maintenance" and must include the following:

1. The condenser tower
2. All water-cooled package units.
3. The make-up air unit.
4. Condenser water pumps.
5. Elevator machine room climate control.
6. Main air compressor and air drier.

7. All associated controls.

Elevators – The elevator maintenance contract will be a "full-service" contract, including labor and parts.

Electrical System – The building electrical service will be thermographically inspected and regular maintenance will be performed on an annual basis, including torquing and testing of main feeds, switchboards, bus ducts, distribution and tenant panels and emergency power systems.

Life Safety Systems – The building fire alarm system, sprinkler system and fire pump will be fully inspected and tested annually.

General Requirements

All contracts awarded by the manager will be subject to the owner/landlord's written approval and Tenant's rights pursuant to Section 14.29.

Building Maintenance

The building will be staffed by a full-time mechanic/superintendent whose major responsibilities will include the following:

1. Supervision of daily and routine building operations.
2. The purchase, stocking and inventory of building supplies.
3. The coordination and supervision of all contractor repairs and maintenance.
4. The performance of and documentation for all in-house periodic maintenance, in accordance with established specifications.
5. The scheduling and supervision of all required and statutory inspections of all fire and life safety systems and elevators, with the oversight and approval of the manager.
6. The supervision and maintenance of all building systems.
7. The completion and administration of all tenant work orders in a timely, efficient manner.

In–House Maintenance

The manager will establish an annual schedule for the regular maintenance of all building systems. Specifications and procedures for the proper maintenance of all equipment and systems will be established. Records of all work performed will be maintained and forwarded to the owner/landlord for review.

The manager will also purchase and maintain tools, equipment, spare parts and other supplies deemed necessary to properly maintain the building and its systems. Tools and equipment purchased shall be the property of the building and not the manager.

Maintenance of Common Areas

The manager will maintain and repair the common and public areas of the building in order to keep them in a first-class condition and appearance at all times, with the oversight of the landlord/owner.

The manager will maintain relationships with vendors/contractors providing services on an as-needed basis, such as plumbing and electrical contractors, carpentry, painting and drywall contractors, etc.

The manager will purchase all supplies, lamps, paper goods, etc., needed to properly operate and maintain the property from reliable suppliers in a cost-effective manner.

Maintenance of Base Building Systems and Building Structure

The manager shall at all times keep in good order, condition and repair the roof, public areas, exterior walls (including exterior glass) and structure of the building (including building plumbing, mechanical and electrical systems installed by the owner/landlord.)

EXHIBIT G

LEASE AGREEMENT

for

PARKING SPACES

in the

EAST CAMBRIDGE PARKING FACILITY – PHASE I

between

THE CITY OF CAMBRIDGE

and

EDGEWATER PLACE LIMITED PARTNERSHIP

NOVEMBER 19, 1985

Lessee agrees that the City may rent all or any portion of the 30 parking spaces to the general public at a fee until such time as the City receives notice from Lessee as hereinafter set forth. Thereafter, the City shall make available to Lessee the 30 parking spaces or any portion thereof as set forth in written notice from Lessee to the City. The City shall make available to Lessee that number of parking spaces set forth in said notice and in the following notices within thirty (30) days of receipt thereof. The City may continue to rent the balance, if any, of the 30 parking spaces to the general public at a fee until such time as it has received written notice or notices from Lessee for all 30 parking spaces. The Lessee agrees that in no event shall any notice or notices hereunder require the City to make available to Lessee fewer than 10 parking spaces per notice.

2. Term. The term of this Lease shall commence on the later of the date on which the East Cambridge Garage-Phase I shall be opened by the City for use by its lessees or the date upon which the Development shall be occupied by its first tenant, and shall continue until the day immediately preceding the Tenth (10^{th}) anniversary of the date of commencement, unless said term shall be earlier terminated or extended as provided herein. Lessor shall use diligent efforts to pen the East Cambridge Garage – Phase I by December 1, 1985. The Lessee shall have sixteen (16) successive options to renew for additional Terms of four years each.

3. Reduction in Number of Spaces. Lessee shall at all times have the right, upon 30 days written notice to the City in accordance with Paragraph 17 hereof, to reduce the number of parking spaces leased hereunder; PROVIDED, HOWEVER, that Lessee agrees that it shall at all times retain under this Lease and/or in combination with and parking available on the Ter anal site and under other parking leases that number of parking spaces required by the City's Zoning Ordinance to support the Development.

4. Rent. Lessee shall pay to the City a monthly rental for that number of parking spaces leased hereunder, in advance, on the first day of each calendar month during the term of this Lease, an amount not to exceed that rend paid to the City by other private lessees in the East Cambridge Garage for such calendar month, and proportionately at the same rate for partial monthly periods at the commencement and termination thereof, and subject to retroactive adjustment at the end of any calendar month on account of any decreases or increases in the spaces leased during such month.

5. Termination.

a. Lessee may terminate this Lease upon thirty (30) days written notice to the City in accordance with Paragraph 17 hereof, provided that said written notice is accompanied by the written consent thereto of Lessee's mortgagee(s).

b. City may terminate this Lease in the event of default by Lessee not cured within the applicable grace period, as set forth in paragraph 13 hereof.

6. City's Covenants, Representations and Warranties.

a. City covenants and warrants that in its operation and maintenance of the East Cambridge Garage and in the prosecution and conduct of its business therein, it shall comply with the terms of the Certificate of Occupancy for the use of the East Cambridge Garage, and that it will not use or permit to be used any part of the East Cambridge Garage for any dangerous, noxious or offensive activity, and will not cause or maintain any nuisance in, at or on the East Cambridge Garage. City further covenants and agrees to comply with all permits, and all applicable laws, regulations and rules of fire inspection boards, health officials, building inspectors, and other proper officers of any governmental agency having jurisdiction thereover.

b. City covenants and warrants that the East Cambridge Garage is not subject to or complies with the terms and requirements of the parking freeze in effect in the City.

c. City covenants that the East Cambridge Garage will be maintained and operated as an orderly and well-maintained public parking garage. City shall not obstruct or cause obstruction of the sidewalks or other common areas of the East Cambridge Garage, nor shall it produce or cause the production of offensive noise, nor allow soliciting (subject to applicable law) or canvassing in the East Cambridge Garage. Further, the City shall exclude from the East Cambridge Garage disorderly persons, subject at all times to applicable law.

d. The City expressly represents and warrants that it shall obtain at its own cost and expense any and all permits, licenses and approvals required and necessary for the conduct of a commercial parking business in the East Cambridge Garage.

e. The City covenants and warrants that it shall keep and maintain the East Cambridge Garage and every part thereof including without limitation the ways, surfaces of the floor slabs, common areas, sidewalks immediately adjacent to all exits and entrances to the East Cambridge Garage and other appurtenances pertaining thereto, as well as the exterior and interior portions of all elevators, doors, windows, ticketing equipment, cashier's booths and their appurtenant equipment, mechanical and manual barriers, directional markers and signs, stripping, painting, lights, electrical systems, sanitary facilities, plumbing, and all other equipment and appurtenances in or upon the East Cambridge Garage in good order, condition and repair, including without limitation, all electricity, plumbing, air conditioning, heating, sewage and other utility facilities exclusively serving and/or within the East Cambridge Garage and utilized by the East Cambridge Garage, and as well as all interior walls, floors, ceilings, interior and exterior and all interior building appliances, elevators and similar equipment, and to keep the

interior driving and parking surfaces, the entrance and exit ramps, and the sidewalks adjacent to the entire East Cambridge Garage clear of ice and snow. The City agrees that the East Cambridge Garage including the ways, areas, and other appurtenances pertaining thereto shall at all times be kept in a clean, sanitary and safe condition and in accordance with all applicable laws and with a security system and level of maintenance, repair and operation at least equal to that characteristic of parking garages located within first-class high-rise office buildings in the City of Cambridge.

7. Taxes. The City shall be responsible for the payment of all real estate taxes, assessments, taxes or rentals, charges and the like as may be imposed or become a lien on any portion of the East Cambridge Garage. Nothing contained in this Lease shall be construed so as to require Lessee to pay or be liable for any gift, inheritance, franchise, succession, transfer, income, profits, capital or similar tax, or any similar tax in lieu of any of the foregoing, imposed upon the City and/or its successors and assigns.

8. Utilities. **[the page is cut off]** provide and pay for 11 light and power, heat, water, steam, electricity, gas, water and other utilities used in the East Cambridge Garage, and cleaning and refuse disposal for the East Cambridge Garage.

9. Insurance.

a. The City shall, at its own cost and expense, maintain and keep in effect throughout the term of this Lease for the benefit of City, Lessee, and Lessee's mortgagee as named insureds:

i) Insurances against claims for personal injury or property damage, under a polity of general liability insurance with limits of one million dollars ($1,000,000.00) per occurrence, (or such higher limits as may in the future be typically carried by owners or operators of

comparable garages in the City of Cambridge), in respect of personal injury or death and property damage, and such accident and liability insurance shall cover the entire East Cambridge Garage, as well as the sidewalks in front of and adjacent to the East Cambridge Garage.

(ii) Fire insurance on all-risks basis, including debris removal and demolition, and coverage for increased costs of construction, if applicable, in an amount at least equal to the replacement cost of the East Cambridge Garage (with a commercially reasonable deductible clause and containing an 80% co-insurance clause, as such replacement costs may from time to time be determined by agreement or by appraisal by an accredited insurance appraiser which determination may be required by either party whenever three (3) years have elapsed since the last such agreement or appraisal, or when alternations or deductions increasing cost have been made.

b. All insurance provided for under this Lease shall be effected under valid and enforceable policies issued by insurers recognized as responsible by major institutional lenders and licensed to do business in the Commonwealth of Massachusetts. Certificates of said insurance shall be delivered to Lessee and the policies shall provide that not less than ten (10) days prior to their expiration, evidence of renewal or a new certificate together with evidence of payment of premium thereof shall be delivered to Lessee.

c. Nothing in this Paragraph shall prevent Lessee or City, as the case may be, from taking out insurance of the kind and in the amount hereinabove provided for under a blanket insurance policy or policies which can cover other properties owned or operated by City of Lessee, as the case may be, as well as the Garage, provided however, that any such policy or policies of blanket insurance shall specify therein, or Lessee or City, as the case may be, shall furnish the other with a written statement from the insurers under such policy specifying, the

amount of the total insurance allocated to the East Cambridge Garage, which amount shall not be less than the amount required to be carried by this paragraph.

10. Damage to East Cambridge Garage. Should the whole or any part of the East Cambridge Garage be damaged or destroyed during the term of this Lease then, except as otherwise provided in this Lease, the City, at its sole cost and expense, shall repair, restore or rebuild the East Cambridge Garage to substantially the condition it was in immediately prior to such damage or destruction, and Lessee's rent shall abate on a proportionate basis to the extend that the East Cambridge Garage is rendered unusable during any such period of damage, destruction, repair or restoration. All such repair, restoration or rebuilding shall be performed with due diligence in a good and workmanlike manner with new materials of **(?)** first-class quality and in accordance with applicable law and plans and specifications for such work reasonably approved by the City and Lessee (except that the City shall not be required to obtain approval of Lessee if the City intends to reconstruct the East Cambridge Garage as it was constituted prior to such damage or destruction).

11. Eminent Domain.

In the event that the City receives notices of the intention of any authority to appropriate, take or condemn the East Cambridge Garage or any portion thereof under any right of eminent domain, condemnation or other law ("Taking"), the City shall promptly notify Lessee thereof. In the event of such Taking or like proceeding, the City, shall use its best and good faith efforts to provide Lessee with 30 alternative parking spaces under a long term lease substantially similar in all material respects to this Lease.

In the event that the City's said best and good faith efforts fail to produce alternative parking spaces, then Lessee may prosecute its claim for damages for taking of its leasehold interest independent of the City's claims. If for any reason Lessee is denied the opportunity to so

present its claim, the City will present such claim and shall remit immediately to Lessee upon receipt Lessee's portion of the award or settlement as the result of such taking, and all costs thereof shall be paid by the parties in proportion to the amount of the award, settlement or sale proceeds that each received.

12. Assignment and Subletting.

Lessee covenants and agrees not to assign this Lease or to sublease all or any number of the parking spaces leased hereunder) to other than a parent subsidiary or affiliated entity, a lender pursuant to a collateral assignment, or a successor in interest to ownership of the Development; without the written consent of the City, which consent the City covenants not tot unreasonably withhold or delay. It is expressly understood that use of the parking spaces by lessee's tenants and the other parties named in Paragraph 1 shall not be considered a sublease or assignment.

13. Default and Remedies.

a. Failure to make timely payment to the City of any payment due hereunder shall be an event of default by Lessee. In the event of such default, the City shall provide Lessee with written notice thereof. Upon receipt of written notice, Lessee shall cure such default within 30 days (the aforesaid 30-day period, being referred to herein as a "Grace Period").

b. The City agrees that:

i) If any default is not cured by Lessee within the Grace Period, then before giving any notice of election to terminate this Lease or to regain possession of the parking spaces, it shall give additional written notice of the continuing default to Lessee's mortgagee(s) ("Lender") at the addresses set forth in Paragraph 17, or such additional or substitute addresses as any additional or existing mortgages shall provide to City by notice given in accordance with said Paragraph 17. City shall allow Lender an additional Grace Period of 60 days from the date of

receipt of said additional notice to cure such default. The City shall not give any such notice of election, or commence any action or proceeding for possession, if Lender shall, within the additional Grace Period, cure such default. In the event said default is not cured pursuant to this paragraph, the City may terminate the Lease notice to Lessee and its mortgagees given in accordance with Paragraph 17.

ii) In the event that this Lease shall terminate by reason of a default by Lessee, Lender may, within 30 days after such termination, request that the City execute and the City shall execute, a new lease to provide the 100 parking spaces in the East Cambridge Garage upon all the terms, covenants and conditions of this Lease in effect immediately prior to the termination thereof.

Simultaneously with the execution of such new lease, Lender shall pay to City all sums due City by Lessee under said Lease on the date of termination of said lease, plus all reasonable costs and expenses (including attorney's fees) incurred by the City in connection with said termination and the preparation of a new lease.

14. Lessee's Partners. No partner of the Lessee shall, other than to the extent of such partner's interest in the assets of the Lessee, be personally liable to the City, or any successor in interest or person claiming through or under the City, in the event of any default or breach, or for or on account of any amount which may be or become due, or on ay claim, cause or obligation whatsoever under the terms of this Lease.

15. Quiet Enjoyment. City covenants that if, and so long as, Lessee keeps and performs each and every term and condition herein contained on the part of the Lessee to be kept and performed, Lessee shall quietly enjoy the parking spaces leased hereunder without hindrance or molestation by the City or by any other person lawfully claiming the same.

16. Non-Disturbance and Attornment. The party agrees that if Lender or any other mortgagee or party claiming under such mortgagee shall succeed to Lessee's interests in this Lease, the City will recognize said Lender or mortgagee as its Lessee under the provisions of this Lease, provided that said Lender or mortgagee, during the period in which it shall be in possession of the parking spaces and thereafter its successor in interest, shall assume all of the obligations of Lessee hereunder arising during such period of possession.

17. Notices. Any notice to be given hereunder shall be delivered or sent by certified mail, return receipt requested, to the following addresses:

Edgewater Place Limited Partnership
c/o Unihab, Inc.
50 Church Street
Cambridge, MA 02138
Attn: Jeffrey Baron

With a copy to:
Sullivan & Worcester
One Post Office Square
Boston, MA 02109
Attn: Russ V. V. Bradley

and

St. James Properties, Inc.
314 Dartmouth Street
Boston, MA 02116
Attn: Chris Flemming

The City of Cambridge
Office of Community Development
City Hall Annex
57 Inman Street
Cambridge, MA 02139
Attn: Assistant City Manager for
Community Development

With a copy to:
John G. Wofford, Esq.
Csaplar & Bok
One Winthrop Square
Boston, MA 02110

Old Stone Bank
180 S. Main Street
Providence, Rhode Island 02903
Attn: Loan Administration, Real
Estate Investment Group

18. Successors and Assigns. The covenants, agreements, terms, provisions and conditions of this Lease shall bind and benefit the respective successors, assigns and legal representatives of the parties hereto with the same effect as if mentioned in each instance where a party hereto is named or referred to.

19. The parties hereto agree that upon request of either party each will execute, acknowledge and deliver a short form of this lease in recordable form sufficient to satisfy the requirements of M.G.L. Chapter 183, Section 4.

Executed to take effect as a sealed instrument on the date first hereinabove set forth.

Edgewater Place Limited Partnership

By: Ten Canal Park Associates,
General Partner

By: Unihab, Inc., General Partner

By: _____
Arthur Klipfel, III
Managing General Partner

City of Cambridge

By: _____
Robert W. Healy
City Manager

Approved as to Form:

_____
Russell B. Higley
City Solicitor

FIRST AMENDMENT
to the
LEASE AGREEMENT FOR PARKING SPACES
in the
EAST CAMBRIDGE PARKING FACILITY – PHASE 1
between
THE CITY OF CAMBRIDGE
and
EDGEWATER PLACE LIMITED PARTNERSHIP
November 19, 1985

Whereas, the city of Cambridge (hereinafter "the Lesser") has entered into a Lease Agreement (hereinafter "the Lease") with Edgewater Place Limited Partnership (hereinafter "the Lessee"); and

Whereas, the parties desire to amend the Lease to conform to the conditions of the Lechmere Canal Development UDAG;

Therefore, the parties do mutually agree to amend the Lease as follows:

1. In Paragraph 2, Delete the words "ninety-ninth (99^{th})" and substitute in place thereof the words "tenth (10^{th})"; and at the end of Paragraph 2 add the following sentence: "The Lessee shall have sixteen (16) successive options to renew for additional terms of five years each."

2. Delete Paragraph 4 in its entirety and substitute in place thereof the following:

   #4. Rent. Lessee shall pay to the City a monthly rental for the 30 parking spaces leased hereunder, in advance, on the first day of each calendar month during the term of this lease, an amount equal to $113 per space. Said amount shall be increased at the end of each full 12 month period included in the tem by the greater of (i) the amount of the per space pro rata share of actual increases during such 12 month period in reasonable and customary operating expenses, including but not limited to management fees, building maintenance, reserve for replacement, heat, electrical, water and sewer charges, or (ii) the amount of the difference between the then average rent paid to the City by other private lessees in the East Cambridge Garage (if higher than the rent hereunder) and the amount of the then rent owed by the Lessee.

3. Delete Paragraph 5 in its entirety and substitute in place thereof the following:

   #5. Security: Lessee shall provide to the lessor security satisfactory to the Lessor for payment of said rent as described in Paragraph 4 herein, including but not limited to a collateral assignment of leases between the Lessee, as developer of the Development, and the tenants of the Development for the amount of said rent payments.

4. All other provisions of the Lease not specifically amended herein shall remain in full force and effect.

Executed to take effect as a sealed instrument this day of August 1986.

Approved as to Form:

Russell B. Higley
City Solicitor

Edgewater Place Limited Partnership

By: Ten Canal Park Associates,
General Partner

By: Unihab, Inc., General Partner
By: _____
Arthur Klipfel, III
Managing General Partner

City of Cambridge

By: _____
Robert W. Healy
City Manager

EXHIBIT H

LEASE AGREEMENT

for

PARKING SPACES

in the

EAST CAMBRIDGE PARKING FACILITY – PHASE II

between

THE CITY OF CAMBRIDGE

and

EDGEWATER PLACE LIMITED PARTNERSHIP

NOVEMBER 19, 1985

9 6

Agreement made this 19th day of November, 1985 (the "Lease") by and between the City of Cambridge, a body politic and corporate and a political subdivision of the Commonwealth of Massachusetts (hereinafter with successors and assigns referred to as "City") and Edgewater Place Limited Partnership, a Massachusetts Limited, whose general partner is Ten Canal Park Associates, with Unihab, Inc., as a general partner having a principal place of business at 50 Church Street, Cambridge, Massachusetts (hereinafter with successors and assigns referred to as "Lessee").

WHEREAS, the City is the owner of a garage facility known as the East Cambridge Parking Facility ("East Cambridge Garage") located at the corner of First Street and Thorndike Street; and

WHEREAS, Lessee is the owner of the Ten Canal Park site located on the Lechmere Canal, and the developer of certain private improvements thereon; and

WHEREAS, by a UDAG Agreement of even date ("Development Agreement") the City has agreed to provide Lessee with 75 parking spaces in the East Cambridge Garage Phase II;

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

1. Premises and Purpose. The City hereby leases to Lessee, and the Lessee hereby lease from the City, upon and subject to the terms of this Lease, 75 parking spaces within the East Cambridge Garage-Phase II, which spaces may be assigned or unassigned in the City's discretion, for the parking use of tenants and their employees, visitors, invitees and customers) of the building to be constructed on Ten Canal Park (the "Development"). To the extent required by law, the City will make available to Lessee a proportionate number of bicycle spaces.

2. Term. The term of this Lease shall commence on the date on which the East Cambridge Garage-Phase II shall be opened by the City for use by its lessees, and shall continue until the day immediately preceding the ninety-ninth (99 th) anniversary of the date of commencement, unless said terms shall be earlier terminated or extended as provided herein.

3. Rent. Lessee shall pay to the City a monthly rental for the 75 parking spaces leased hereunder, in advance, on the first day of each calendar month during the term of this Lease, an amount equal to $113 per space. Said amount shall be increased at the end of each full 12 month period included in the term by the greater of i) the amount of the per space pro rata share of actual increases during such 12 month period in reasonable and customary operating expenses, including but not limited to management fees, building maintenance, reserve for replacement, heat, electrical, water and seweer charges, or ii) the amount of the difference between the then average rent paid to the City by other private lesses in the East Cambridge Garage (if higher than than the rent hereunder) and the amount of the then rent owed by the Lessee.

4. Termination.

a. Subject to a written approval by the City, the Lessee may terminate this Lease upon thirty (30) days written notice to the City in accordance with Paragraph 17 hereof, provided that said written notice is accompanied by the written consent thereto of Lessee's mortgagee(s).

b. City may terminate(?) this lease in the event of default by Lessee, not cured within the applicable grace period as set forth in Paragraph 13 hereof.

5. City's Covenants, Representations and Warranties.

a. City covenants and warrants that in its operation and maintenance of the East Cambridge Garage and in the prosecution and conduct of its business therein, it shall comply with the terms of the Certificate of Occupancy for the use of the East Cambridge Garage, and that it will not use or permit to be used any part of the East Cambridge Garage for any dangerous, noxious or offensive activity, and will not cause or maintain any nuisance in, at or on the East Cambridge Garage. City further covenants and agrees to comply with all permits, and all applicable laws, regulations and rules of fire inspection boards, health officials, building inspectors, and other proper officers of any governmental agency having jurisdiction thereover.

b. City covenants and warrants that the East Cambridge Garage is not subject to or complies with the terms and requirements of the parking freeze in effect in the City.

c. City covenants that the East Cambridge Garage will be maintained and operated as an orderly and well-maintained public parking garage. City shall not obstruct or cause obstruction of the sidewalks or other common areas of the East Cambridge Garage, nor shall it produce or cause the production of offensive noise, nor allow soliciting (subject to applicable law) or canvassing in the East Cambridge Garage. Further, the City shall exclude from the East Cambridge Garage disorderly persons, subject at all times to applicable law.

d. The City expressly represents and warrants that it shall obtain at its own cost and expense any and all permits, licenses and approvals required and necessary for the conduct of a commercial parking business in the East Cambridge Garage.

e. The City covenants and warrants that it shall keep and maintain the East Cambridge Garage and every part thereof including without limitation the ways, surfaces of the floor slabs, common areas, sidewalks immediately adjacent to all exists and entrances to the East Cambridge Garage and other appurtenances pertaining thereto, as well as the exterior and interior portions of all elevators, doors, windows, ticketing equipment, cashier's booths and their appurtenant equipment, mechanical and manual barriers, directional markers and signs, striping, painting, lights, electrical systems, sanitary facilities, plumbing, and all other equipment and appurtenances in or upon the East Cambridge Garage in good order, condition and repair, including without limitation, all electricity, plumbing, air conditioning, heating, sewage and other utility facilities exclusively serving and/or within the East Cambridge Garage and utilized by the East Cambridge Garage, and as well as all interior walls, floors, ceilings, interior and exterior and all interior building appliances, elevators and similar equipment, and to keep the interior driving and parking surfaces, the entrance and exit ramps, and the sidewalks adjacent to the entire East Cambridge Garage clear of ice and snow. The City agrees that the East Cambridge Garage including the ways, areas, and other appurtenances pertaining thereto shall at all times be kept in a clean, sanitary and safe condition and in accordance with all applicable laws and with a security system and level of maintenance, repair and operation at least equal to that characteristic of parking garages located with: first-class high-rise office buildings in the City of Cambridge.

6. Taxes. The City shall be responsible for the payment of all real estates taxes, assessments, taxes or rentals, charges and the like as may be imposed or become a lien on any portion of the East Cambridge Garage. Nothing contained in this Lease shall be construed so as to require Lessee to pay or be liable for any gift, inheritance, franchise, succession, transfer,

income, profits, capital or similar tax, or any similar tax in lieu of any of the foregoing, imposed upon the City and/or its successors and assigns.

7. Utilities. The City shall be solely responsible for, and provide and pay for, all light and power, heat, water, steam, electricity, gas, water and other utilities used in the East Cambridge Garage, and cleaning and refuse disposal for the East Cambridge Garage.

8. Insurance.

a. The City shall, at its own cost and expense, maintain and keep in effect throughout the term of this Lease for the benefit of City, Lessee, and Lessee's mortgagee as named insureds.

i) Insurances against claims for personal injury or property damage, under a policy of general liability insurance with limits of one million dollars ($1,000,000.00) per occurrence (or such higher limits as may in the future be typically carried by owners or operators of comparable garages in the City of Cambridge), in respect of personal injury or death and property damage, and such accident and liability insurance shall cover the entire East Cambridge Garage, as well as the sidewalks in front of and adjacent to the East Cambridge Garage.

ii) Fire insurance on all-risks basis, including debris removal and demolition, and coverage for increased costs of construction, if applicable, in an amount at least equal to the replacement cost of the East Cambridge Garage (with a commercially reasonable deductible clause and containing an 80% co-insurance clause, as such replacement costs may from time to time be determined by agreement or by appraisal by an accredited insurance appraiser which determination may be required by either party whenever three (3) years have elapsed since the last such agreement or appraisal, or when alternations or deductions increasing cost have been made.

b. All insurance provided for under this Lease shall be effected under valid and enforceable policies issued by insurers recognized as responsible by major institutional lenders and licensed to do business in the Commonwealth of Massachusetts. Certificates of said insurance shall be delivered to Lessee and the policies shall provide that not less than then (10) days prior to their expiration, evidence of renewal or a new certificate together with evidence of payment of premium therefor shall be delivered to Lessee.

c. Nothing in this Paragraph shall prevent Lessee or City, as the case may be, from taking out insurance of the kind and in the amount hereinabove provided for under a blanket insurance policy or policies which can cover other properties owned or operated by City or Lessee, as the case may be, as well as the Garage, provide however, that any such policy or policies of blanket insurance shall specify therein, or Lessee or City, as the case may be, shall furnish the other with a written statement from the insurers under such policy specifying, the amount of the total insurance allocated to the East Cambridge Garage, which amount shall not be less than the amount required to be carried by this paragraph.

9. Damage to East Cambridge Garage. Should the whole or any part of the East Cambridge Garage be damaged or destroyed during the term of this Lease then, except as otherwise provided in this Lease, the City, at its sole cost and expense, shall repair, restore or rebuild the East Cambridge Garage to substantially the condition it was in immediately prior to such damage or destruction, and Lessee's rent shall abate on a proportionate basis to the extent that the East Cambridge Garage is rendered unusable during any such period of damage, destruction, repair or restoration. All such repair, restoration or rebuilding shall be performed with due diligence in a good and workmanlike manner with new materials of first-class quality and in accordance with applicable law and plans and specifications for such work reasonably

approved by the City and Lessee (except that the City shall not be required to obtain approval of Lessee if the City intends to reconstruct the East Cambridge Garage as it was constituted prior to such damage or destruction).

10. Eminent Domain.

In the event that the City receives notice of the intention of any authority to appropriate, take or condemn the East Cambridge Garage or any portion thereof under any right of eminent domain, condemnation or other law ("Taking"), the City shall promptly notify Lessee thereof. In the event of such Taking or like proceeding, the City shall use its best and good faith efforts to provide Lessee with 30 alternative parking spaces under a long term lease substantially similar in all material respects to this Lease.

In the event that the City's said best and good faith efforts fail to produce alternative parking spaces, then Lessee may prosecute its claim for damages for taking of its leasehold interest independent of the City's claims. If for any reason Lessee is denied the opportunity to so present its claim, the City will present such claim and shall remit immediately to Lessee upon receipt Lessee's portion of the award or settlement as the result of such taking, and all costs thereof shall be paid by the parties in proportion to the amount of the award, settlement or sale proceeds that each received.

11. Assignment and Subletting.

Lessee covenants and agrees not to assign this Lease or to sublease all or any number of the parking spaces leased hereunder to other than a parent, subsidiary or affiliated entity, a lender pursuant to a collateral assignment, or a successor in interest to ownership of the Development, without the written consent of the City, which consent the City covenants not to unreasonably withhold or delay. It is expressly understood that use of the parking

spaces by lessee's tenants and the other parties named in Paragraph 1 shall not be considered a sublease or assignment.

12. Default and Remedies.

a. Failure to make timely payment to the City of any payment due hereunder shall be an event of default by Lessee. In the event of such default, the City shall provide Lessee with written notice thereof. Upon receipt of written notice, Lessee shall cure such default within 30 days (the aforesaid 30-day period, being referred to herein as a "Grace Period").

b. The City agrees that:

i) If any default is not cured by Lessee within the Grace Period, then before giving any notice of election to terminate this Lease or to regain possession of the parking spaces, it shall give additional written notice of the continuing default to Lessee's mortgagee(s) ("Lender") at the addresses set forth in Paragraph 17 or such additional or substitute addresses as any additional or existing mortgages shall provide to City by notice given in accordance with said Paragraph 17. City shall allow Lender an additional Grace Period or 60 days from the date of receipt of said additional notice to cure such default. The City shall not give any such notice of election, or commence any action or proceeding for possession, if Lender shall, within the additional Grace Period, cure such default. In the event said default is not cured pursuant to this paragraph, the City may terminate the Lease by notice to Lessee and its Mortgagees given in accordance with Paragraph 17.

ii) In the event that this Lease shall terminate by reason of a default by Lessee, Lender may, within 30 days after such termination, request that the City execute and the

City shall execute, a new lease to provide the 100 parking spaces in the East Cambridge Garage upon all the terms, covenants and conditions of this Lease in effect immediately prior to the termination thereof.

Simultaneously with the execution of such new lease, Lender shall pay to City all sums due City all sums due City by Lessee under said Lease on the date of termination of said Lease, plus all reasonable costs and expenses (including attorney's fees) incurred by the City in connection with said termination and the preparation of a new lease.

13. Lessee's Partners. No partner of the Lessee shall, other than to the extent of such partner's interest in the assets of the Lessee, be personally liable to the City, or any successor in interest or person claiming through or under the City, in the event of any default or breach, or for or on account of any amount which may be or become due, or on any claim, cause or obligation whatsoever under the term of this Lease.

14. Quiet Enjoyment. City covenants that if, and so long as, Lessee keeps and performs each and every term and condition herein contained on the part of the Lessee to be kept and performed, Lessee shall quietly enjoy the parking spaces leased hereunder without hindrance or molestation by the City or by any other person lawfully claiming the same.

15. Non-Disturbance and Attornment. The City agrees that if Lender or any other mortgagee or party claiming under such mortgagee shall succeed to Lessee's interest in this Lease, the City will recognize said Lender or mortgagee as its Lessee under the provisions of this Lease, provided that said Lender or mortgagee, during the period in which it shall be in possession of the parking spaces, and thereafter its successor in

interest, shall assume all of the obligations of Lessee hereunder arising during such period of possession.

16. Notices. Any notice to be given hereunder shall be delivered or sent by certified mail, return receipt requested, to the following addresses:

Edgewater Place Limited
Partnership
c/o Unihab, Inc.
50 Church Street
Cambridge, MA 02138
Attn: Jeffrey Baron

With Copy to:
Sullivan & Worcester
One Post Office Square
Boston, MA 02109
Attn: Russ V.V. Bradley

and

St. James Properties, Inc.
314 Dartmouth Street
Boston, MA 02116
Attn: Chris Flemming

The City of Cambridge
Office of Community Development
City Hall Annex
57 Inman Street
Cambridge, MA 02139
Attn: Assistant City Manager
for Community Development

With Copy to:
John G. Wofford, Esq.
Csaplar & Bok
One Winthrop Square
Boston, MA 02110

Old Stone Bank
180 S. Main Street
Providence, Rhode Island 02903
Attn: Loan Administration, Real
Estate Investment Group

18. Successors and Assigns. The covenants, agreements, terms, provisions and conditions of this Lease shall bind and benefit the respective successors, assigns and legal representatives of the parties hereto with the same effect as if mentioned in each instance where a party hereto is named or referred to.

19. The parties hereto agree that upon request of either party each will execute, acknowledge and deliver a short form of this lease in recordable form sufficient to satisfy the requirements of M.G.L. Chapter 183, Section 4.

Executed to take effect as a sealed instrument on the date first hereinabove set forth.

Edgewater Place Limited Partnership

By: Ten Canal Park Associates,
Genera Partner

By: Unihab, Inc., General Partner

By: /s/ Arthur Klipfel, III
Arthur Klipfel, III
Managing General Partner

City of Cambridge

By: /s/ Robert W. Healy
Robert W. Healy,
City Manager

Approved as to Form:
/s/ Russell B. Higley
Russell B. Higley
City Solicitor

FIRST AMENDMENT
to the
LEASE AGREEMENT FOR PARKING SPACES
in the
EAST CAMBRIDGE PARKING FACILITY – PHASE II
between
The City of Cambridge
and
Edgewater Place Limited Partnership
NOVEMBER 19, 1985

Whereas, the City of Cambridge (hereinafter "the Lesser") has entered into a Lease Agreement (hereinafter "the Lease") with Edgewater Place Limited Partnership (hereinafter "the Lessee"); and

Whereas, the parties desire to amend the Lease to conform to the conditions of the Lechmere Canal Development UDAG;

Therefore, the parties do mutually agree to amend the Lease as follows:

1. In Paragraph 2, Delete the words "ninety-ninth (99th)" and substitute in place thereof the words "tenth (10th)"; and at the end of Paragraph 2 add the following sentence: "The Lessee shall have sixteen (16) successive options to renew for additional terms of five years each."

2. Delete Paragraph 4 in its entirety and substitute in place thereof the following:

   #4. Security. Lessee shall provide to the Lessor security satisfactory to the Lessor for the payment of said rent as described in Paragraph 3 herein, including but not limited to a collateral assignment of leases between the Lessee, as developer of the Development, and the tenants of the Development for the amount of said rent payments.

3. All other provisions of the Lease not specifically amended herein shall remain in full force and effect.

Executed to take effect as a sealed instrument on this day of August , 1986.

Approved as to Form:

/s/ Russell B. Higley
Russell B. Higley
City Solicitor

Edgewater Place Limited Partnership

By: Ten Canal Park Associates
General Partner

By: Unihab, Inc., General Partner

By: /s/ Arthur Klipfel, III
Arthur Klipfel, III
Managing General
Partner

City of Cambridge

By: /s/ Robert W. Healy

Robert W. Healy
City Manager

5. Agree to cooperate fully with you in the event that you should at any time undertake to exercise your rights hereunder;

6. Warrant that Tenant has fully complied with and fulfilled those of its responsibilities under said Construction Contract which would normally have been fulfilled at this stage;

7. Agree that we will not enter into any amendment or modification of the Construction Contract without the written consent of your construction representative, Leggat McCall Property Management, Inc. ("LMPM") and that no such amendment or modification will be binding upon you without the express written consent of LMPM;

8. Agree that each Requisition submitted pursuant to the Construction Contract shall be accompanied by such lien releases, waivers, affidavits or other appropriate forms from us and our subcontractors and materialmen as you may reasonably require;

9. Agree that we will not stop work on the Project or terminate the Construction Contract without first notifying you of Tenant's default under the Construction Contract and giving you a reasonable opportunity to cure same.

Very truly yours,

_____

Witness:

_____ By: _____

Its: _____

2374D

LEGGAT MCCALL PROPERTIES MANAGEMENT, L.P.

10 Post Office Square
Boston, MA 02109
617-422-7000
617-422-7099 Fax Management
617-422-7002 Fax Accounting

November 3, 1994

Ms. Joanne M. Wright
Director, Administrative Services and Facilities
Aspen Technology, Inc.
Ten Canal Park
Cambridge, MA 02114

Dear Joanne:

As you may be aware, the undersigned is interested in entering into a lease (the "Proposed Lease") with Applied Paralled Technologies for approximately 3,480 rentable square feet of space (the "Space") located on the sixth floor of Ten Canal Park, Cambridge, Massachusetts, as more specifically shown on Exhibit A hereto.

This letter shall confirm our agreement that Aspen Technology, Inc. hereby waives any and all rights of first refusal it may have with respect to the Space located on the sixth floor of Ten Canal Park, Cambridge, Massachusetts, as set forth in Exhibit D paragraph 2. Right of First Refusal of the Lease dated January 30, 1992. Notwithstanding the foregoing, Aspen Technology does not waive any and all other rights of first refusal.

Kindly indicate Aspen Technology, Inc.'s agreements to the foregoing by executing this letter where indicated, and returning it to me at your earliest convenience.

Sincerely,

TEACHERS INSURANCE & ANNUITY

ASSOC. OF AMERICA

By its Agent, Leggat McCall Properties

Management, L.P.

/s/ Bradley F. McGill

Bradley F. McGill

Senior Leasing Manager

The foregoing is hereby agreed to and accepted
ASPEN TECHNOLOGY, INC.

/s/ Mary A. Dean

Duly Authorized Mary A. Dean, Senior
Vice President, Finance, Chief
Financial Officer

Applied Paralled Technologies
lease term shall terminate on
August 31, 1996.

Exhibit 10.1(c)

FOURTH LEASE AMENDMENT AND LANDLORD CONSENT TO SUBLEASE

THIS FOURTH LEASE AMENDMENT AND LANDLORD CONSENT TO SUBLEASE ("Agreement") is entered into as of September 5, 2007 [the **"Effective Date**) by and among **MA-TEN CANAL PARK, L.L.C.,** a Delaware limited liability company **("Landlord")**, **ASPEN TECHNOLOGY, INC.,** a Delaware corporation **("Tenant")** and **EOP CANAL LEASE CO, LLC,** a Delaware limited liability company **("Subtenant").**

RECITALS.

A. Landlord (as successor in interest to Aspen Technology, Inc., a Massachusetts corporation) is the tenant under that certain lease agreement dated January 30, 1992, as amended by that certain First Amendment dated May 5, 1997, that certain Second Amendment dated August 14, 2000 and that certain Third Amendment dated October 26, 2005 (collectively, the "Lease") entered into by and between MA-TEN CANAL PARK, L.L.C., a Delaware limited liability company (as successor in interest to EOP-Ten Canal Park, L.L.C., as successor in interest to Beacon Properties, L.P., as successor in interest to Teachers Insurance and Annuity Association of America) ("Landlord") Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 110,843 rentable square feet (the "Premises") on the 1 st through 6th floors of the building commonly known as Ten Canal Park located at Ten Canal Park, Cambridge, Massachusetts (the "Building")

B. Tenant has requested Landlord's consent to a sublease of even date herewith (the "Sublease") by Tenant to EOP Canal LeaseCo LLC, a Delaware limited liability company (Subtenant") of that portion of the Premises consisting of the entire fourth (4 th) and fifth (5th) floors of the 2nd floor of the Building containing approximately 2,000 rentable square feet of space (collectively, the "Sublet Premises"), and Landlord is willing to grant its consent upon the terms set forth in this Agreement.

C. Landlord, Sublandlord and Subtenant mutually desire that the Lease be amended on and subject to the following terms and conditions.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and intending to be legally bound, Landlord and Tenant agree as follows:

1. Amendments.

1.01 Building Renovations. Notwithstanding anything to the contrary set forth in the Lease, Landlord shall have the right to make cosmetic changes to the lobby, loading dock, parking garage and roof of the Building using Building standard materials, finishes and means from and after the Effective Date without hindrance or disturbance by Tenant or anyone claiming by, through or under Tenant, in connection with such modifications, Landlord, its agents and contractors, shall have full access to and through such areas of the Building for the purpose of performing such cosmetic changes as Landlord deems necessary or desirable. Landlord agrees to use commercially reasonable efforts to minimize interference with or disruption of business activities in the Premises, and in no event shall any of such cosmetic changes materially adversely affect on a continuous basis access to the Building or to any portion of the Premises or

to the parking facilities in the Building, providing that temporary closures shall be permitted so long as alternative means of access is available. All such cosmetic changes shall be performed at landlord's sole cost and expense and will not be included in Operating Expenses for the Building.

1.02 Exterior Signage. As of the Effective Date, Tenant relinquishes, waives and releases all of Tenant's rights under the Lease to erect exterior signage on the Property, including, but not limited to, Tenant's rights under Paragraph 13.22 of the Lease. On or before October 31, 2007, Tenant shall remove, at Tenant's cost and expense, any and all exterior signs currently located on the Building or the Property and repair any damage to the Building or Property resulting from such removal.

1.03 Renewal Option. As of the Effective Date, Tenant relinquishes, waives and releases all renewal and extension rights under the Lease, including, without limitation, under Paragraph VI of the Second Amendment of Lease.

1.04 Expansion Rights. Tenant acknowledges and confirms that Tenant has no expansion rights, rights of first offer, rights of second offer or rights of first refusal under the Lease.

1.05 Building Services. Section 7.1(b) and Exhibit C to the Lease are hereby amended as follows:

> "From and after the Commencement Date, Landlord, as part of Building Services, shall take over and be responsible for: (i) receiving and administering telephone and electronic mail service requests from Tenant's subtenants for services and repairs required to be provided or performed by Landlord under the Lease, and the cost of providing this service will be included in Operating Expenses for the Building; and (ii) the staffing of a concierge desk in the lobby on the first (1^{st}) floor of the Building. Notwithstanding anything to the contrary set forth in the Lease, the cost of providing this service will not be included in Operating Expenses for the Building. However, Tenant shall pay one-twelfth ($1/12^{th}$) of Landlord's total estimated concierge expenses on the same day of the month and with the monthly payment of Basic Rent. There shall be an adjustment and reconciliation of the actual amount owed to Landlord and the actual amount paid by Tenant in the same manner as Escalation Charges."

1.06 Audit Rights. Section 9.2(d) of the Lease is deleted in its entirety and the following substituted therefor:

"Within thirteen (13) months after receiving Landlord's annual statement of Operating Expenses (the **"Review Notice Period"**), Tenant may give Landlord written notice **("Review Notice")** that Tenant intends to review Landlord's records of the Operating Expenses for the calendar year to which the statement applies, and within six (6) months after sending the Review Notice to Landlord (such period is referred to as the **"Request for Information Period"**), Tenant shall send Landlord a written request identifying the information that Tenant desires to review (the **"Request for Information"**), provided

that Tenant may update the Request for Information so long as any such update does not delay the audit process. Within a reasonable time after Landlord's receipt of a timely Request for Information and executed Audit Confidentiality Agreement (referenced below), Landlord shall forward to Tenant, or make available for inspection in the Boston metropolitan area such records (or copies thereof) for the applicable calendar year that are reasonably necessary for Tenant to conduct its review of the information appropriately identified in the Request for Information, as may be updated. Within six (6) months after any particular records are made available to Tenant (such period is referred to as the **"Objection Period"**), Tenant shall have the right to give Landlord with notice (an "**Objection Notice**") stating in reasonable detail any objection to Landlord's statement of Operating Expenses for that year which relates to the records that have been made available to Tenant. If Tenant provides Landlord with a timely Objection Notice, Landlord and Tenant shall work together in good faith to resolve any issues raised in Tenant's Objection Notice. If Landlord and Tenant determine that Operating Expenses for the calendar year are less than reported. Landlord shall provide Tenant with a credit against the next installment of Rent in the amount of the overpayment by Tenant or, upon request of Tenant, give Tenant a refund within thirty (30) days of such determination. Likewise, if landlord and Tenant determine that Operating Expenses for the calendar year are greater than reported, Tenant shall pay Landlord the amount of any underpayment within thirty (30) days of such determination. If Tenant fails to give Landlord an Objection Notice with respect to any records that have been made available to Tenant prior to expiration of the Objection Period applicable to the records which have been provided to Tenant, Tenant shall be deemed to have approved Landlord's statement of Operating Expenses with respect to the matters reflected in such records and shall be barred from raising any claims regarding the Operating Expenses relating to such records for that year. If Tenant fails to provide Landlord with a Review Notice prior to expiration of the Review Notate Period or fails to provide Landlord with a Request for information prior to expiration of the Request for Information Period described above, Tenant shall be deemed to have approved landlord's statement of Expenses and shall be barred from raising any claims regarding the Operating Expenses for that year

Tenant shall be solely responsible for all Casts, expenses and tees incurred for the audit, and the fees charged cannot be based in whole or in part on a contingency basis. If it is determined that Tenant has overpaid Operating Expenses by more than five percent (5%), Landlord shall be responsible for the costs, expenses and fees incurred for the audit. The records and related information obtained by Tenant shall be treated as confidential, and applicable only to the Building, by Tenant and its auditors, consultants and other parties reviewing such records on behalf of Tenant {collectively, '**Tenant's Auditors'**}, and prior to making any records available to Tenant or Tenant's Auditors, Landlord may require Tenant and Tenants Auditors to each execute a reasonable confidentiality agreement (' **Audit Confidentiality Agreement'**) in accordance with the foregoing. In no event shall Tenant be permitted to examine Landlords records or to dispute any statement of Operating Expenses unless Tenant has paid and continues to pay all Rent when due."

1.07 Default. Section 13.1(a)(i) of the Lease is deleted in its entirety and the following substituted therefor:

'(i) Tenant shall fail to pay the Basic Rent, Escalation Charges or other sums payable as additional charges hereunder (including, without limitation, any sum or charge payable by Tenant to the "Subtenant" pursuant to Section 14.29 of this Lease) within fourteen (14) days after written notice thereof from Landlord to Tenant or"

1.08 Parking. Pursuant to Section 14.30 of the Lease, Landlord subleases to Tenant the 105 parking spaces at the First Street Garage referred to in the Lease and in this Section 1.08 as the "First Street Parking Spaces". As provided in the Parking Leases (as defined in the Lease). Landlord has the following rights with respect to the First Street Parking Spaces: (i) to reduce the number of pricing spaces teased under the City Leases upon thirty (30) days written notice to the City (as defined in the Lease) provided that Landlord must at all times retain enough parking spaces at and far the Building to satisfy the City's zoning requirements for the Building; and (ii) to terminate the Parking Leases upon thirty (30) days written notice to the City, provided that Landlord's termination notice must be accompanied by the written consent thereto of Landlord's mortgagee(s), if any Subject to the foregoing, and as express conditions precedent thereto, Landlord agrees to use commercially reasonable efforts to terminate all of the First Street Parking Spaces under the City Leases: provided, however, the parties agree that Landlord shall not be required to seek a zoning change, variance, amendment or modification of the City's zoning requirements for parking at the Building nor shall Landlord be required to incur any cost or fee in seeking the approval of Landlord's mortgagees) to a termination of the City Leases. If Landlord is unable to terminate the City Leases due to zoning requirements for the Building and/or Landlord's mortgagee(s) unwillingness to consent to a termination of the City leases or the imposition by Landlord's mortgagee(s) of a charge or fee in connection therewith, Tenant shall remain liable under Section 14.30 of the Lease for the First Street Parking Spaces in accordance with Section '14 30 of the lease, provided, however, that Landlord agrees to use commercially reasonable efforts to cooperate with Tenant from time to time in endeavoring to secure a replacement subtenant(s) or assignee for all or any portion of the First Street Parking Spaces and obtaining the City's written consent thereto as required under the City Leases.

2. Consent to Sublease. Landlord hereby consents to the Sublease, subject to the following terms and conditions, all of which are hereby acknowledged and agreed to by Tenant and Subtenant.

2.01 Sublease Agreement. Tenant and Subtenant hereby represent that a true and complete copy of the Sublease is attached hereto and made a part hereof as Exhibit A, and Tenant and Subtenant agree that the Sublease shall not be modified without Landlord's poor written consent, which consent shall not be unreasonably withheld.

2.02 Representations. Tenant hereby represents and warrants that Tenant (i) has full power and authority to sublease the Sublet Premises to Subtenant without the consent of any third party required, (ii) has not transferred or conveyed its interest in the Lease to any person or entity collaterally or otherwise, except for the subleases identified on Exhibit B attached hereto and made a part hereof, and (iii) has full power and authority to enter into the Sublease and this Agreement. Subtenant hereby represents and warrants that Subtenant has full power and authority to enter into the Sublease and this Agreement without the consent of any third party

required Landlord hereby represents and warrants that Landlord has full power and authority to enter into this Agreement without the consent of any third party required

2.03 Indemnity and Insurance. Subtenant hereby assumes, with respect to Landlord, all of the indemnity and insurance obligations of the tenant under the Lease with respect to the Sublet Premises, provided that the foregoing shall not be construed as relieving or releasing Tenant from any such obligations.

2.04 No Release. Nothing contained in the Sublease or this Agreement shall be construed as relieving or releasing Tenant from any of its obligations under the Lease, it being expressly understood and agreed that Tenant shall remain liable for such obligations notwithstanding anything contained in the Sublease or this Agreement or any subsequent assignment, sublease, or transfer of the interest of the tenant under the Lease, provided, however, that if Subtenant is in Default (as defined in the Sublease) in the payment of any amounts due under the Sublease ("Default Rent"), Tenant shall have the right to offset the amount of the Default Rent against the rent and other sums due from Tenant to Landlord under the Lease (and any such nonpayment of Default Rent shall not constitute a default under the Lease), but only after (i) written notice to Landlord and Subtenant of Subtenant's nonpayment of Default Rent to Sublandlord and the expiration of the applicable cure period, under the Sublease, and (a) an additional notice to Landlord and Subtenant that such nonpayment has not been cured within the applicable cure period under the Sublease Agreement. Tenant shall be responsible for the rent due to from Subtenant, subject to Tenants offset right hereinabove described, and for the performance of all the other terms and conditions of the Sublease, it being understood that Landlord is not a party to the Sublease and, notwithstanding anything to the contrary contained in the Sublease, is not bound by any terms, provisions, representations or warranties contained in the Sublease and is not obligated to Tenant or Subtenant for any of the duties and obligations contained therein.

2.05 Transfer. Notwithstanding anything to the contrary set forth in the Lease, Subtenant may further sublease the Sublet Premises, assign its interest as the Subtenant under the Sublease or otherwise transfer its interest in the Sublet Premises or the Sublease to any person or entity without the written consent of Landlord or Tenant Neither Landlord nor Tenant shall charge a fee in connection with any such sublease or other transfer by Subtenant

2.06 Lease. The parties agree that the Sublease is subject and subordinate to the terms of the Lease, and all terms of the Lease, other than Tenant's obligation to pay Basic Rent, are incorporated into the Sublease, except to the extent expressly modified hereby or under the Sublease. In no event shall the Sublease or this Agreement be construed as granting or conferring upon Tenant or Subtenant any greater rights than those contained in the Lease nor shall there be any diminution of the rights and privileges of the Landlord under the Lease, nor shall the Lease be deemed modified in any respect. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Lease and the provisions of the Sublease with respect to the Sublet Premises only, the provisions of the Sublease shall control.

2.07 Parking and Services. The parking rights in the Building Garage under Section 14.30 of the Lease (as defined therein) granted to Subtenant under the Sublease shall be satisfied out of the parking nights granted to Tenant under Section 14.30 of the Lease. Subtenant's rights

in and to such parking spaces in the Building Garage shall be subject to the terms and conditions set forth in Section 14.30 of the Lease and the payment of all charges associated therewith. Tenant hereby authorizes Subtenant to obtain services and materials for or related to the Sublet Premises directly from Landlord, Landlord shall bill Subtenant deadly for such services and materials, or any portion thereof in which event Subtenant shall pay far the services and materials so billed upon written demand from Landlord. Any nonpayment by Subtenant for such services and materials shall not constitute a default by Tenant under the Lease, and Tenant shall have no liability therefor

2.08 Attornment. If the Lease or Tenant's right to possession thereunder terminates for any reason prior to expiration of the Sublease, Subtenant agrees, at the written election of Landlord, to attar to Landlord upon the then executory terms and conditions of the Sublease for the remainder of the term of the Sublease In the event of any such election by Landlord, Landlord will not be (a) liable for any rent paid by Subtenant to Tenant more than one month in advance, or any security deposit paid by Subtenant to Tenant, unless same has been transferred to Landlord by Tenant; (b) liable for any act or omission of Tenant under the Lease, Sublease or any other agreement between Tenant and Subtenant or for any default of Tenant under any such documents which occurred poor to the effective date of the adornment; subject to any defenses or offsets that Subtenant may have against Tenant which arose prior to the effective date of the adornment; (d) bound by any changes or modifications made to the Sublease without the written consent of Landlord; (e) obligated in any manner with respect to the transfer, delivery, use or condition of any furniture, equipment or other personal property in the Sublet Premises which Sublandlord agreed would be transferred to Subtenant or which Tenant agreed could be used by the Subtenant during the term of the Sublease; or (f) liable for the payment of any improvement allowance, or any other payment, credit, offset or amount due from Tenant to Subtenant under the Sublease. If Landlord does not elect to have Subtenant adorn to Landlord as described above, the Sublease and all rights of Subtenant in the Sublet Premises shall terminate upon the date of termination of the Lease or Tenant's right to possession thereunder. The terms of this Section 2.08 supersede any contrary previsions in the Sublease.

2.09 Payments Under the Sublease. If at any time Tenant is in default under the terms of the Lease, Landlord shall have the right to contact Subtenant and require Subtenant to pay all rent due under the Sublease directly to Landlord until such time as Tenant has cured such default. Subtenant agrees to pay such sums directly to Landlord if requested by Landlord, and Tenant agrees that any such sums paid by Subtenant shall be deemed applied against any sums owed by Subtenant under the Sublease and shall offset Tenant's rent obligations under the Lease in the manner hereinafter provided. Any such sums received by Landlord from Subtenant shall be received by Landlord on behalf of Tenant and shall be applied by Landlord to any sums past due under the Lease, in such order of priority as required under the Lease or, if the Lease is silent in such regard, then in such order of priority as Landlord deems appropriate. The receipt of such funds by Landlord shall in no manner be deemed to create a direct lease or sublease between Landlord and Subtenant. If Subtenant fails to deliver its Sublease payments directly to Landlord as required herein following receipt of written notice from Landlord as described above, Landlord shall have the right to remove any signage of Subtenant, at Subtenants cost, located outside the Premises or in the Building lobby or elsewhere in the Building and to pursue any other rights or remedies available to Landlord at law or in equity.

2.10 Default by Subtenant. Landlord agrees that any act or omission by Subtenant or any assignee or sub-subtenant of Subtenant which constitutes a Default under the terms of the Lease shall not constitute a default by Tenant under the Lease.

2.11 Surrender of Sublet Premises. Notwithstanding anything to the contrary set forth in the Lease, at the expiration or earlier termination of the Term of the Lease, Tenant may surrender the Sublet Premises in their AS IS condition and shall not be required to remove any alterations installed in the Sublet Premises by Tenant, Subtenant or any assignee or sub-subtenant of Subtenant. However, all obligations of Tenant under the Lease for the surrender of the Premises (exclusive of the Sublet Premises) shall remain in full force and effect in accordance with the terms of the Lease.

3. Miscellaneous.

3.01 This Agreement sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements tinder no circumstances shall Subtenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Agreement. Tenant agrees that neither Tenant nor its agents or any otter parties acting on behalf of Tenant shall disclose any matters set forth in this Agreement or disseminate or distribute any information concerning the terms, details or conditions hereof to any person, firm or entity without obtaining the express written consent of Landlord.

3.02 Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

3.03 In the case of any inconsistency between the provisions of the Lease and this Agreement, the provisions of this Agreement shall govern and control.

3.04 Submission of this Agreement by Landlord is not an offer to enter into this Agreement but rather is a solicitation for such an offer by Tenant Landlord shall not be bound by this Agreement until Landlord has executed and delivered the same to Tenant and Subtenant.

3.05 The capitalized terms used in this Agreement shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Agreement.

3.06 Tenant and Subtenant hereby represent to Landlord that Tenant and Subtenant have dealt with no broker in connection with this Agreement other than Newmark & Company Real Estate, Inc (the ‘Broker’) whose commission shall be paid by Tenant. Tenant agrees to indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents (collectively, the ‘Landlord Related Parties’) harmless from all claims of any brokers claiming to have represented Tenant in connection with this Agreement including Broker. Subtenant agrees to indemnify and hold the Landlord Related Parties harmless from all claims of any brokers, other than Broker, claiming to have represented Subtenant in connection with this

Agreement Landlord hereby represents to Tenant and Subtenant that Landlord has dealt with no broker in connection with this Agreement. Landlord agrees to indemnify and hold Tenant and Subtenant, their trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Landlord in connection with this Agreement

3.07 Each signatory of this Agreement represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

3.08 Counterparts. This Agreement may be executed in counterparts and shall constitute an agreement binding on all parties notwithstanding that all parties are not signatories to the original or the same counterpart provided that all parties are furnished a copy or copies thereof reflecting the signature of all parties. Transmission of a facsimile or electronic signature shall be deemed the equivalent of the delivery of the original and any party so delivering a facsimile or electronic signature shall in all events deliver to the other party an original signature promptly upon request.

(SIGNATURES APPEAR ON THE NEXT PAGE]

IN WITNESS WHEREOF, Landlord, Sublandlord and Subtenant have executed this Agreement as of the date set forth above.

WITNESS/ATTEST:

LANDLORD:

MA-TEN CANAL PARK, L.L.C., a Delaware limited liability company

/s/ John Conley
Name (print): John Conley

Name (print):

By:
Name:
Title:

WITNESS/ATTEST:

SUBLANDLORD:

ASPEN TECHNOLOGY, INC., a Delaware corporation

/s/ Irwin Weiss
Name (print): Irwin Weiss
/s/ Robert M. Cruickshank
Name (print): Robert M. Cruickshank

By: /s/ Bradley T Miller
Name: Bradley T Miller
Title: CFO

WITNESS/ATTEST:

SUBTENANT:

EOP CANAL LEASECO LLC, a Delaware limited liability company

/s/ John Conley
Name (print): John Conley

Name (print):

By:
Name:
Title:

EXHIBIT A

Sublease Agreement

EXHIBIT B

SUBLEASES

Suite	Subtenant	Square Feet	Expiration Date
Suite 201	Bit9, Inc	7,047 s.f.	7/31/08
Suite 100	Elysium Digital, LLC	9,291 s.f.	9/30/12
Suite 303	Gene Network Sciences	4,036 s.f.	2/08/09
Suite 601	Metis Design Corporation	6,780 s.f.	9/30/12
Suite 302	Museum of Science	12,860 s.f.	9/30/12
Suite 202	Northern Light Singlepoint	4,458 s.f.	9/30/12
Suite 602	Vertical Communications	11,202 s.f.	9/30/12
Suite 301	Allies Wire, Inc.	4,750 s.f.	9/30/12

Exhibit 10.2

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the "**Sublease Agreement**") is entered into as of September 5, 2007, by and between **ASPEN TECHNOLOGY, INC.,** a Delaware corporation ("**Sublandlord**") and **EOP CANAL LEASECO LLC** a Delaware limited liability company ("**Subtenant**"). The following exhibits and attachments are incorporated into and made a part of the Sublease Agreement **Exhibit A** (Outline and Location c-f Sublet Premises).

RECITALS

A. Sublandlord (as successor in interest to Aspen Technology, Inc., a Massachusetts corporation) is the tenant under that certain lease agreement dated January 30, 1992, as amended by that certain First Amendment dated May 5, 1997, that certain Second Amendment dated August 14, 2000, that certain Third Amendment dated October 26, 2005, and that certain Fourth Lease Amendment and Landlord Consent to Sublease dated as of September 4, 2007 (collectively, the "Master Lease") entered into by and between MA-TEN CANAL PARK, L.L.C., a Delaware limited liability company (as successor in interest to EOP-Ten Canal Park, L.L.C., as successor in interest to Beacon Properties, L.P., as successor in interest to Teachers Insurance and Annuity Association of America) ("Master Landlord") and Sublandlord. Pursuant to the Master Lease, Master Landlord has leased to Sublandlord space currently containing approximately 110,843 rentable square feet (the "Master Premises") on the 1 st through 6th floors of the building commonly known as Ten Canal Park located at Ten Canal Park, Cambridge, Massachusetts (the "Building").

B. Sublandlord is desirous of subletting to Subtenant a portion of the Master Premises demised under the Master Lease, consisting of the entire 4 th and 5th floors of the Building, containing approximately 45,007 rentable square feet of space, in the aggregate, and a portion of the 2 nd floor of the Building, containing approximately 2,000 rentable square feet of space, all as shown on Exhibit A hereto (the "Sublet Premises"), and Subtenant is desirous of subletting same from Sublandlord.

NOW THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Sublandlord and Subtenant agree as follows:

1. Sublet Premises. Subject and subordinate to the terms, conditions and provisions of the Master Lease and this Sublease Agreement, Sublandlord hereby subleases, to Subtenant, and Subtenant hereby subleases from Sublandlord, the Sublet Premises, in its "as is" condition existing on the Effective Date (as hereinafter defined), without any agreement, representation, obligation, or undertaking on the part of Sublandlord to perform any alterations, improvements, repairs or decorations thereto or to provide any allowance therefor. Subtenant represents that it has thoroughly examined the Building and the Sublet Premises and is satisfied therewith.

2. Delivery and Term.

2.01 Sublandlord shall vacate the Sublet Premises no later than September 30, 2007, free and clear of any and all encumbrances, liens, security interests, claims and charges of any kind and deliver the Sublet Premises to Subtenant no later than October 7, 2007 in "AS IS", "broom clean" condition with all of Sublandlord's personal property removed therefrom, provided that Sublandlord may leave intact all alterations and improvements existing in the Sublet Premises.

2.02 The term of this Sublease Agreement (the "Term") shall commence on October 1, 2007 (the "Commencement Date") and shall expire on September 30, 2012 (the "Termination Date"), unless sooner terminated due to the provisions hereof. Notwithstanding anything to the contrary herein, in no event shall the Term of the Sublease Agreement extend beyond the expiration or earlier termination of the Master Lease, and Subtenant acknowledges that the expiration or any earlier termination of the Master Lease as to the Sublet Premises shall automatically extinguish and terminate this Sublease Agreement, except as may be otherwise expressly permitted by Master Landlord. Sublandlord agrees that it will not enter into an agreement with Master Landlord to terminate the Master Lease prior to the Termination Date of this Sublease Agreement, except in the event of a fire or other casualty or condemnation as provided in the Master Lease.

3. Rent.

3.01 "Basic Rent" shall mean the following sums during the following periods:

Period or Months of Term	Annual Basic Rent	Monthly Basic Rent
October 1, 3007(1) – September 30, 2012	$ 1,122,450.00	$ 93,537.50

(1) Notwithstanding anything to the contrary set forth herein, Basic Rent shall abate for the one month period of October 1, 2007 through October 31, 2007.

3.02 Article VIII and Article IX of the Master Lease provide for the payment by Sublandlord of Sublandlord's prorata share of Taxes, Operating Expenses and Utility Expenses (all as defined in the Master Lease) with respect to the Master Premises (referred to collectively in the Master Lease as "Escalation Charges"). Landlord's Escalation Charges for Taxes and Operating Expenses are billed under the Master Lease on a true net basis. However, as between Sublandlord and Subtenant under this Sublease Agreement, Subtenant shall pay a share of the Taxes and Operating Expenses for the Building on a gross basis, using a "Base Year" for Taxes of Fiscal Year 2008, and a "Base Year" for Operating Expenses of Calendar Year 2008, and Subtenant shall only be responsible for Subtenant's Prorata Share (as hereinafter defined) of (i) the amount, if any, by which Taxes for a calendar year exceed Taxes paid in the Base Year for Taxes ("Tax Excess"),

and (ii) the amount, if any, by which Operating Expenses paid in a calendar year exceed Operating Expenses paid in the Base Year for Operating Expenses ("Expense Excess"). If Operating Expenses or Taxes in any calendar year decrease below the amount of Operating Expenses or Taxes for the Base Year, Tenant's Prorata Share, as the case may be, for that calendar year shall be zero dollars ($0). As used herein, Subtenant's Prorata Share shall be deemed to mean 47.10%. The Tax Excess and Expense Excess determined in accordance with the provisions of this Section 3.02 are collectively referred to herein as "Subtenant Escalation Charges". The parties acknowledge that the Utility Expenses referenced in the Master Lease are billed as a component of Operating Expenses under the Master Lease, and there is no separate charge to Sublandlord for common area utility expenses notwithstanding anything to the contrary set forth in the Master Lease. If, at any time, Utility Expenses (as defined in the Master Lease), i.e. common area utility charges are bulled directly by Master Landlord to Sublandlord, Subtenant shall pay Subtenant's Prorata Share thereof.

Promptly upon receipt from Master Landlord following the end of each calendar year or Fiscal Year, as the case may be, Sublandlord shall furnish Subtenant with statements of the actual Operating Expenses and Expense Excess and the actual Taxes and Tax Excess for the prior calendar year or Fiscal Year, as the case may be. Sublandlord shall also furnish at such time the written calculations made by Sublandlord in determining Subtenant Escalation Charges pursuant to this Section 3.02. If the estimated Expense Excess or estimated Tax Excess paid to Sublandlord for the prior calendar year or Fiscal Year, as the case may be, is more than the actual Expense Excess or actual Tax Excess for the prior calendar year or Fiscal Year, as the case may be, Sublandlord shall provide Subtenant with a refund so long as a monetary Default by Subtenant under this Sublease Agreement is not continuing after written notice and the expiration of the cure period set forth in Section 9 of this Sublease Agreement. If the estimated Expense Excess or estimated Tax Excess paid to Sublandlord for the prior calendar year or Fiscal Year, as the case may be, is less than the actual Expense Excess or actual Tax Excess for such prior calendar year or Fiscal Year, as the case may be, Subtenant shall pay Sublandlord, within 30 days after its receipt of the statement of Operating Expenses or statement of Taxes, as the case may be, any underpayment for the prior calendar year or Fiscal Year, as the case may be.

Upon written request of Subtenant, Sublandlord shall cooperate with Subtenant at no cost to Sublandlord, in facilitating Subtenant's exercise of the tenant audit rights under Section 9.2(d) of the Master Lease. Subtenant shall also have the right to object to the calculations of Subtenant Escalation Charges made by Sublandlord within the same time frames set forth in Section 9.2(d) of the Master Lease.

3.03 At Subtenant's election, Subtenant may endeavor to cause the public utility corporation providing electrical service to the Building (the "Electric Provider") to separately meter the Sublet Premises, at Subtenant's sole cost and expense, for electrical service used and consumed in the Sublet Premises. If the Sublet

Premises are separately metered or sub-metered, Subtenant shall pay all electrical changes directly to the Electric Provider for all electricity used or consumed in the Sublet Premises. If, at any time, the Sublet Premises are not separately metered or submetered, Subtenant shall pay, as an electrical charge for the Sublet Premises, and as additional rent under this Sublease Agreement, an amount equal to $1.67 per square foot of the Sublet Premises per calendar year as the same may be increased from time to time based upon the actual electrical service charges {including, but not limited to, cost per kilowatt hour, tax, user fee or rate schedule) billed by the Electric Provider from time to time (the "Electricity Charge"). For purposes of example only, if the cost per kilowatt hour charged by the Electric Provider to Sublandlord increases by 2% during any billing cycle, the per square foot rate shall increase to $1.70 per square foot. Subtenant shall pay 1/12th of Sublandlord's total estimated Electricity Charge on the same day of the month and with the monthly payment of Basic Rent. There shall be an adjustment and reconciliation of the actual amount owed to Sublandlord and the actual amount paid by Subtenant in the same manner as Subtenant Escalation Charges.

Sublandlord, from time to time and at Sublandlord's expense, may engage an electrical engineering consultant to make a survey of Subtenant's electricity usage at the Premises (the "**Sublandlord's Survey**"). The Sublandlord's Survey shall analyze Subtenant's electricity consumption at the Sublet Premises. If Sublandlord elects to deliver the Sublandlord's Survey to Subtenant, the findings of the Sublandlord's Survey shall be conclusive and binding on Sublandlord and Subtenant commencing on the first date on which Basic Rent is owed following Subtenant's receipt of the Sublandlord's Survey. Subtenant shall thereafter pay for electricity used at the Sublet Premises at the annual per square foot rate determined by the Sublandlord's Survey.

Subtenant may object to the Sublandlord's Survey by sending written notice to the Sublandlord within sixty (60) days of Subtenant's receipt of the Sublandlord's Survey (**"Subtenant's Objection Notice"**). Subtenant's Objection Notice shall be accompanied by an electrical engineering survey made by an independent electrical engineering consultant with at least ten (10) years experience at Subtenant's expense (the **"Subtenant's Survey"**). If the Sublandlord's Survey and the Subtenant's Survey shall concur on the annual per square foot rate for electricity, the agreed upon annual per square foot rate shall be final and binding upon Sublandlord and Subtenant. If the Subtenant's Survey fails to concur with the Sublandlord's Survey, within ninety (90) days after the date Sublandlord receives Subtenant's Objection Notice, the two (2) consultants shall designate a third electrical engineering consultant having at least ten (10) years experience. If the two (2) consultants shall fail to agree upon the designation of such third consultant within said ninety day period, the two (2) consultants, or either of them, shall give notice of such failure to Sublandlord and Subtenant, and, if Sublandlord and Subtenant fail to agree upon the selection of such third consultant within fourteen (14) days after the consultants appointed by the parties give notice as aforesaid, either party on behalf of both may apply to the Chief Executive Officer of the Greater Boston Real Estate Board to appoint the third

consultant, or upon the failure, refusal or inability to act within thirty (30) days after the application to the Greater Boston Real Estate Board to act, to a court of competent jurisdiction, for designation of such third consultant.

If none of the determinations of the consultants varies from the average of the determinations of the other consultants by more than ten (10%) percent, the average of the determinations of the three {3) consultants shall be the annual per square foot rate for electricity. If, on the other hand, the determination of any single consultant varies from the average of the determinations from the other two (2) consultants by more than ten (10%) percent, the higher of the determinations of the two (2) consultants whose determinations are closest shall be the annual per square foot rate for electricity.

The determination of the consultants, as provided above, shall be conclusive and binding upon Sublandlord and Subtenant. Sublandlord and Subtenant shall pay the fees and expenses of the third consultant in equal proportions. Until such time as the annual per square foot rate for electricity is determined as set forth above, Subtenant shall pay the annual per square foot rate for electricity as determined by the Sublandlord's Survey. The parties shall thereafter retroactively adjust the amount paid by Subtenant for electricity within seven (7) days from the determination of the annual par square foot rate for electricity with respect to the Sublet Premises. Notwithstanding any provisions of this Section to the contrary, in no event shall the annual per square foot rate for electricity be less than $1.67.

3.04 Subtenant shall pay, as additional rent under this Sublease Agreement, Subtenant's Prorata Share of the amount billed to Sublandlord by Master Landlord under the Master Lease for the cost of staffing the concierge desk in the lobby on the first (1 st) floor of the Building (the "Concierge Charge"). The Concierge Charge shall be paid in monthly installments together with monthly installments of Basic Rent. Subtenant shall pay one-twelfth (1/12 th) of the Sublandlord's total estimated Concierge Charge on the same day of the month and with the monthly payment of Basic Rent. There shall be an adjustment and reconciliation of the actual amount owed to Sublandlord and the actual amount paid by Subtenant in the same manner as Subtenant Escalation Charges.

3.05 Except as otherwise provided in Section 3.01 or this Section 3.05, Subtenant shall pay Sublandlord, without any setoff or deduction, Basic Rent, as set forth in Section 3.01 above, the Subtenant Escalation Charges, as set forth in Schedule 3.02 above, the Electricity Charge (if applicable), as provided in Section 3.03 above, the Concierge Charge, as provided in Section 3.04 above, and all other sums that Subtenant is required to pay Sublandlord under this Sublease Agreement (collectively, "Rent"). Rent for any partial month or partial year during the Term shall be prorated on a thirty (30) day month and three hundred sixty (360) day year, respectively. Subtenant shall pay and be liable for all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Rent, Basic Rent, Subtenant Escalation Charges (if any), Electricity Charge (if applicable) and Concierge Charge shall be due and payable in advance

on the first day of each calendar month without notice or demand, provided that Basic Rent shall abate for the one (1) month period of October 1, 2007 through October 31, 2007. All other terms of Rent shall be due and payable by Subtenant on or before thirty (30) days after billing by Sublandlord.

Rent shall be made by good and sufficient check, payable and sent as follows: Aspen Technology, Inc., P.O. Box 83048, Woburn, Massachusetts 01803-3048. Sublandlord may designate another recipient or place of payment for Rent upon not less than fifteen (15) business days prior to the due date for payment. Subtenant agrees to pay to Sublandlord, as additional rent under this Sublease Agreement, all additional rent payable by Sublandlord under the Master Lease with respect to the Sublet Premises

4. Subordination. This Sublease Agreement is subordinate to the interests of Master Landlord under the Master Lease, and subject to any interest of a mortgagee in the fee interest of Master Landlord. Sublandlord agrees not to do or cause to be done or suffer or permit any act to be done which would cause the Master Lease, or the rights of Sublandlord, as lessee or tenant, under the Master Lease, to be endangered, canceled, terminated, forfeited or surrendered, or which would cause Sublandlord to be in default thereunder.

5. Terms of Master Lease.

5.01 A copy of the Master Lease has been delivered to Subtenant and Subtenant acknowledges that it has read the Master Lease and is familiar with all terms and conditions of the Master Lease. All of the terms, covenants, conditions and provisions of the Master Lease are hereby incorporated in and made part of this Sublease Agreement only as same relate to the Sublet Premises, except (i) as herein otherwise expressly provided; and (ii) for Sublandlord's obligation to pay Rent under the Master Lease. Notwithstanding the foregoing, any inconsistencies between the terms of this Sublease Agreement and those of the Master Lease which shall result from the foregoing incorporation shall be resolved in favor of this Sublease Agreement with respect to the Sublet Premises only, provided, however, that if such resolution would cause Sublandlord to be in default under the terms of the Master Lease, then any inconsistency shall be resolved so as not to cause Sublandlord to be in default under the terms of the Master Lease. Sublandlord, by reason of the foregoing or any other provision of this Sublease Agreement, shall not be deemed to have assumed and shall not be obligated to perform any duty or obligation of Master Landlord under the Master Lease.

5.02 As it relates to the Sublet Premises and the obligations of Subtenant under this Sublease Agreement, Subtenant shall obtain and keep in full force and effect during the term of this Sublease Agreement, at its sole cost and expense, the insurance coverage required pursuant to the Master Lease to be obtained by Sublandlord, as "Tenant" under the Master Lease, and such insurance coverage shall be in the nature and amounts and as otherwise set forth therein. Subtenant shall pay all premiums and charges for such insurance. All Commercial General

Liability insurance policies required of Subtenant hereunder shall name Subtenant as a named insured, and Sublandlord and the owners, managers and mortgage lenders of the Building, and their respective successors and assigns, as the interest of such designees shall appear, as additional insureds. Subtenant shall provide Sublandlord with a certificate(s) of insurance evidencing the insurance coverage required under this Section 5.02 no later than October 1, 2007.

5.03 Notwithstanding anything in this Sublease Agreement to the contrary, Subtenant expressly acknowledges and agrees that Sublandlord shall not have any liability or responsibility of any kind or nature whatsoever for any act or omission of Master Landlord, or for any failure by Master Landlord to perform and comply with its duties, obligations, liabilities and responsibilities under the Master Lease; and, without limiting the generality of the foregoing, Sublandlord shall not be obligated to furnish for Subtenant any services of any nature whatsoever, including, without limitation, the furnishing of heat, electrical energy, air conditioning, elevator service, cleaning, window washing, or rubbish removal services, provided, nevertheless, that in the event of any such default or failure of performance by Master Landlord, Sublandlord agrees, upon notice from Subtenant, to make demand upon Master Landlord to perform its obligations under the Master Lease and, provided that Subtenant specifically agrees to pay all costs of Sublandlord, to take reasonable and appropriate legal action to enforce the Master Lease.

5.04 Without limiting the generality of Section 5.01 above, Subtenant shall only use and occupy the Sublet Premises for the use or uses permitted by the Master Lease. Subtenant covenants and agrees that Subtenant will not do anything that would constitute a default under the Master Lease or omit to do anything which Subtenant is obligated to do under the terms of this Sublease Agreement and which would constitute a default under the Master Lease.

5.05 In addition to, and not in lieu of other remedies provided in this Sublease Agreement, if Sublandlord has failed to make any payment or do any act which Sublandlord is obligated to do under the Master Lease after written notice from Master Landlord and the expiration of the applicable cure period under the Master Lease, Subtenant may, upon not less than three (3) business days prior written notice to Sublandlord, make any payment or do any act Sublandlord has failed to do in order to cure or prevent any default by "Tenant" under the Master Lease, and in such event, the amount of the expense thereof shall be due and payable from Sublandlord to Subtenant upon receipt of a written statement of such expenses from Subtenant.

6. Transfer of Access and CCTV Systems. Sublandlord, at its sole cost and expense, shall (a) transfer to Subtenant (i) all closed circuit television equipment located in the Building, (ii) a single sixteen (16) slot controller for the card access system in the Building plus sixteen (16) card swipes which shall include eleven (11) that support current perimeter doors and elevators plus two (2) existing subtenant interior spaces, and (iii) five (5) additional card readers to be used by Subtenant; (b) purchase on behalf of Subtenant a

single user workstation license for the existing JCI card access system at the Building; and (c) arrange for the JCI software and all current data to be loaded into the new software system database and transfer a fully operational card access system for Subtenant. Sublandlord's obligations set forth above are subject to Subtenant, at its sole cost and expense, providing Sublandlord with a personal computer capable of supporting the JCI card access system and accompanying data.

7. Consents and Approvals. In any instance when Sublandlord's consent or approval is required under this Sublease Agreement, Sublandlord shall not unreasonably withhold, condition or delay consent and Sublandlord's refusal to consent to or approve any matter or thing shall be deemed reasonable if, without limitation, such consent or approval is required under the provisions of the Master Lease incorporated herein by reference but has not been obtained from Master Landlord.

8. Attorneys' Fees. If Sublandlord or Subtenant brings an action to enforce the terms hereof or to declare rights hereunder, the prevailing party who recovers substantially all of the damages, equitable relief or other remedy sought in any such action shall be entitled to receive from the other party the prevailing party's costs associated therewith, including, without limitation, reasonable attorneys' fees and costs.

9. Default. The following shall constitute a "Default" under this Sublease Agreement: If (i) Subtenant fails to pay Rent or any other amount due under this Sublease within ten (10) business days after Subtenant receives notice of nonpayment from Sublandlord; or (ii) Subtenant fails to perform any other obligation under this Sublease Agreement within thirty (30) days after Subtenant receives notice of nonperformance from Sublandlord provided that if the breach is of such a nature that it cannot be cured within thirty (30) days, no default shall be deemed to have occurred by reason of the breach if cure is commenced promptly and diligently pursued to completion; or (ii) Subtenant permits, causes or otherwise suffers a Default to occur under the Master Lease which is not cured within the applicable notice and cure period set forth in the Master Lease. Upon the occurrence of a Default under this Sublease Agreement, Sublandlord shall be entitled to any and all rights and remedies descried herein, in the Master Lease or available at law or in equity.

10. Alterations. Subtenant may make or cause, suffer or permit the making of any alterations, installations, changes, replacements, additions or improvements (structural or otherwise) in or to the Sublet Premises, including, without limitation, the demolition of all leasehold improvements now or at any time existing in the Sublet Premises (collectively, the "Alterations"), without the consent of Sublandlord obtained. Notwithstanding the foregoing, any such Alterations which requires the approval of Master Landlord under the Master Lease shall not be undertaken by Subtenant without the prior written consent of the Master Landlord to the extent such consent is required under the Master Lease. The cost of any Alterations in the Sublet Premises shall be borne entirely by Subtenant.

11. Assignment and Sublease. Subtenant shall have the right to assign this Sublease, or sublet all or any portion of the Subleased Premises, at any time and from time to time,

without the consent of Sublandlord, but subject to the consent of Master Landlord as required under the Master Lease. Neither Master Landlord nor Sublandlord shall charge a fee in connection with any such assignment or sublease by Subtenant. Upon request of Subtenant, Sublandlord agrees to deliver to any assignee or sub-subtenant of Subtenant a recognition and non-disturbance agreement, acknowledging that any assignee or sub-subtenant shall have the right to quietly enjoy the Sublet Premises without hindrance or molestation by Sublandlord or by any other person lawfully claiming the same, subject to the covenants, agreements, terms, provisions and conditions of this Sublease Agreement . No assignment of this Sublease Agreement or subletting of the Sublet Premises shall relieve Subtenant of its obligations under this Sublease.

12. Parking. Sublandlord hereby assigns to Subtenant all rights of Sublandlord under Section 14.30 of the Master Lease in and to sixteen (16) parking spaces in the Building Garage (as defined in Section 14.30 of the Master Lease), subject to the terms and conditions set forth therein and the payment of all charges associated therewith (if any), from the parking spaces in the Building Garage allocated to the Master Premises under Section 14.30 of the Master Lease.

13. Notices. All notices and demands of any kind which Sublandlord or Subtenant may require to be served upon the other, shall be given by depositing one copy of same in the United States mail, postage prepaid, certified mail, return receipt requested, or personally delivered, or by overnight commercial courier service, addressed- as follows:

To Sublandlord:

Aspen Technology, Inc
10 Canal Park
Cambridge, Massachusetts 02141
Attention: Chief Information Officer

With a copy to

Aspen Technology, Inc.
200 Wheeler Road
Burlington, Massachusetts 01803
Attention**:** General Counsel

To Subtenant:

c/o Equity Office Properties Management Corp.
100 Summer Street
Second Floor
Boston, MA 0210
Attention: Property Manager and Andrew Maher

With a copy to

Equity Office
Two North Riverside Plaza
Suite 2100
Chicago, IL 60606
Attention: Roxanne Osborne

The place to which said notice shall be sent may be changed (other than to a post office box address) by written notice given as hereinafter provided. All such mailed notices shall become effective on the third day after the date of postmark. All notices delivered personally or delivered by commercial overnight courier shall become effective when delivered or refused.

14. Confidentiality. Subtenant shall keep the existence of, and the content and all copies of this document and all related documents or agreements now or hereafter entered into, and all proposals, materials, information and matters relating thereto strictly confidential, and shall not disclose, disseminate or distribute any of the same, or permit the same to occur, with respect to any party other than Subtenant's financial or legal advisors to the extent that they need such information to advise Subtenant (and Subtenant shall obligate any such other parties to whom disclosure is permitted to honor the confidentiality provisions hereof), except as may be required by applicable law or court proceedings.

15. Consent. Subtenant represents and warrants to Sublandlord that Subtenant has obtained all authorizations and consents necessary to execute and deliver this Sublease Agreement and that this Sublease Agreement constitutes the valid, legal and binding obligation of Subtenant. Sublandlord represents and warrants to Subtenant that Sublandlord has obtained all authorizations and consents necessary to execute and deliver this Sublease Agreement and that this Sublease Agreement constitutes the valid, legal and binding obligation of Sublandlord. This Sublease Agreement is subject to, and conditioned upon, any required consent or approval being granted by any lenders, mortgagees, ground lessors or partners of Sublandlord and of any of its affiliates. If any such consents shall be denied or granted subject to the payment of unacceptable fees, charges or conditions, then this Sublease Agreement and all related documents or agreements entered into in connection herewith {including (he Assignment) shall be of no further force and effect.

16. Broker. Each party represents and warrants to the other party that it dealt with no broker or other person entitled to claim fees for such services in connection with the negotiation, execution and delivery of this Sublease Agreement, other than Newmark & Company Real Estate, Inc representing Sublandlord ("Broker"). Sublandlord shall pay any commissions that are payable to Broker with respect to this Sublease Agreement in accordance with the provisions of a separate brokerage agreement with Broker. Sublandlord agrees to defend, indemnify and hold Subtenant harmless from and against any and all claims for finders' fees or brokerage or other commission which may at any time be asserted against Subtenant, including, without limitation, any claims of Broker together with any and all losses, damages, costs and expenses (including reasonable attorneys' fees) relating to such claims or arising therefrom or incurred by Subtenant in connection with the enforcement of this indemnification provision.

17. Entire Agreement; Waiver; Release. This Sublease Agreement contains all of the covenants, agreements, terms, provisions, conditions, warranties and understandings relating to the subleasing of the Sublet Premises and Sublandlord's obligations in connection therewith, and neither Sublandlord nor any agent or representative of Sublandlord has made or is making, and Subtenant in executing and delivering this Sublease Agreement is not relying upon, any warranties, representations, promises or statements whatsoever, except to the extent expressly set forth in this Sublease Agreement. The failure of Sublandlord or Subtenant, as the case may be, to insist in any one or more cases upon the strict performance or observance of any obligation of the other party hereunder of to exercise any right or option contained herein shall not be construed as a waiver or relinquishment for the future of any such obligation or any right or option of such party. No waiver or modification of this Sublease Agreement shall be deemed to have been made unless expressed in writing and signed by Subtenant and Sublandlord. No surrender of possession of the Sublet Premises or of any part thereof shall release Subtenant from any of its obligations here under unless accepted by Sublandlord in writing. The receipt and retention by Sublandlord of any portion of Rent from anyone other than Subtenant shall not be deemed a waiver of the breach by Subtenant of any term or provision of this Sublease Agreement, or as the acceptance of such other person as a tenant or subtenant, or as a release of Subtenant from the further keeping, observance or performance by Subtenant of the terms and: provisions of this Sublease Agreement.

18. Successors and Assigns. This Sublease Agreement shall be binding upon the parties hereto, their heirs, executors, legal representatives, successors and permitted assigns.

19. Quiet Enjoyment and Non-Disturbance. Subtenant shall quietly enjoy the Sublet Premises without hindrance or molestation by Sublandlord or by any other person lawfully claiming the same, subject to the covenants, agreements, terms, provisions and conditions of this Sublease Agreement and the Master Lease. Subtenant shall have the right to request that Sublandlord shall execute and deliver to Subtenant a non-disturbance agreement, acknowledging that Subtenant shall have the right to quietly enjoy the Sublet Premises without hindrance or molestation by Sublandlord or by any other person lawfully claiming the same, subject to the covenants, agreements, terms, provisions and conditions of this Sublease Agreement and the Master Lease.

20. Counterparts: Facsimile Signatures. This Sublease Agreement may be executed in multiple counterparts and shall constitute an agreement binding on the parties notwithstanding that the parties are not signatories to the same counterpart provided that each party is furnished a copy or copies thereof reflecting the signature of all parties. Transmission of a facsimile or electronic signature shall be deemed the equivalent of the delivery of the original and any party so delivering a facsimile or electronic signature shall in all events deliver to the other party an original signature promptly upon request.

21. Governing Law. This Sublease Agreement shall be governed by the laws of the State in the Sublet Premises are located.

22. Headings. If any provision of this Sublease Agreement or application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Sublease Agreement and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced to the extent permitted by law. Paragraph headings are solely for convenience of reference and shall not affect its interpretation. This Sublease Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Sublease Agreement or any part thereof to be drafted. Each of the parties hereto acknowledge that it has been or has had the opportunity to be represented by counsel of its own choice throughout all of the negotiations which preceded the preparation of this Sublease Agreement and in connection with the preparation and execution of this Sublease Agreement. Each covenant, agreement, obligation or other provision of this Sublease Agreement shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making same, not dependent on any other provision of this Sublease Agreement unless otherwise expressly provided.

23. Waiver of Jury Trial. Sublandlord and Subtenant each hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other in connection with any matter arising out of or in any way connected with this Sublease Agreement, the relationship of Sublandlord and Subtenant, Subtenant's use or occupancy of the Sublet Premises, any claim for injury or damage, and/or the enforcement of any remedy under any statute, emergency or otherwise.

24. Estoppel. At any time and from time to time within ten (10) business days after a written request from Sublandlord, Subtenant shall execute, acknowledge and deliver to Sublandlord a written statement certifying (i) that this Sublease Agreement has not been modified and is in full force and effect or, if there has been a modification of this Sublease Agreement, that this Sublease Agreement is in full force and effect as modified, and stating such modifications, (ii) that to the best of Subtenant's knowledge, no defaults exist under this Sublease Agreement or, if any defaults do exist, specifying the nature of each such default, and (iii) as to such other matters, pertaining to the terms of this Sublease Agreement as Sublandlord may reasonably request, including matters similar to those for which Sublandlord is required to deliver to Landlord an estoppel certificate pursuant to the Lease.

25. Independent Covenants. The obligations of Subtenant and Sublandlord under this Sublease Agreement are independent and not mutually dependent covenants, and the failure of Sublandlord to perform any obligation hereunder will not justify or empower Subtenant to withhold Rent or any other amount owed to Sublandlord under this Sublease Agreement.

26. Limitation of Liability. Under no circumstances shall any present or future member, manager, partner, beneficiary, officer, director, trustee, shareholder, agent or employee of Subtenant, or their respective partners, agents, heirs, legal representatives, successors or assigns, have any liability for the performance of Subtenant's obligations under this Sublease Agreement.

27. Effective Date. This Sublease Agreement shall only be effective upon the execution and delivery hereof by the undersigned and upon the acceptance hereof by the Master Landlord which shall be evidenced by Master Landlord's execution below.

IN WITNESS WHEREOF, Sublandlord and Subtenant have signed this Sublease Agreement as of the day and ear first above written.

SUBLANDLORD;

ASPEN TECHNOLOGY, INC., a Delaware corporation

By: /s/

Name: Bradley T. Miller

Title: CFO

The consent of Master Landlord to this Sublease Agreement is hereby acknowledged as of this 5th day of September, 2007. If the Master Lease is terminated for any reason prior to the Termination Date of This Sublease Agreement, Master Landlord agrees to recognize Subtenant upon the then executory terms and conditions of this Sublease Agreement for the remainder of the term of this Sublease Agreement. Master Landlord agrees that in the event of any conflict between the provisions of the Master Lease and the provisions of the Sublease Agreement with respect to the Sublet Premises only, the provision of the Sublease Agreement shall control.

MASTER LANDLORD:

MA-TEN CANAL PARK, L.L.C., a Delaware limited liability company

By: /s/

Name: Marshall Findly

Title: VP

EXHIBIT A OUTLINE AND LOCATION OF SUBLET PREMISES

Exhibit 10.3

LEASE

Between

One Wheeler Road Associates

and

Aspen Technology, Inc.

for 60,177 Square Feet at

200 Wheeler Road

Burlington, Massachusetts

INDEX

Date of Lease Execution: May , 2007

REFERENCE DATA

1.1 SUBJECTS REFERRED TO:

Each reference in this Lease to any of the following subjects shall incorporate the data stated for that subject in this Section 1.1.

LANDLORD:	One Wheeler Road Associates, a Massachusetts limited partnership
MANAGING AGENT:	The Gutierrez Company
LANDLORD'S AND MANAGING AGENT'S ADDRESS:	Burlington Office Park One Wall Street Burlington, MA 01803
LANDLORD'S REPRESENTATIVE:	John A. Cataldo
LANDLORD'S CONSTRUCTION REPRESENTATIVES:	Arthur J. Gutierrez, Jr., Douglas L. Fainelli or Dennis G. Bailey
TENANT:	Aspen Technology, Inc., a Delaware corporation
TENANT'S ADDRESS (FOR NOTICE & BILLING) prior to the Term Commencement Date:	Irwin Weiss, Chief Information Officer Aspen Technology, Inc. 10 Canal Park Cambridge, MA 02141
TENANT'S ADDRESS (FOR NOTICE & BILLING) after the Term Commencement Date:	200 Wheeler Road Burlington, MA 01803
TENANT'S REPRESENTATIVE:	Michael G. Morris, Managing Director Newmark Knight Frank 125 Park Avenue New York, NY 10017 Direct Tel: (212) 372-2260 Fax: (212) 372-2405 Email: mmoris@newmarkkf.com

TENANT'S CONSTRUCTION REPRESENTATIVE(S):	Tracey A. Williams, Project Director Fox Relocation Management Corp. 76 Dorrance Street, Suite 300 Providence, RI 02903 Office: (401) 273-7967 Mobile: (401) 447-1698 Email: (twilliams@foxcorp.com)
GUARANTOR:	Not Applicable.
BUILDING:	Six (6) story building consisting of 250,428 rentable square feet located at 200 Wheeler Road, Burlington, Massachusetts, upon the lot identified on Exhibit A of Exhibit I attached hereto (the "Lot").
RENTABLE FLOOR AREA OF TENANT'S SPACE:	31,174 rentable square feet on the sixth floor ("Phase 1") and 18,947 rentable square feet on the fifth (5th) floor ("Phase 2") and 10,056 rentable square feet on the fifth (5th) floor ("Phase 3"), for a total of 60,177 rentable square feet, as further described in Exhibit A, located on floors five (5) and six (6) of the Building, as the same may be expanded pursuant to Exhibit C, or reduced pursuant to Section 10.22 hereof. All tenant spaces within the Building are measured uniformly.
TOTAL RENTABLE FLOOR AREA OF THE BUILDING:	250,428 rentable square feet.
SCHEDULED TERM COMMENCEMENT DATE:	Phase 1 - September 1, 2007 Phase 2 - October 1, 2007 Phase 3 - January 1, 2008* (*Landlord shall notify Tenant by June 1,2007 if Phase 3 is available by October 1, 2007, in which event the Scheduled Term Commencement Date for Phase 2 and Phase 3 shall be October 1,2007)
OUTSIDE DELIVERY DATE:	Per Section 3.2
TERM EXPIRATION DATE:	Seven (7) years and four (4) months following the Term Commencement Date for Phase 3 (as herein determined pursuant to Section 2.2), subject to extension in accordance with Exhibit F.

TERM:	That period from the Commencement Date of the Phase 1 Premises to seven (7) years and four (4) months following the Commencement Date for the Phase 3 Premises, subject to extension in accordance with Exhibit F.
FIXED RENT:	Year l: $l,353,982.50/Year; $112,831.88/Month; $22.50/RSF Gross* Year 2: $l,414,159.50/Year; $117,846.63/Month; $23.50/RSF Gross Year 3: $l,474,336.50/Year; $122,861.3 8/Month: $24.50/RSF Gross Year 4: $l,534,513.50/Year; $127,876.13/Month; $25.50/RSF Gross Year 5: $l,594,690.50/Year; $132,890.88/Month; $26.50/RSF Gross Year 6: $l,654,867.50/Year; $137,905.63/Month; $27.50/RSF Gross Year 7**: $l,715,044.50/Year; $142,920.38/Month; $28.50/RSF Gross
	*Year 1 Fixed Rent shall apply from the Phase 1 Commencement Date through the first anniversary of the Phase 3 Commencement Date and all Fixed Rent shall be based on the Rentable Square Feet for which the Lease has commenced.
	**to Term Expiration Date
BASE YEAR OPERATING COSTS AND/OR REAL ESTATE TAXES:	Calendar 2008 actual operating expenses and real estate taxes (adjusted for 95% occupancy)
COST OF ELECTRICAL SERVICE TO TENANT'S SPACE (EXCLUDED FROM FIXED RENT):	The cost of electric service therefor shall be paid for by Tenant pursuant to Exhibit D, Paragraph IX.

FIRST FISCAL YEAR FOR TENANT PAYING OPERATING COST ESCALATION:	Year ending December 31, 2009	
SECURITY DEPOSIT:	None	
PERMITTED USES:	General office and such other lawful uses that are ancillary and accessory thereto.	
REAL ESTATE BROKER:	Newmark, Knight & Frank Cushman & Wakefield of Massachusetts, Inc.	
PUBLIC LIABILITY INSURANCE:	BODILY INJURY AND PROPERTY DAMAGE	
EACH OCCURRENCE	$5,000,000.00	
AGGREGATE	$5,000,000.00	
SPECIAL PROVISIONS:	Rent Abatement	Per Section 4.1
	Reduction of Premises:	Per Section 10.22
	Right of First Refusal and Option to Rent:	Per Exhibit C
	Option to Extend:	Per Exhibit F
	Market Rent:	Per Exhibit H
	Allowance:	Per Exhibit M
	Swing Space:	Per Exhibit N

1.2 EXHIBITS

The Exhibits listed below in this Section are incorporated in this Lease by reference and are to be construed as part of this Lease:

EXHIBIT A	Plans Showing Tenant's Space, the Lot and the Park (including the Building Parking Area)
EXHIBIT B	Preliminary Tenant Improvement Plans and Specifications (if available)
EXHIBIT C	Right of First Refusal and Option to Rent - 5 and 6th Floors
EXHIBIT C-l	Plan Showing ROFR Space
EXHIBIT D	Landlord's Services
EXHIBIT E	Rules and Regulations
EXHIBIT F	Option to Extend
EXHIBIT G	Tenant Estoppel Certificate
EXHIBIT H	Definition of Market Rent
EXHIBIT I	Form of Notice of Lease
EXHIBIT J	Subordination, Non-Disturbance and Attornment Agreement
EXHIBIT K	Example of Abatement (Section 4.1)
EXHIBIT L	Schedule of Milestone Dates
EXHIBIT M	Allowance
EXHIBIT N	Swing Space
EXHIBIT O	Termination Payment Schedule

ARTICLE II
PREMISES AND TERM

2.1 PREMISES

Subject to and with the benefit of the provisions of this Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord, the Rentable Floor Area of Tenant's Space in the Building (hereinafter, the "Tenant's Space"), together with the appurtenances described below and in Section 10.14 of this Lease. Tenant's Space, as the same may be expanded in accordance with Exhibit C or reduced in accordance with Section 10.22, together with such appurtenances, is hereinafter collectively referred to as "the Premises".

Tenant shall have, as appurtenant to the Premises, the right to use, in common with other tenants of the Building, the area shown as "Building Parking Area" on the plan attached hereto as part of Exhibit A, all subject to and as further provided in Section 10.14 hereof.

Tenant shall have, as appurtenant to the Premises, the right to use in common with others entitled thereto (including, but not limited to, other tenants of the Building), subject to reasonable rules of general applicability to tenants and owners of other lots in the park shown on the Plan of the Park attached hereto as part of Exhibit A (the "Park") from time to time made by Landlord in accordance with Section 6.1.4 of which Tenant is given written notice: (a) the common areas now or hereafter located in the Building or at the Park (the "Common Areas"), including, without limitation, the duct shafts, electrical and common risers, main electrical and furnace room, restrooms, fitness center, cafeteria, elevator(s), atriums, loading dock, dumpster and the Common Areas shown on the Plan of the Park attached hereto as Exhibit A, as such Common Areas may be altered or modified by Landlord from time to time during the Term hereof, it being understood and agreed that any alterations or modifications materially affecting the Lot, or otherwise materially interfering with Tenant's use and operation of its business thereon, shall require Tenant's prior written approval, which such approval may not be unreasonably withheld or delayed (unless there is a material interference with Tenant's use and operation of its business thereon, whereupon approval may be withheld in Tenant's sole direction); (b) all rights to access, all service areas, all loading areas, drainage of surface water runoff, including, without limitation, storm drainage systems and detention areas, (c) all grades, driveways, roadways, sidewalks and footways, lighting systems and traffic flow patterns, (d) all parking areas designated as common or visitors parking areas for use of the entire Park, if any, (e) all rights appurtenant to the Lot created in or conveyed by the deed to Landlord, if any, (f) all means of access to and from the Building to the Common Areas, including, without limitation, all sidewalks, roads, driveways and the like, and (g) all utility lines, electricity, water and sewage disposal.

Landlord agrees to maintain continuous food service and a fitness center at the Building during the entire Term.

Landlord reserves the right from time to time, without unreasonable interference with Tenant's use, and subject to the preceding paragraph, to install, repair, replace, use, maintain and relocate for service to the Premises and to other parts of the Building or either, building service fixtures and equipment wherever located in the Building, provided that: (a) any substitutions are

equivalent or better quality and capacity and (b) such fixtures and equipment are placed above Tenant's ceilings, behind its walls and below its flooring. In connection therewith, Landlord agrees to provide Tenant with prior reasonable notice before any such entry into the Premises and to repair any and all damage resulting therefrom, restoring the Premises to the substantially similar condition it was in prior to any such entry.

2.2 TERM

To have and to hold for a period (the "Term") commencing on the date that the Premises (specifically the particular Phase as set forth in Section 1.1) are deemed ready for occupancy pursuant to Section 3.2 (which said date is at times being hereafter referred to as the "Commencement Date" or "Term Commencement Date") and continuing until the Term Expiration Date, unless sooner terminated as provided in Section 3.2 or 7.1 or in Article IX, or unless extended pursuant to Exhibit F.

ARTICLE III
CONSTRUCTION

3.1 INITIAL CONSTRUCTION

Landlord shall cause certain leasehold improvements to be substantially completed in accordance with Tenant's Plans (as hereinafter defined) on or before the Scheduled Term Commencement Date (collectively, the "Landlord's Work"). All of the work shall be performed by Landlord's general contractor, Gutierrez Construction Co., Inc. ("GCCI"). Attached hereto as Exhibit B are a preliminary tenant improvement plans and specifications.

Tenant shall, at Tenant's sole cost and expense but subject to the Allowance (as hereinafter defined), prepare and deliver to Landlord final construction plans and associated specifications incorporating said preliminary plans and specifications (collectively, the "Tenant's Plans") for the planned improvements of the Premises (specifically including Phases 1, 2 and 3) by June 1, 2007. Tenant may, at its election, permit Landlord to review and provide input during the preparation of Tenant's Plans and may provide Landlord with preliminary plans and specifications as they are made available to Tenant. Upon receipt, Landlord shall have five (5) business days to comment upon the Tenant's Plans and shall be deemed approved in the event that Landlord fails to respond within such five (5) business day period. Landlord and Tenant shall use good faith, diligent efforts to agree on the Tenant's Plans in a timely manner.

In reaching such agreement, Landlord and Tenant shall each approve portions of Tenant's Plans that are acceptable and shall note their respective objections to the portions that are unacceptable to each of them so as to enable Landlord to continue construction and order materials in a timely manner. In connection with Landlord's review of the Tenant's Plans, or if Tenant fails to deliver Tenant's Plans (or any modifications thereto) by the date set forth above, Landlord may require by prompt written notice to Tenant (i) modifications in Tenant's Plans (i.e. if Tenant's Plans are not compatible with Building), and/or (ii) an adjustment in the Scheduled Term Commencement Date (such adjustment to be determined by Landlord in its reasonable judgment). Landlord's notice to Tenant shall include reasonable detail describing the cause of the adjustment and/or the extent of the incompatibility with reasonable specificity. Any such

extension in time, whether mutually agreed to by Landlord and Tenant or determined by their respective architects in the event of dispute pursuant to Section 3.6, shall result in Tenant's Plan Delay Days as hereinbefore determined. In addition, Landlord will not approve Tenant's Plans which involve any construction, alterations or additions requiring unusual expense to readapt the Premises to normal office use on the Term Expiration Date, unless Tenant first gives assurances acceptable to Landlord that such readaptation shall be made prior to such termination without expense to Landlord. All revisions and modifications to the Tenant's Plans shall be made promptly by Tenant and revised sets of Tenant's Plans shall be forthwith furnished to Landlord upon Tenant's receipt thereof, Landlord hereby agreeing to inform Tenant during the plan approval process and, in any event, prior to the installation thereof, of any such items that may require unusual expense to readapt the Premises as aforesaid. All revisions and modifications to the Tenant's Plans shall be made promptly by Tenant and revised sets of Tenant's Plans shall be forthwith furnished to Landlord upon Tenant's receipt thereof. Landlord and Tenant hereby further agree to acknowledge in writing when final approval by Landlord and Tenant of Tenant's Plans has occurred. No changes or modifications to Tenant's Plans or Landlord's Work being constructed by Landlord pursuant thereto shall be made without Tenant's consent, such consent not to be unreasonably withheld or delayed by Tenant.

Landlord shall have fifteen (15) days after final approval of Tenant's Plans and Landlord's receipt of final and complete sets of approved Tenant's Plans, which such final approval has been acknowledged in writing by Landlord and Tenant as aforesaid, to price the Cost of Landlord's Work. GCCI shall competitively bid each major trade item (as reasonably determined by Landlord) of Landlord's Work with at least three qualified subcontractors and Tenant shall be permitted to review such bids on an "open-book" basis. Tenant shall approve such pricing within five (5) days of receipt of Landlord's anticipated Cost (which will include the contractor's fee set forth below) of Landlord's Work, whereupon Landlord shall be released to commence the Landlord's Work in accordance with the terms and provisions of this Lease.

Landlord and Tenant shall cooperate during the above time periods so that each party makes the other aware of their progress with respect to the foregoing plans, selections and pricing, as well as timing, availability or cost constraints of Tenant's selections or specifications and proposed alternates.

Landlord shall cause the Premises to be completed in accordance with Tenant's Plans. After final approval of Tenant's Plans by Landlord and Tenant, the Tenant may request changes to Landlord's Work (as applicable) by altering, adding to, or deducting from Landlord's Work as set forth in the agreed form of Tenant's Plans (each such requested change is referred to herein as a "Change Order"). A Change Order requested by Tenant in Landlord's Work may also necessitate an adjustment in the Scheduled Term Commencement Date and may result in Tenant Alteration Delay Days (as hereinafter defined), in accordance with and subject to the terms and conditions set forth below. Landlord shall notify Tenant in writing of the cost of the Change Order (and effect on the Cost of Landlord's Work) and if such requested Change Order shall result in Tenant Alteration Delay Days, and therefore an adjustment in the Outside Delivery Date. Tenant shall have four (4) days to accept such Change Order (and the resulting cost and timing changes as set forth in Landlord's notice) or to withdraw the requested Change Order. Failure by Tenant to respond within four (4) days shall be deemed a rejection of the Change Order, in addition, Landlord agrees to provide Tenant, upon Tenant's request, with sufficient

itemization and back-up documentation to facilitate analysis and to confirm the cost of any such changes in the Landlord's Work initiated by Tenant. Tenant shall pay to Landlord an amount equal to the actual Cost of Landlord's Work (which Landlord anticipates should not vary from the pricing previously provided and approved by Tenant), plus any Change Orders less credits for any Landlord's Work deleted, in excess of the Allowance set forth in Exhibit M (hereinafter, the "Cost of Landlord's Work"). Included in all Costs shall be a contractor's fee of six percent (6%). The Cost of Landlord's Work shall be fully paid by Tenant (and/or credited against the Allowance) within fourteen (14) days of receipt of an invoice, but after all of the Allowance has been exhausted by Landlord, but in no event prior to the Commencement Date for the applicable Phase. Any work performed during the thirty (30) days prior to the Commencement Date for the applicable Phase or work on remaining punch list items which has not yet been initially billed to Landlord by Landlord's subcontractors shall be thereafter billed by Landlord and paid by Tenant within fourteen (14) days of receipt of an invoice.

In the event that Tenant requests a Change Order which would, due to materials or equipment having long delivery times or due to resulting sequencing delays, and notwithstanding Landlord's diligent efforts, result in a delay in the Term Commencement Date, then Tenant shall be deemed to have agreed that it will pay Fixed Rent (as hereinafter provided in Section 4.1) and additional rent hereunder for a number of days equal to the actual number of days (the "Tenant Alteration Delay Days") as certified by Landlord and its architect, and agreed to by Tenant and Tenant's architect, by which the Term Commencement Date would be delayed by such alterations or additions, giving due consideration to Landlord's obligation to use diligent efforts to accelerate construction to make up for lost time due to delays. Landlord agrees to promptly provide Tenant with written notice of such determination, such notice to include reasonable detail describing the cause of the delay and the number of Tenant Alteration Delay Days as certified by Landlord and its architect. Should Tenant and Tenant's Architect disagree with the calculation of Tenant Alteration Delay Days as hereinabove determined, then such disagreement shall be resolved pursuant to the provisions of Section 3.6 hereof.

All Tenant improvements, changes and additions comprising the Landlord's Work shall be part of the Premises (and shall remain therein at the end of the Term), except for Tenant's business fixtures, equipment and personal property (which such personal property shall include, without limitation, demountable partitions, equipment and telephone or computer systems), all of which fixtures, equipment and personal property shall remain the property of the Tenant and shall be removed at the expiration of the Term; and such other items shall be removed or left as the Landlord and Tenant agree in writing at the time of Landlord's approval of the plans and specifications therefor. Tenant agrees to repair, at its sole cost and expense, any damage to the Premises caused by any such removal by Tenant in accordance with this paragraph.

Tenant (including its contractors, agents or employees) shall have access to the Premises, thirty (30) days prior to the Scheduled Term Commencement Date applicable to each Phase of the Premises so as to prepare the Premises for occupancy by Tenant (including for telephone/data, security and furniture installations), provided that (i) Tenant's contractors, agents or employees work in a harmonious labor relationship with Landlord's general contractor; provided, however, Landlord consents to Tenant's use of non-union labor (ii) reasonable prior notice is given to Landlord specifying the work to be done, and (iii) no work, as reasonably determined by Landlord, shall be done or fixtures or equipment installed by Tenant in such

manner as to materially interfere with the completion of the work being done by or for Landlord in the Premises. During any such early access period, no Fixed Rent or additional rent or other charges shall accrue or be payable, but otherwise the performance of any such work by Tenant shall be subject to all the terms, covenants and conditions contained in this Lease.

Attached hereto as Exhibit L is a Schedule of milestone dates for the completion of Landlord's Work. The parties hereby agree, however, that such Schedule is for informational purposes only, and Landlord's failure to meet any of such dates shall not result in any penalty, except or otherwise expressly provided for elsewhere in this Lease.

3.2 PREPARATION OF PREMISES FOR OCCUPANCY

Landlord agrees to use reasonable good faith efforts (which shall include working continuously during normal working hours) to have the Premises ready for occupancy on or before the Scheduled Term Commencement Date, which shall, however, be extended for a period equal to that of any delays due to Force Majeure (as hereinafter defined) and/or any Tenant Delay. Landlord shall promptly notify Tenant of the occurrence of any Force Majeure delay or Tenant Delay. For purposes of this Lease, a "Tenant Delay" shall mean any one of the following: (i) changes requested by Tenant to Tenant's Plans to the extent such changes actually delay the date on which the Premises shall be deemed ready for occupancy (as defined below); (ii) Tenant's failure to provide the Tenant's Plans to Landlord or in approving the Cost of Landlord's Work within the aforesaid time period; (iii) a written request by Tenant to stop work, (iv) the specification of any materials or equipment comprising the Landlord's Work with lead times that, given the Tenant's Plans submission deadline (i.e. June 1, 2007), make it unreasonable for Landlord to substantially complete Landlord's Work by the Scheduled Term Commencement Date; (v) Tenant Plan Delay Days, or (vi) Tenant Alteration Delay Days.

For each Phase of the Premises, Landlord agrees to provide Tenant with at least one week prior written notice of when Landlord anticipates that the Landlord's Work shall be completed for the particular Phase. The Premises shall be deemed ready for occupancy with respect to a particular Phase of the Premises as outlined in Section 1.1 hereof on the earlier of:

(a) the date on which Tenant occupies any or all of the Premises (specifically the applicable Phase) for its operations for the regular conduct of its business (which shall not be deemed to have occurred by virtue of Tenant's installation or testing of computers, equipment, furniture, or other personal property); or

(b) the date on which all of the following have occurred: (i) the Landlord's Work (with respect to a particular Phase) is substantially completed in compliance with Tenant's Plans as certified by Landlord's contractor and architect, except for punch list items which do not interfere with Tenant's use of the Premises (specifically the applicable Phase) for its operations, and Landlord has obtained a Certificate of Occupancy (temporary [if the condition causing the same to be temporary is related to installation or other acts required of Tenant] or final) for the Premises (specifically the applicable Phase) and has provided Tenant with a copy thereof; provided, however, that if Landlord is unable to substantially complete construction by the Scheduled Term Commencement Date due to any

Tenant Delay, then the Premises (specifically the applicable Phase) shall be deemed substantially completed on the date the Premises (specifically the applicable Phase) would have been completed, but for a Tenant Delay, subject to Tenant's right to dispute the same as hereinafter provided; (ii) Landlord has delivered legal possession of the Premises and the Landlord's Work to Tenant, with the Building, Premises (specifically the applicable Phase) and exterior areas in good operating condition and free and clear of debris and ready for Tenant's use and occupancy; and (iii) Landlord has obtained all approvals and permits from the appropriate governmental authorities required for the legal occupancy of the Premises (specifically the applicable Phase) and the Landlord's Work.

If the Premises (specifically the applicable Phase) are not completed on or before the Outside Delivery Date (as defined below) for whatever reason, Tenant may (i) cancel this Lease (specifically with respect to the applicable Phase only) at any time thereafter while the Premises (specifically the applicable Phase) are not deemed ready for occupancy by giving notice to Landlord of such cancellation which shall be effective ten (10) days after such notice, unless within such ten (10) day period Landlord delivers the Premises (specifically the applicable Phase) ready for occupancy, in which event such notice of cancellation shall be rendered null and void and of no further force or effect, (ii) enforce Landlord's covenants to construct the Premises (specifically the applicable Phase) in accordance with the terms of this Lease. In the event the Premises (specifically the applicable Phase) are not ready for occupancy on or before the Outside Delivery Date and the parties mutually agree on a revised schedule for Landlord to substantially complete Landlord's Work by a revised Outside Delivery Date, then Tenant shall also have the right to terminate this Lease if Landlord fails to substantially complete the Premises (specifically the applicable Phase) within such additional period of time, or (iii) receive an abatement of Fixed Rent (in addition to the abatement set forth in Section 4.1) following commencement of rental obligations hereunder equal to one hundred percent (100%) of the daily Fixed Rent for each day that the Landlord's Work is not substantially completed beyond the Outside Delivery Date (with respect to a particular Phase, as applicable).

For purposes hereof, the "Outside Delivery Date" shall be deemed to refer to that certain date which is ninety (90) days following the Scheduled Term Commencement Date (with respect to a particular Phase as outlined in Section 1.1 hereof), as such date may be extended for a period equal to that of (i) any Force Majeure delay, or (ii) the number of days of any Tenant Delay.

Landlord and Tenant agree to resolve any disputes under this Article III pursuant to the provisions of Article 3.6 hereof, unless the parties agree otherwise.

3.3 GENERAL PROVISIONS APPLICABLE TO CONSTRUCTION

All construction work required or permitted by this Lease, whether by Landlord or by Tenant (or their respective subcontractors), shall be done in a good and workmanlike manner and in compliance with all applicable laws and all ordinances, regulations and orders of governmental authority and insurers of the Building. Either party may inspect the work of the other at reasonable times and shall promptly give notice of observed defects. Notice of said defects shall be in writing and shall be rectified by Landlord or Tenant, as the case may be, within thirty (30) days of the original date of notice. Failure to provide notice hereunder shall

not be the basis for any liability or for injury or damage caused by such defect of or waiver of right to cause any defect to be corrected.

3.4 REPRESENTATIVES

Landlord hereby acknowledges and agrees that only the Tenant's Construction Representatives, as defined in Section 1.1, or any successors to either of them holding the same title or any other person delegated the authority from either of them in writing, have the authority to act on Tenant's behalf and represent Tenant's interest with respect to all matters requiring Tenant's action in this Article. No consent, authorization or other action by Tenant with respect to matters set forth in this Article shall bind Tenant unless in writing and signed by one of the aforementioned persons. Landlord hereby expressly recognizes and agrees that no other person claiming to act on behalf of Tenant is authorized to do so. If Landlord complies with any request or direction presented to it by anyone claiming to act on behalf of Tenant who does not have the title and position mentioned above, such compliance shall be at Landlord's sole risk and responsibility and shall not in any way alter or diminish the obligations and requirements created and imposed by this Article, and Tenant shall have the right to enforce compliance with this Article without suffering any waiver or abrogation of any of its rights hereunder.

Tenant hereby acknowledges and agrees that only the Landlord's Construction Representatives, as defined Section 1.1 hereof, or any successors to either of them holding the same title or any other person delegated the authority from either of them in writing, have the authority to act on Landlord's behalf and represent Landlord's interests with respect to all matters requiring Landlord's action in this Article. No consent, authorization or other action by Landlord with respect to matters set forth in this Article shall bind Landlord unless in writing and signed by one of the aforementioned persons. Tenant hereby expressly recognizes and agrees that no other person claiming to act on behalf of Landlord is authorized to do so. If Tenant complies with any request or direction presented to it by anyone claiming to act on behalf of Landlord who does not have the title and position mentioned above, such compliance shall be at Tenant's sole risk and responsibility and shall not in any way alter or diminish the obligations and requirements created and imposed by this Article, and Landlord shall have the right to enforce compliance with this Article without suffering any waiver or abrogation of any of its rights hereunder.

3.5 FORCE MAJEURE

As used in this Article and elsewhere in the Lease, "Force Majeure" shall mean a time extension equal to that of any delays when the party required to perform the respective obligation is prevented from doing so, despite the exercise of reasonable diligence, and such delay is caused by: (i) Acts of God not reasonably anticipatable, (ii) changes in government regulations, (iii) casualty, (iv) strike or other such labor difficulties not caused or exacerbated by either party or its general contractor, (v) unusual weather conditions not reasonably anticipatable, (vi) unusual scarcity of or inability to obtain supplies, parts or employees to furnish such services unrelated to the negligence or fault of such party, or (vii) other acts reasonably beyond such party's control, but in no event shall the term include economic or financing difficulties, or other acts or omissions or defaults by GCCI and/or its subcontractors. In the event that a Force Majeure event occurs or is reasonably anticipatable by Landlord, then Landlord agrees to consult with Tenant to

discuss alternatives. Landlord and Tenant agree to provide written notice to the other promptly upon the occurrence of any Force Majeure event.

3.6 ARBITRATION BY ARCHITECTS

Whenever there is a disagreement between the parties with respect to construction by Landlord of Landlord's Work, and such disagreement is not resolved by the parties within a period of twenty (20) days, each party acting reasonably and in good faith, then such disagreement shall be definitively determined by the following procedure: Each of Landlord and Tenant shall appoint one (1) independent architect, no later than seven (7) days after the expiration of the twenty (20) day period, such two (2) architects will then (within five (5) days of their appointment) appoint a third independent architect licensed in the Commonwealth of Massachusetts with not less than ten (10) years experience. Each architect shall render a decision to Landlord, Tenant and the other architects within ten (10) days of their appointment regarding the matter in dispute. In case of any dispute with respect to dollar amounts or lengths of time or dates, the dollar amount or length of time or date shall be the average of the two closest determinations by the three (3) architects, with the determination of the architect which was not closest to another architects' determination excluded from such calculation. In case of any dispute not involving dollar amounts or lengths of time or dates (i.e. the approval of plans) the determination by at least two (2) of the three (3) architects shall be required in order to resolve the matter in dispute. Landlord and Tenant shall each bear the cost of the architect selected by them respectively and shall share equally the cost of the third architect. During such arbitration period, the parties agree to cooperate with one another so as to proceed with construction and with their respective obligations hereunder in a timely manner. Each architect appointed shall be provided a copy of this section of the Lease and agrees to be bound by the same. Each determination under this Section 3.6 shall be binding upon Landlord and Tenant.

3.7 WARRANTY OF LANDLORD'S WORK

For good and valuable consideration, Landlord hereby warrants and guarantees, at no extra cost to Tenant, that the Landlord's Work shall be free from defects in workmanship and materials ("Landlord's Work Guaranty"). Without limiting the generality of the foregoing, Landlord agrees to repair, at its sole cost and expense any defects in Landlord's Work promptly after receipt of notice therefrom from Tenant, provided that such notice from Tenant is received by Landlord within a period of one (1) year after the Term Commencement Date, in connection therewith, Tenant shall notify Landlord promptly after it becomes aware of any such defects. Any repairs or replacements or alterations to Landlord's Work after said initial one (1) year period shall be chargeable to Tenant in accordance with and subject to the provisions of Section 4.2 hereof.

ARTICLE IV
RENT

4.1 RENT

Tenant agrees to pay, without any offset, adjustment, abatement, or reduction, except as expressly set forth herein, Fixed Rent equal to the Fixed Rent set forth in Section 1.1 in equal

installments in advance on the first day of each calendar month included in the Term; and prorated for any portion of a calendar month occurring at the beginning or end of the Term, at the rate payable for such portion in advance. The term "Rent" shall at all times be used herein to mean Fixed Rent plus additional rent payable under this Lease (including without limitation Section 4.2 hereof). Notwithstanding the foregoing, the Rent due hereunder shall be adjusted pro rata based on the square footage within a particular Phase outlined in Section 1.1 hereof and ready for occupancy until the entire Premises has been deemed ready for occupancy pursuant to Section 3.2 hereof.

Notwithstanding the foregoing, Landlord and Tenant agree that so long as there is not then an uncured, continuing material Event of Default hereunder, Landlord shall abate the monthly Fixed Rent applicable to each Phase from and after the Term Commencement Date for each Phase through the date which is four (4) months thereafter. If Tenant at any time during such period defaults under this Lease beyond any applicable notice and cure periods, Tenant shall immediately pay to Landlord all sums previously abated hereunder and such abatement shall automatically cease. As aforesaid, such abatements shall be applied on a pro rata basis as the Premises (specifically the Fixed Rents) are phased-in. (See Exhibit K for an example)

4.2 OPERATING COST ESCALATION

With respect to the First Fiscal Year for Tenant's Paying Operating Cost Escalation or Real Estate Tax Escalation, or fraction thereof, and any Fiscal Year or fraction thereafter during the Term, Tenant shall pay to Landlord, as additional rent, Operating Cost Escalation (as defined below), if any, on or before the thirtieth (30th) day following receipt by Tenant of Landlord's Statement (as defined below). As soon as practicable after the end of each Fiscal Year ending during the Term and after Lease termination, Landlord shall render a statement ("Landlord's Statement") in reasonable detail and according to Generally Accepted Accounting Principles ("GAAP"), consistently applied, certified by Landlord, and showing for the preceding Fiscal Year or fraction thereof, as the case may be, "Landlord's Operating Costs,"

EXCLUDING the interest and amortization on mortgages for the Building and Lot or leasehold interests therein and the cost of special services rendered to tenants (including Tenant) versus tenants in general,

BUT INCLUDING, without limitation: real estate taxes on the Building, the Lot and the Common Areas of the Park, installments and interest on assessments for public betterments or public improvements, with respect to any Fiscal Year or fraction of a Fiscal Year; premiums for insurance required to be maintained by Landlord pursuant to this Lease; compensation and all fringe benefits, workmen's compensation, insurance premiums and payroll taxes paid by Landlord to, for or with respect to all persons engaged in the operating, maintaining, or cleaning of the Building and Lot; water, sewer, gas, telephone and the electricity to operate the base building heating, ventilating, air conditioning systems, elevators and parking lot lighting, and other utility charges not billed directly to tenants by Landlord or the utility companies (the cost for the electricity consumed by the tenant for interior lighting, plugs, equipment, supplemental air conditioning and fixtures shall be billed monthly to Tenant by Landlord as set forth in Paragraph IX of Exhibit D); costs of building and cleaning supplies and equipment (including rental); cost of maintenance, cleaning and repairs; cost of snow plowing or removal, or both, and

care of landscaping; payments to independent contractors under service contracts for cleaning, operating, managing, maintaining and repairing the Building and Lot (which payments may be to affiliates of Landlord provided the same are at reasonable rates consistent with similar contracts with unaffiliated third parties); the Building's pro rata share of the cost of operating, managing, maintaining and repairing the Common Areas of the Park (such as, but not limited to, snow plowing, sanding, sand removal, lot sweeping, landscaping, common area and street lighting, and management); and all other reasonable and necessary expenses paid in connection with the operation, cleaning, maintenance, management and repair of the Building and Lot, or either, and properly chargeable against income, it being agreed that if Landlord installs a new or replacement capital item for the purpose of reducing Landlord's Operating Costs (including without limitation the replacement of an unrepairable items) or as required by governmental regulation or laws, the costs thereof as reasonably amortized over the useful life in years of the capital item so installed in accordance with GAAP, consistently applied, with legal interest (not to exceed the Prime Rate published in the Wall Street Journal plus two percent (2%) on the unamortized amounts, shall be included in Landlord's Operating Costs. Landlord agrees that all of such services to be included in Landlord's Operating Costs shall be obtained by Landlord at commercially reasonable, competitive market rates consistent with the operation and management of comparable "Class A" office buildings in the suburban Boston area.

Notwithstanding anything to the contrary contained herein, in no event shall Landlord's Operating Costs include (nor shall Tenant have any obligation to pay any Operating Cost Escalation on account of) the following:

(a) Costs, expenses and fees relating to solicitation of, advertising and promotion for and entering into leases and other occupancy arrangements for space in the Park, including but not limited to legal fees, space planners' fees, real estate brokers' leasing commissions and advertising expenses, entertaining expenses, dining expenses, any costs relating to tenant or vendor relation programs, including flowers, gifts, luncheons, parties and other social events, but excluding any life safety information programs.

(b) Costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Park (or any part thereof), costs of any disputes between Landlord and its employees, disputes of Landlord with building management, or outside fees paid in connection with disputes with other tenants or adjacent property owners.

(c) Costs of correcting defects in the Building or the Building equipment or replacing defective equipment solely to the extent such costs relate to items covered by warranties of manufacturers, suppliers or contractors or are otherwise borne by parties other than Landlord and for which Landlord receives reimbursement after having used good faith and diligent efforts to collect.

(d) Costs of installations paid by or constructed for specific tenants or other occupants.

(e) Interest, points, other finance charges and principal payments on mortgages, and other costs of indebtedness, if any.

(f) All amounts which are specifically charged to or otherwise paid by any other tenant or other occupant of the Building or the Park, or for items, benefits or services which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement.

(g) Any bad debt loss, rent loss or reserves for bad debts or rent loss, or any reserves of any kind.

(h) Amounts, if any, paid as ground rental by Landlord,

(i) Expenses related to third-party landlord-tenant disputes.

(j) All costs of a capital nature, except as those relating to reducing Landlord's Operating Costs as aforesaid and capital expenditures required by government regulation or laws, enacted after the Term Commencement Date , the amount of such costs relating to any such legal requirement(s) to be amortized on a straight-line basis, with interest at the aforesaid rate (i.e. Prime Rate plus two percent per annum), over the asset's useful life in accordance with GAAP.

(k) All repairs or replacements resulting from a breach of Landlord's Work Guaranty (as defined in Section 3.7 hereof).

(l) Expenses in connection with non-Building standard services or benefits of a type which are not provided to Tenant but which are provided to other Building occupants, or for which Tenant is charged directly but which are provided to other Building occupants without direct charge.

(m) Expenses associated with the provision of HVAC services to other Building occupants during non Business Hours as set forth in Exhibit D.

In case of services which are not rendered to all areas of the Building on a comparable basis, the proportion allocable to the Premises shall be the same proportion which the Rentable Floor Area of Tenant's Space bears to the total rentable floor area to which such service is so rendered (such latter to be determined in the same manner as the Total Rentable Floor Area of the Building), or shall be reallocated by Landlord on a reasonable basis taking into consideration such factors as usage of a particular tenant in the Park and/or such other pertinent factors as reasonably determined by Landlord. Landlord covenants to enforce the preceding provision on all tenants in the Park. Tenant shall be responsible to pay its share of Landlord's Operating Costs of the Operating Cost Escalation for the Building based upon the proportion that the Rentable Floor Area of Tenant's Space (based on Phases leased) bears to the Total Rentable Floor Area of the Building. Tenant shall also be responsible to pay its pro rata share of Park-related costs, which shall be allocated by Landlord in a commercially reasonable manner based upon the following: upon the ratio of the rentable square footage of the Premises (based on Phases leased) to the aggregate square footage of all completed buildings in the Park (currently 250,428 rentable square feet), as such buildings are completed from time to time, and provided

that evidence of completion (i.e. a temporary certificate of occupancy for at least a phase) is provided to Tenant, upon Tenant's request.

"Operating Cost Escalation" shall be equal to the difference, if any, between:

(a) the product of (i) Landlord's Operating Costs per rentable square foot of the Building, the Lot and the Share of the Park as indicated in Landlord's Statement times (ii) the Rentable Floor Area of Tenant's Space (based on Phases leased); and

(b) the product of (i) the Base Year Operating Costs per rentable square foot of the Building, the Lot and the Share of the Park times (ii) the Rentable Floor Area of Tenant's Space (based on Phases leased).

If, with respect to any Fiscal Year or fraction thereof during the Term, Tenant is obligated to pay Operating Cost Escalation, then Tenant shall pay, as additional rent, on the first day of each month of each ensuing Fiscal Year thereafter, until Landlord's Statement for an ensuing Fiscal Year reflects that Tenant is not obligated to pay Operating Cost Escalation, Estimated Monthly Escalation Payments equal to 1/12th of the annualized Operating Cost Escalation for the immediately preceding Fiscal Year, Estimated Monthly Escalation Payments for each ensuing Fiscal Year shall be made retroactively from the first day of such Fiscal Year and on account of the payment to be made pursuant to the first sentence of this Section 4.2 for such Fiscal Year, with an appropriate additional payment or refund to be made at the time such payment is due.

The term "Fiscal Year" as used in this Article shall mean the period of twelve (12) consecutive months commencing on January 1 and ending on December 31.

The term "real estate taxes" as used above shall mean all ad valorem real estate taxes assessed by any governmental authority on the Lot, the Building and improvements, or both, and the Common Areas of the Park, subject to the following: There shall be excluded from such taxes (i) any governmental or business park "special assessments" (i.e. roads and sewers), (ii) all other real estate taxes relating to a period payable or assessed outside the Term of this Lease; and (iii) all personal and corporate income taxes, excess profits taxes, excise taxes, franchise taxes, gift taxes, estate, succession, inheritance and transfer taxes or other business taxes and assessments, provided, however, that if at any time during the Term the present system of ad valorem taxation of real property shall be changed so that in lieu of the whole or any part of the ad valorem tax on real property, there shall be assessed on Landlord a capital levy or other tax on the gross rents received with respect to the Lot, Building and improvements, or both, and the Common Areas of the Park, a federal, state, county, municipal, or other local income, franchise, excise or similar tax, assessment, levy or charge (distinct from any now in effect) measured by or based, in whole or primarily, upon any such gross rents, then any and all of such taxes, assessments, levies or charges, to the extent so measured or based, shall be deemed to be included within the term "real estate taxes". Landlord hereby acknowledges that it has not applied for and will not apply for a real estate tax abatement for the Lot and/or the Building in connection with the Base Year Operating Costs. Landlord covenants not to convert the Building to a Condominium at any time during the Term.

If the total of the monthly payments paid by Tenant with respect to any Fiscal Year exceeds the actual Operating Cost Escalation for such Fiscal Year, then, at Landlord's option, such excess shall be either (i) credited against payments, except at the end of the Term where will be paid promptly to Tenant on account of Operating Cost Escalation next due hereunder, or (ii) refunded by Landlord to Tenant within one hundred and twenty (120) days of the end of the Fiscal Year.

Tenant shall have the right to contest in good faith by appropriate proceedings diligently pursued the imposition or amount of any real estate taxes assessed against the Lot or the Building or such personal property taxes payable by it hereunder, including the right on behalf of, and in the name of the Landlord, to seek abatements thereto. The Landlord shall reasonably cooperate with Tenant, at Tenant's sole expense, in any such contest or abatement proceedings. In the event that Tenant determines not to contest such taxes and Landlord desires to file such contest, Landlord shall give written notice of that fact to Tenant and shall have the sole right as to such tax bill to contest in good faith by appropriate proceedings diligently pursued the imposition or amount of any real estate taxes assessed against the Lot or the Building or such other taxes payable by Tenant hereunder, including the right to seek abatements thereto. In such event, the Tenant shall reasonably cooperate with Landlord, in any such contest or abatement proceedings. Any tax abatement or rebate received shall be allocated to the parties in the same proportion as payment. Landlord shall also reasonably cooperate and assist Tenant, at no cost to Landlord, in procuring any applicable tax credits or incentives.

If Landlord shall receive on behalf of the Lot or the Building a rebate or abatement on any tax paid by Tenant, then after deducting therefrom any costs reasonably incurred by Landlord in obtaining such rebate or abatement, all of such net rebate or abatement relating to the Lot or the Building or to personal property taxes assessed against the Tenant's personal property shall be returned to Tenant to the extent that such rebate or abatement relates to payment made by the Tenant and not reimbursed by Landlord, or at Landlord's option, credited against real estate taxes due or to become due. If Tenant shall receive on behalf of the Lot or the Building a rebate or abatement on any tax paid by Tenant, then after deducting therefrom any costs reasonably incurred by Tenant in obtaining such rebate or abatement, all of such net rebate or abatement related to the Lot, the Building or to personal property taxes assessed against the Tenant's property shall be retained by Tenant, as its sole property, to the extent such rebate or abatement relates to a payment made by Tenant and not reimbursed by Landlord. The remaining portion of such net rebate or abatement shall promptly be returned to Landlord.

In the event that Landlord receives a refund on account of real estate taxes after the expiration of the Term, which refund relates to a Fiscal Year during the Term, the amount of such refund fairly allocable to Tenant shall be refunded to Tenant by Landlord (i.e. prorated based on the actual number of days in the year). All references to real estate taxes "for" a particular Fiscal Year shall be deemed to refer to real estate taxes due and payable during such Fiscal Year without regard to when such impositions are assessed or levied.

Notwithstanding anything contained to the contrary in this Lease, the responsibility for the payment of all real estate taxes with respect to the Building and the Park shall be upon the Landlord and the Landlord agrees to pay the same as required by law. Landlord shall provide Tenant with copies of all tax bills and a computation of Tenant's pro rata share thereof, and upon

Tenant's request, copies of all tax bills. In the event that any special assessments are assessed and payable, Tenant's pro rata share of the same shall be calculated as if such assessments were being paid by Landlord over the longest period of time permitted by applicable law.

Tenant, or its authorized agent, shall have the right, at its own cost and expense (without requirement that Tenant pay Landlord's costs of complying with this provision), to inspect and/or audit Landlord's detailed records each year with respect to Landlord's Operating Costs, as well as all other rent payable by Tenant pursuant to the Lease for the Base Year and any comparison year to ensure the Landlord is complying with such Lease requirements. Pursuant to the foregoing, Landlord shall be obligated to retain such records for Tenant's Base Year and all comparison years associated with this Lease for three (3) years. Tenant shall have the right, through its representatives, but no more than once per Fiscal Year, upon not less than twenty (20) days prior notice to Landlord, to examine, copy, and audit such records within the four (4) month period following receipt of the Landlord's Statement. Such records shall be maintained at Landlord's Address set forth in Section 1.1 hereof, or such other place within the Commonwealth of Massachusetts, as Landlord may determine and notify Tenant in writing. Such records shall include general ledgers, which shall be the type printed from Landlord's particular computerized accounting system which reflect: (a) the full year's listing of expenses with such expenses listed under its applicable account (which account has its name and number clearly specified) and with each account's expenses summarized via account balances, and (b) the various income accounts indicating the income items which were received and applied during the year. If, after the review of such documentation, Tenant desires additional information of Landlord's books and records, including, but not limited to, invoices paid by Landlord or service contracts, Landlord shall cooperate with Tenant making all pertinent records available to Tenant, Tenant's employees and agents for inspection at no out of pocket cost to Landlord. Tenant, Tenant's employees and agents, shall also be entitled to make and retain photostatic copies of such records and further provided that Tenant keeps such copies confidential and does not show or distribute such copies to any other tenants in the Building or Park. The results of such audit, as reasonably determined by both parties, shall be binding upon Landlord and Tenant. If such audit discloses that the amount paid by Tenant as Tenant's pro rata share of Landlord's Operating Costs for the Building or Park, or of other rental amounts payable pursuant to the Lease, has been overstated by more than seven percent (7%), then, in addition to immediately repaying such overpayment and associated interest (i.e. at the rate set forth in Section 4.3 hereof) to Tenant, Landlord shall also pay the costs reasonably incurred by Tenant in connection with such audit (not to exceed $2,000.00 plus a 10% increase per each year of the Term) upon receipt of reasonable documentation evidencing such audit costs. If such audit discloses an underpayment by Tenant, then Tenant must immediately pay to Landlord such additional amount due to Landlord, with interest at the aforesaid rate.

In all Landlord's Statements, rendered under this Section, amounts for periods partially within and partially without the accounting periods shall be appropriately apportioned, and any items which are not determinable at the time of a Landlord's Statement shall be included therein on the basis of Landlord's reasonable estimate, and with respect thereto Landlord shall render promptly after determination a supplemental Landlord's Statement, and appropriate adjustment shall be made according thereto. All Landlord's Statements shall be prepared on an accrual basis of accounting.

Notwithstanding any other provision of this Section 4.2, if the Term expires or is terminated as of a date other than the last day of a Fiscal Year at the end of the Term, Tenant's last payment to Landlord under this Section 4.2 shall be made on the basis of Landlord's best estimate of the items otherwise includable in Landlord's Statement and shall be made on or before the later of (a) thirty (30) days after Landlord delivers such estimate to Tenant, or (b) the last day of the Term, with an appropriate payment or refund to be made upon submission of Landlord's Statement. Without limitation, the obligation of Tenant to pay the Operating Cost Escalation with respect to any Fiscal Year during the Term (or portion thereof) shall survive the expiration or earlier termination of the Term.

4.3 PAYMENTS

All payments of Fixed Rent and additional rent (including without limitation all payments set forth in Section 4.2 hereof) shall be made to Managing Agent, or to such other person as Landlord may from time to time designate in writing. If any installment of rent, Fixed Rent or additional, or on account of leasehold improvements is paid after the due date thereof, at Landlord's election, it shall bear interest at the Prime Rate designated in the "Wall Street Journal" plus four percent (4%) per annum, (or, if lower, the maximum rate permitted by law) from such due date, which interest shall be immediately due and payable as further additional rent; provided, however, Landlord hereby acknowledges and agrees that Tenant shall have one (1) grace period of an additional five (5) days per each calendar year of the Term before which such interest shall be charged by Landlord.

ARTICLE V
LANDLORD'S COVENANTS

5.1 LANDLORD'S COVENANTS DURING THE TERM

Landlord covenants during the Term:

5.1.1 Building Services - To furnish, through Landlord's employees or independent contractors, the services listed in Exhibit D;

5.1.2 Additional Building Services - To furnish, through Landlord's employees or independent contractors, reasonable additional services to the Building and Lot upon reasonable advance request of Tenant, at reasonable and competitive rates from time to time established by Landlord to be paid by Tenant;

5.1.3 Repairs - Except as otherwise provided in Article VII, except as resulting from Tenant's negligence or misuse (to the extent insurance proceeds are not available), except as resulting from settling or sagging within standard engineering tolerance (provided that the settling or sagging does not affect the surface or structural integrity of the Building or in any way materially affect the ordinary and customary use of the Premises, or any part thereof by Tenant), or except for damage or deterioration resulting from reasonable wear and damage, Landlord shall maintain the structural integrity of the Building, including but not limited to the roof, exterior walls, and windows and skylights and

all Landlord's Work pursuant to the Landlord's Work Guaranty. Landlord shall also be

responsible for (i) all exterior maintenance, repairs and replacements necessary to keep in good condition and working order all Common Areas of the Building and the Park, and the trees, shrubs, plants, landscaping, parking areas (including the Building Parking Area), driveways and walkways on the Lot or elsewhere in the Park, including but not limited to, all lighting and other fixtures and equipment serving such parking areas, driveways and walkways, (ii) providing the services and performing the maintenance work set forth in Section 4.2 and Article VII hereof, and (iii) performing necessary repairs and replacements to maintain the watertight integrity of the Building, including but not limited to the roof, exterior wall, windows and skylights. Landlord shall also maintain, repair and replace all equipment, appliances and utility systems in the Building as of the Term Commencement Date and as the same may be replaced, including, without limitation, the HVAC equipment in the Building, such that it shall be in good operating condition throughout the Term. Landlord shall make all of such repairs and replacements necessary to maintain the foregoing in good condition and working order and in compliance with all laws and all costs and expenses under this Section 5.1.3 shall be incurred pursuant to the provisions of Section 4.2, other than if such repairs and/or replacements are necessary due to a breach of Landlord's Work Guaranty, the costs of which shall be Landlord's sole responsibility. All other repairs and maintenance within the Premises, except as specifically otherwise provided for herein, shall be the responsibility of Tenant. Notwithstanding the foregoing, Landlord shall have no responsibility to install, repair, maintain or replace any security system, the parties expressly agreeing that Landlord shall have no responsibility whatsoever for providing any security to the Premises, Building or Lot.

In the event that Tenant gives notice to Landlord of a condition which Tenant believes requires Landlord's repairs or a condition which, if left uncorrected, will necessitate Landlord's repair, then, in accordance with the terms of this Section 5.1.3, Landlord shall respond promptly to investigate such condition, and, if such repairs are Landlord's obligation hereunder, Landlord shall commence promptly to repair same and to diligently complete said repair. Tenant agrees during the Term to provide Landlord notice as soon as reasonably possible of any condition known to Tenant which might require, or if left uncorrected will necessitate Landlord's repair pursuant to this Section 5.1.3. Tenant shall have the right to require, at reasonable times and with reasonable notice, a representative of Landlord to inspect the Premises for repairs which may be the responsibility of Landlord;

5.1.4 Quiet Enjoyment - That Landlord has the right to make this Lease and that Tenant, on paying the rent and performing its obligations hereunder, shall peacefully and quietly have, hold and enjoy the Premises throughout the Term without any manner of hindrance or molestation from Landlord or anyone claiming under Landlord, subject, however, to all the terms and provisions hereof;

5.1.5 Landlord's Compliance with Laws - Notwithstanding anything contained in this Lease to the contrary, throughout the Term, Landlord (and not Tenant) shall be

required to make all repairs, replacements and improvements to the Premises, Building and Common Areas thereof and all systems and equipment therein and take such other action as may be required and restricted by all applicable laws, ordinances, rules and regulations of governmental bodies that apply to generally and not related to Tenant's particular use of the Premises. All reasonable costs and expenses incurred in connection therewith shall be part of Landlord's Operating Costs pursuant to Section 4.2, except as otherwise provided in this Lease;

5.1.6 Landlord's Insurance - Beginning with the commencement of Tenant's Work and thereafter throughout the Term, Landlord shall purchase and keep in force, broad-form commercial general liability insurance, or the equivalent then-customary form providing comparable coverages, written out on an occurrence basis containing provisions adequate to protect the Landlord from and against claims for bodily injury, including death and personal injury and claims for property damage occurring within the Park and/or the Building, such insurance having bodily injury and property damage combined limits of not less than five million dollars ($5,000,000) per occurrence increased as necessary so as to be at least comparable with other buildings similar to the Building and customarily carried by other landlords similarly situated as Landlord. In addition, Landlord shall procure and continue in force during the Term, as the same may be extended hereunder, fire and extended coverage insurance, including vandalism, sprinkler leakage and malicious mischief, upon the Building on a full replacement cost basis, agreed cost value endorsement with agreed values for the Building and tenant improvements initially installed by Landlord (i.e. the Landlord's Work), as determined annually by the Landlord's insurer. Landlord shall also procure and continue in force during the Term, as the same may be extended hereunder, rental interruption insurance for twelve (12) months or the maximum amounts permitted. Copies of certificates of insurance evidencing the foregoing shall be furnished to Tenant, upon Tenant's reasonable request. All insurance required of Landlord pursuant to this Section shall be effected under policies issued by insurers of recognized responsibility (which are rated A or A+ by Best's Rating Service or a comparable rating by an equivalent service). The coverages required by this Section 5.1.6 may be provided by a single "package policy" or by a combination of "package policy" and umbrella;

5.1.7 Landlord's Indemnity - Except as provided in Section 6.1.7 or in Section 10.12, without regard to the insurance carried by Landlord, Landlord covenants and agrees to defend, with counsel reasonably acceptable to Tenant, save harmless and indemnify Tenant from any liability for injury, loss, accident or damage to any person or property on the Premises, in the Building, on the Lot, or elsewhere in the Park, and from any claims, actions, proceedings and reasonable expenses and costs in connection therewith (including, without implied limitation, reasonable counsel fees), to the extent arising from the negligent acts, omissions and/or willful acts of Landlord, its employees, contractors, agents, or representatives, including, without limitation, claims made by GCCI, its subcontractors or their employees in connection with Landlord's Work, and not

caused exclusively by the negligent acts, omissions and/or willful acts of Tenant, in no event shall Landlord be obligated to indemnify Tenant for any willful or negligent act or omission of Tenant or of any of Tenant's employees, agents, contractors or licensees, which arise from and after the date of this Lease. The covenants and indemnifications hereunder shall survive the expiration or earlier termination of this Lease;

5.1.8 Hazardous Materials - Landlord represents and warrants that, to the best of Landlord's knowledge as of the date of this Lease and as of the date of Substantial Completion (i) there does not exist (and will not exist as of the date of Substantial Completion) any leak, spill, release, discharge, emissions or disposal of Hazardous Materials on the Lot (including the Building located thereon) in violation of the Hazardous Waste Laws, and (ii) the Premises do not (and will not as of the date of Substantial Completion) contain any Hazardous Materials, except as may be contained in customary cleaning supplies or in such other supplies (e.g. paint) that are necessary for Landlord to perform its obligations hereunder in violation of the Hazardous Waste Laws. In the event that any such leak, spill, release, discharge, emission or disposal of Hazardous Materials shall occur on the Lot or (apart from de minimis amounts of such materials used for cleaning and maintenance purposes or in connection with the operation of loading docks) the Park, or if the Premises contain any Hazardous Materials unrelated to the acts, omissions or misconduct of Tenant, Landlord shall promptly take any and all actions necessary to bring the Premises, the Park and/or the Building (excluding all portions thereof leased or leasable to tenants) into compliance with applicable law and other governmental requirements relating thereto.

Landlord agrees to notify Tenant immediately upon discovery of any Hazardous Materials on the Premises or in the Park and to indemnify, defend and hold harmless Tenant and its officers, employees and agents from and against any claims, judgments, damages, penalties, fines, costs, liabilities or loss (including without limitation reasonable attorneys' fees) which arise during or after the Term from or in connection with the presence or suspected presence of Hazardous Materials on the Premises or in the Park caused directly by the negligent acts or gross misconduct of Landlord. In no event shall Landlord be obligated to indemnify Tenant for any Hazardous Materials which arise, as a result of the negligent acts or gross misconduct of Tenant, its officers, employees, agents, contractors or licensees. The covenants and indemnifications set forth in this Section 5.1.8 shall survive the expiration or earlier termination of this Lease;

5.1.9 Tenant's Costs - In case Tenant shall, without any fault on its part, be made party to any litigation commenced by or against Landlord or by or against any parties in possession of the Premises or any part thereof claiming under Landlord, Landlord agrees to reimburse Tenant for all reasonable costs, including without implied limitation, reasonable counsel fees, incurred by or imposed upon Tenant in connection with such litigation and to pay all such reasonable costs and fees incurred in connection with the successful enforcement by Tenant of any obligations of Landlord under this Lease;

5.1.10 Building Operations - Throughout the Term, Landlord agrees that the Building will be managed, operated and maintained, and services provided in accordance with comparable Class "A" office buildings in the Burlington, Massachusetts area; and

5.1.11 Tenant's Trade Fixtures - Landlord hereby waives any right or interest in or to Tenant's trade fixtures, not-permanent installations, furniture and equipment ("Personalty"). Landlord agrees to execute any certificates reasonably necessary to evidence the waiver of any such right or interest. Tenant may, from time to time, if Tenant is not then in default thereunder beyond applicable grace, notice or cure periods, secure financing or general credit lines, and grant the lenders as security therefor a security interest in any or all of its Personalty, and to enter into leases of the Personalty. If Tenant is not then in default under the provisions hereof beyond applicable grace or cure periods, upon written request by Tenant, Landlord agrees to evidence Landlord's consent in writing to such security interest and given such lenders rights of access to the Premises at reasonable times to protect its security interest and the same right to notice of and time to cure any defaults of Tenant as is provided for Tenant under the provisions of this Lease.

Except as specifically provided to the contrary in Section 4.2 or in Section 5.1.3, Landlord shall charge Tenant under the provisions of Section 4.2 for the costs incurred by Landlord in connection with the services and/or repairs set forth in Section 5.1.1, 5.1.2, 5.1.3, 5.1.5, 5.1.6 and 5.1.10 above.

5.2 INTERRUPTIONS

Landlord shall not be liable to Tenant for any compensation or reduction of rent by reason of inconvenience or annoyance or for loss of business arising from power losses or shortages or from the necessity of Landlord's entering the Premises for any purposes authorized by this Lease or for repairing the Premises, Building or Lot as herein provided, in such case, notwithstanding Landlord's diligent efforts in connection therewith (which such efforts shall never obligate Landlord to pay for overtime and/or premium time work, or to pay a premium for expedited delivery, except as such additional costs are so authorized and paid for by Tenant), if Landlord is prevented or delayed from making any repairs, alterations or improvements, or furnishing any service or performing any other covenant or duty to be performed on Landlord's part, by reason of any cause reasonably beyond Landlord's control (expressly excluding Landlord's financial inability), Landlord shall not be liable to Tenant therefore, nor, except as expressly otherwise provided in Article VII or below in this Section 5.2, shall Tenant be entitled to any abatement or reduction of rent by reason thereof, nor shall the same give rise to a claim in Tenant's favor that such failure constitutes, actual or constructive, total or partial, eviction from the Premises. Landlord shall use reasonable efforts to restore such interrupted services, regardless of the cause of loss of such service.

Landlord reserves the right to stop any service or utility system when necessary by reason of accident or emergency or until necessary repairs have been completed. Except in case of emergency repairs, Landlord will give Tenant reasonable advance notice of any contemplated

stoppage and will use reasonable efforts to avoid unnecessary inconvenience to Tenant's use and occupancy of the Premises.

Notwithstanding any language to the contrary, if due to any act or omission on the part of Landlord, its agents, employees or contractors, electricity, heat, air conditioning, water or any other service or utility that Tenant is entitled to receive under this Lease is interrupted, and such interruption renders the Premises untenantable, or any portion thereof is reasonably inaccessible by Tenant or makes it impracticable for Tenant to conduct its business in the Premises, then if such interruption or cessation shall continue for a period of thirty (30) consecutive days after notice thereof from Tenant to Landlord that the Premises are untenantable, or reasonably inaccessible, or Tenant cannot conduct its business as a result thereof, then the Fixed Rent and additional rent shall be proportionately abated for each successive day such interruption or cessation continues based upon that certain portion of the Premises that are affected by such interruption (other than for reasons of casualty or eminent domain where the provisions of Article VII shall govern).

Except as set forth in this Section 5.2 or in Article VII, the foregoing rights shall be Tenant's sole remedy at law or in equity for any interruptions described in this Section 5.2.

ARTICLE VI
TENANT'S COVENANTS

6.1 TENANTS COVENANTS DURING THE TERM

Tenant covenants during the Term:

6.1.1 Tenant's Payments - To pay when due (a) all Fixed Rent and additional rent, (b) all taxes which may be imposed on Tenant's personal property in the Premises (including, without limitation, Tenant's fixtures and equipment) subject, however, to Tenant's right to contest and seek abatement thereof, (c) directly to the utility provider (if not payable to Landlord), all charges by public utility for telephone and other utility services (including service inspections therefor and the charges as may be imposed pursuant to Exhibit D hereof) rendered to the Premises not otherwise required hereunder to be furnished by Landlord without charge and not consumed in connection with any services required to be furnished by Landlord without charge, and (d) as additional rent, all reasonable charges of Landlord for services rendered pursuant to Section 5.1.1, 5.1.2, 5.1.3, 5.1.5, 5.1.6 and 5.1.10 hereof;

6.1.2 Repairs and Yielding Up - Except as otherwise provided in Article VII and Section 5.1.3, and reasonable wear and damage or destruction by casualty or eminent domain excepted, to keep the interior, non-structural and non-building system elements of the Premises and all fixtures thereon and therein in good repair, operating condition and working order, at Tenant's cost and expense; to make and perform or cause to be made or performed all interior maintenance, repairs and replacements necessary to keep the Premises in such condition, including, without limitation, by their inclusion, interior repainting and

replacement of interior glass damaged or broken (except that if exterior glass is damaged or broken due to any act or omission on the part of Tenant, its subtenants, contractors, licensees or other party acting on behalf of Tenant, then Landlord shall be responsible to repair and/or replace such damaged or broken glass, at Tenant's sole cost and expense) and of floor and wall coverings torn or damaged. Such tenant repair, maintenance and replacement obligations shall be performed at Tenant's cost and expense, and shall include, but not be limited to, the responsibility for any security system within the Premises. Landlord reserves its right to inspect the maintenance and repair and replacement of such units and systems, and if Landlord is reasonably dissatisfied with Tenant's maintenance and repair and replacement of such units and systems, then Landlord shall have the right to require Tenant to change maintenance contractors or assume such responsibility itself, at Tenant's cost.

Tenant further covenants, at the expiration or termination of this Lease, peaceably to yield up the Premises and all changes and additions therein in such order, repair and condition, damage by fire or other casualty excepted, first removing all goods and effects of Tenant and any items, the removal of which is required by agreement or specified therein to be removed at Tenant's election and which Tenant elects to remove, and repairing all damage caused by such removal and leaving them clean and neat; any property not so removed shall be deemed abandoned and may be removed and disposed of by Landlord, in such manner as Landlord shall determine, and Tenant shall pay Landlord the entire reasonable cost and expense incurred by it by effecting such removal and disposition;

6.1.3 Occupancy and Use - to use and occupy the Premises only for the Permitted Uses; and not to injure or deface the Premises, Building (including the Common Areas) or Lot or Park; and not to permit in the Premises any auction sale, nuisance, or the emission from the Premises of any objectionable noise or odor; nor any use thereof which is improper, offensive, contrary to law or ordinances, or liable to invalidate or increase the premiums for any insurance on the Building or its contents, unless Tenant agrees to pay such increased premiums and costs, and such use (if other than Permitted Uses) is approved by Landlord in advance;

6.1.4 Rules and Regulations - To comply with the Rules and Regulations set forth in Exhibit E and all other reasonable Rules and Regulations hereafter made by Landlord, of which Tenant has been given notice, for the care and use of the Building, Lot and Common Areas of the Building, and the Park, it being understood that Landlord shall not be liable to Tenant for the failure of other tenants of the Building or Park to conform to such Rules and Regulations; provided that (i) such Rules and Regulations are enforced in a non- discriminatory fashion, (ii) such Rules and Regulations do not materially interfere with Tenant's use of the Premises and the Building Parking Area (as hereinafter defined in Section 10.14) and (iii) in the event of any conflict, this Lease shall prevail;

6.1.5 Compliance with Laws and Safety Appliances - To keep, from and after the initial installation thereof by Landlord, the Premises equipped with all safety appliances

required by law or ordinance or any other regulation of any public authority because of any particular manner of use made by Tenant other than the Permitted Use (expressly excluding any base building requirement such as sprinkler systems, exit signs and the like) and to procure all licenses and permits so required because of such particular use, it being understood that the foregoing provisions shall not be construed to broaden in any way Tenant's Permitted Uses. Tenant shall have the right, upon giving notice to the Landlord, to contest any obligation imposed upon it pursuant to the provisions of this Section 6.1.5, and provided the enforcement of such requirement or law is stayed during such contest and such contest will not subject the Landlord to penalty or jeopardize the title to the Premises or otherwise affect the Premises in any materially, adverse way. Landlord shall cooperate with Tenant in such contest and shall execute any documents reasonably required in the furtherance of such purpose;

6.1.6 Assignment and Subletting -Tenant shall have the right, subject to the requirement of obtaining Landlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed by Landlord, to assign this Lease or sublet the whole or any portion of the Premises, which assignment or sublease shall be only for the Permitted Uses, it being understood that Tenant shall, as additional rent, reimburse Landlord promptly for reasonable legal and other expenses incurred by Landlord in connection with any request by Tenant for consent to assignment or subletting not to exceed $500.00. No assignment or subletting shall affect the continuing primary liability of Tenant (which, following assignment, shall be joint and several with the assignee). Such consent by Landlord to any of the foregoing in a specific instance where Landlord's consent is required hereunder (i) shall be reasonable, subject to the provisions hereinafter provided, and (ii) shall be subject to the prior written approval of Landlord's mortgagee(s), such approval not to be unreasonably withheld or delayed or conditioned on an increase in Rent or payment of additional fees by Tenant under this Lease. Landlord's consent shall not be treated as having been withheld unreasonably if, in connection with any such proposed assignment or subletting: (i) the terms of the proposed assignment or subletting do not prohibit further assignments of the Lease or subletting of the Premises without the written consent of Landlord, the granting of which consent shall be subject to the terms and conditions hereof, and in any event shall not be unreasonably withheld, conditioned or delayed; (ii) the use violates an exclusive use provision of the Park; and/or (iii) in connection with an assignment of this Lease, the assignee does not agree directly with Landlord, by written instrument in form reasonably satisfactory to Landlord, to be bound by all the obligations of Tenant hereunder including, without limitation, the covenant against further assignment and subletting without the written consent of Landlord. Tenant hereby acknowledges and agrees that the foregoing is not intended to be an exclusive list of the reasons for which Landlord may reasonably withhold consent to a proposed request by Tenant for consent to assignment or subletting. No consent to any of the foregoing in a specific instance shall operate as waiver in any subsequent instance. If an assignment or subletting is proposed to be made and Landlord's consent is required as hereinabove provided, Tenant shall give Landlord prior

notice of such proposal, which such notice shall include such information (including creditworthiness information) as Landlord may reasonably request relative to facts which would bear upon the factors entering into the determination whether Landlord's approval is to be granted, and it is understood that Landlord shall have a period of fifteen (15) days after the submission of such information by Tenant to make its determination whether Landlord's approval is to be granted hereunder; otherwise, it shall be deemed approved if Landlord fails to respond within the aforementioned time period, in such event, Landlord covenants to execute confirmatory instruments upon Tenant's request regarding the same.

If Tenant requests Landlord's consent to assign this Lease or sublet the entire Premises for the balance of the term, or more than fifty percent (50%) of the Premises for a term expiring during the last three (3) years of the Term, which such request may be made by Tenant without having sought a tenant, then Landlord shall have the option, exercisable by written notice to Tenant given within fifteen (15) days after receipt of such request, to recapture the portion of the Premises proposed to be assigned or sublet as of a date specified in such notice which shall be not less than forty-five (45), or more than sixty (60) days after the date of such notice, in such event the recaptured area of the Premises shall be removed from the Premises and Tenant shall have no further liabilities or obligations with respect thereto, including obligations to pay Fixed Rent, additional rent or other charges with respect thereto; and any rental received by Tenant from sub-tenant must be remitted to Landlord; provided, however, upon Tenant's receipt of any such written notice from Landlord exercising its right of recapture hereunder, Tenant shall have the option, exercisable by written notice to Landlord given within ten (10) days after receipt of such Landlord's notice, to withdraw its request to assign or sublet all or a portion of the Premises, whereupon Landlord's notice to Tenant exercising its right of recapture hereunder shall become null and void and of no force or effect as to Tenant's particular request for Landlord's consent hereunder.

Notwithstanding any provision contained in this Lease, no consent of Landlord shall be required for the assignment of this Lease or the subletting of any portion (or the whole) of the Premises, (i) to a subsidiary of Tenant, (ii) to a corporation or other entity into or with which Tenant has merged or consolidated or to which substantially all of Tenant's stock or assets are transferred, (iii) to any corporation or other entity which controls, is controlled by, or is under common control with Tenant, or (iv) to any corporation or other entity with which Tenant is otherwise affiliated, in any event for which Landlord's consent is necessary, (y) Tenant shall remain primarily liable [and the Security Deposit] shall remain in effect, and (z) such assignee agrees directly with Landlord by written instrument to be bound by all of the obligations of Tenant; in the event of any such assignment or subletting for which no consent by Landlord is required hereunder, Tenant shall not be obligated to share Rent Differential as hereinafter set forth, but shall be required to notify Landlord in writing of the identity of any such sublessee or assignee.

If this Lease shall be assigned, or if the Premises or any part hereof shall be sublet or occupied by any person other than Tenant, Landlord may, at any time and from time to time, so long as Tenant is in default beyond applicable grace periods, collect rent (or any amounts due to Landlord hereunder) from the assignee, subtenant or occupant and apply the net amount collected to the annual Fixed Rent, additional rent and all other charges herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of the provisions of this Section 6.1.6, or acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance of the terms, covenants and conditions of this Lease on the part of Tenant to be performed. Further, no liability hereunder of Tenant shall be discharged, reduced, released or impaired in any respect by any waiver, indulgence or extension of time which Landlord may grant to the then owner of Tenant's interest in this Lease, whether or not notice thereof has been given or consent from Tenant has been obtained.

If Landlord approves a sublease or assignment for which Landlord's consent is required, and said sublease or assignment is for a total rental amount which on an annualized basis is greater than the Fixed Rent and additional rent due from Tenant to Landlord under this Lease, Tenant shall pay to Landlord, forthwith upon Tenant's receipt of each installment of such excess rent, during the term of any approved sublease or assignment, as additional rent hereunder, in addition to the Fixed Rent and other payments due under this Lease, an amount equal to fifty percent (50%) of the positive excess between all fixed rent and additional rent received by Tenant under the sublease or assignment and the Fixed Rent and the additional rent due hereunder after Tenant has recouped its reasonable out-of-pocket expenses with respect to such sublease or assignment, including without limitation, reasonable real estate brokerage commissions, reasonable legal fees, reasonable free rent, reasonable marketing costs and the reasonable costs of refurbishment of the Premises for such sublease or assignment (the "Rent Differential"), in the event the sublease is for less than the full Premises hereunder, the above rent adjustment shall be equitably pro rated on a square foot basis. Anything contained in the foregoing provisions of this section to the contrary notwithstanding, neither Tenant nor any other person having interest in the possession, use, occupancy or utilization of the Premises shall enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Premises which provides for rental or other payment for such use, occupancy or utilization based, in whole or primarily on the net income or profits derived by any person from the Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and any such purported lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession use, occupancy or utilization of any part of the Premises;

6.1.7 Indemnity - Except as provided in Section 5.17 and Section 10.12, without regard to the insurance carried by Tenant, Tenant covenants and agrees to defend, with

counsel reasonably acceptable to Landlord, save harmless, and indemnify Landlord from any liability for injury, loss, accident or damage to any person or property occurring on the Premises, in the Building, on the Lot, or elsewhere in the Park, and from any claims, actions, proceedings and expenses and costs in connection therewith or elsewhere in the Park (including, without implied limitation, reasonable counsel fees): (i) to the extent arising from the negligent acts, omissions and/or willful acts of Tenant or any of Tenant's employees, agents, contractors, subtenants, assignees, licensees or invitees and not caused exclusively by the negligent acts, omissions and/or willful acts of Landlord, or (ii) resulting from the failure of Tenant to perform and discharge its covenants and obligations under this Lease. In no event shall Tenant be obligated to indemnify Landlord for any willful or negligent act or omission of Landlord or any of Landlord's employees, agents, contractors or licensees, which arise from and after the date of this Lease. The covenants and indemnifications set forth in this Section 6.1.7 shall survive the expiration or earlier termination of this Lease;

6.1.8 Tenant's Liability Insurance - To maintain, throughout the term, public liability insurance in the Premises in amounts which shall, at the beginning of the Term, be at least equal to the limits set forth in Section 1.1 and from time to time during the Term, shall be for such higher limits, if any, as are customarily carried in the area in which the Premises are located on property similar to the Premises and used for similar purposes and, upon written request therefor, to furnish Landlord (and/or its mortgagees) with certificates thereof, prior to occupancy hereunder, evidencing such coverage and providing that the insurance indicated therein shall not be cancelled without at least thirty (30) days prior written notice to Landlord. (Tenant's insurer shall endeavor to give said thirty (30) days notice.) Landlord and its mortgagee shall be named as additional insureds on such policy;

6.1.9 Tenant's Workmen's Compensation Insurance - To keep all Tenant's employees working in the Premises covered by workmen's compensation insurance in statutory amounts and to furnish Landlord with certificates thereof;

6.1.10 Landlord's Right of Entry - Upon not less than forty-eight (48) hours (or seventy-two (72) if over a weekend) prior notice (except in the event of emergencies), to permit Landlord and Landlord's agents entry; to examine the Premises at reasonable times and, if Landlord shall so elect, to make repairs or replacements; to remove, at Tenant's expense, any changes, additions, signs, curtains, blinds, shades, awnings, aerials, flagpoles, or other improvements visible outside the Building not consented to in writing; and to show the Premises to prospective tenants during the twelve (12) months preceding expiration of the Term and to prospective purchasers and mortgagees at all reasonable times;

6.1.11 Loading - Not to place a load upon the Premises exceeding an average rate of one hundred (100) pounds of live load per square foot of floor area; and not to move any safe, vault or other heavy equipment in, about or out of the Premises except in such a manner and at such times as Landlord shall in each instance reasonably approve; Tenant's business machines and mechanical equipment which cause

vibration or noise that may be transmitted to the Building structure in excess of customary office machinery and equipment shall be placed and maintained by Tenant in settings of cork, rubber, spring, or other types of vibration eliminators sufficient to eliminate such vibration or noise;

6.1.12 Landlord's Costs - in case Landlord shall, without any fault on its part, be made party to any litigation commenced by or against Tenant or by any party claiming under Tenant, to pay, as additional rent, all actual third party reasonable costs including, without implied limitation, reasonable counsel fees incurred by or imposed upon Landlord in connection with such litigation, and, as additional rent, also to pay all such reasonable costs and fees incurred by Landlord in connection with the successful enforcement by Landlord of any obligations of Tenant under this Lease;

6.1.13 Tenant's Property - All the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by, through or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or on the Lot shall be at the sole risk and hazard of Tenant, except for Landlord's negligence or willful act or omission, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft, or from any other cause, no part of said loss or damage is to be charged to or to be borne by Landlord, except if caused directly by Landlord's negligence or willful misconduct;

6.1.14 Labor or Materialmen's Liens - To pay promptly when due the entire cost of any work done on the Premises by Tenant, its agents, employees, or independent contractors and not by Landlord, GCCI or their contractors or subcontractors for Landlord's Work pursuant to Article III; not to cause or permit any liens for labor or material performed or furnished in connection therewith to attach to the Premises; but within thirty (30) days after Tenant's receipt of notice thereof, to discharge or bond over any such liens which may so attach;

6.1.15 Changes or Additions - Not to make any material changes or alterations to the Premises, including any Alterations (defined below) costing in excess of Fifteen Thousand Dollars ($15,000.00) in any one instance, without Landlord's prior written consent, which such consent shall not be unreasonably withheld, conditioned or delayed, except in the event of structural changes or changes to the exterior of the Building or existing Building systems including the life safety, mechanical, electrical, or plumbing systems, in which event consent need not be reasonable and may be withheld in Landlord's sole discretion (collectively herein called "Changes"). Notwithstanding the foregoing, Tenant may, from time to time, at its own cost and expense and without the consent of Landlord, make non-structural alterations, additions or improvements to the Premises, so long as they do not constitute Changes, which may be performed without Landlord's consent (collectively herein called "Alterations") whose cost in any one instance is Fifteen

Thousand Dollars ($15,000.00) or less. Tenant shall notify Landlord in writing of any proposed Alterations. Decorative work within the Premises shall not constitute Changes or Alterations. If Landlord reasonably concludes that the Alterations involve any unusual construction, alterations or additions requiring, material, unusual expense to readapt the Premises to normal office use on the Term Expiration Date, Landlord shall notify Tenant in writing at the time of approval that such re-adaptation will be required to be made by Tenant prior to such Term Expiration Date without expense to Landlord.

Any and all alterations, including Changes or Alterations to be performed beyond the Landlord's Work shall be performed by GCCI at cost plus ten percent (10%) as defined in Article in above, if Landlord so elects to perform the same. Landlord shall provide to Tenant appropriate backup data regarding invoices submitted. If Landlord does not elect to perform such Changes or Alterations, then such alterations, including Changes or Alterations shall be done by any reasonable contractor chosen by Tenant, subject to the following sentence, provided any such contractor is reputable, bondable by reputable bonding companies (although no bond is required so long as Landlord is adequately protected against any liens), carries the kind of insurance and in the amounts set forth herein, and will work in harmony with Landlord's contractors and laborers in the Building or Park. Tenant agrees that Landlord shall have the right to reasonably approve Tenant's chosen contractor. Notwithstanding the foregoing, no such bonding is required for interior, non-structural, non-roof, non-mechanical Changes or Alterations. Tenant in making any alterations, including Changes or Alterations, shall cause all work to be done in a good and workmanlike manner using materials substantially equal to or better than those used in the construction of the Premises and shall comply with or cause compliance with all laws and with any direction given by any public officer pursuant to law. Tenant shall obtain or cause to be obtained and maintain in effect, as necessary, all building permits, licenses, temporary and permanent certificates of occupancy and other governmental approvals which may be required in connection with the making of any alterations, including the Changes or Alterations. Landlord shall cooperate with Tenant in the obtaining thereof and shall execute any documents reasonably required in furtherance of such purpose, provided any such cooperation shall be without out of pocket expense and/or liability to Landlord, unless GCCI will be performing the same (and if not, then Tenant shall reimburse Landlord for its reasonable out of pocket expenses).

At least annually if such Changes or Alterations or any other alterations permitted hereunder have occurred during the past calendar year and require the filing of plans with the Burlington Building Department, Tenant shall furnish to Landlord as-builts, CD compatible with Landlord's auto CAD software or with Microsoft Architect or such other system compatible with Landlord's computer system and operating manuals (if applicable and existing) of the work done by Tenant during such past year and copies of all permits issued in connection therewith.

Tenant shall have its contractor procure and maintain in effect during the term of construction of such alterations, including Changes or Alterations, reasonably satisfactory insurance coverages with an insurance company or companies authorized to do business in the Commonwealth of Massachusetts, and shall, upon Landlord's request, furnish Landlord with certificates thereof;

6.1.16 Holdover - To pay to Landlord two hundred percent (200%) the total of the Fixed and additional rent then applicable for each month or portion thereof Tenant shall retain possession of the Premises or any part thereof after the termination of this Lease, whether by lapse of time or otherwise, and also to pay all damages sustained by Landlord on account thereof. Notwithstanding the foregoing, Landlord agrees that one hundred and fifty percent (150%) of said total Rent, and not two hundred percent (200%) shall be due for any initial holdover up to thirty (30) days after the Term Expiration Date. Further, Landlord agrees that consequential damages shall not accrue against Tenant until Landlord has notified Tenant in writing that it has entered into a letter of intent or lease for the Premises (or part thereof), which such notice shall specify a period of not less than fifteen (15) days in which consequential damages may commence to accrue if such holdover continues by Tenant and which such notice may be given prior to the expiration of the Term if applicable. The provisions of this subsection shall not operate as a waiver by Landlord of any right of re-entry provided in this Lease;

6.1.17 Hazardous Materials - Tenant shall not (either with or without negligence) cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances or materials onto the Premises, the Lot or Park, except in accordance with the requirements of applicable laws and regulations. Tenant shall not allow the storage or use of such substances or materials in any manner not permitted by law, nor allow to be brought into the Premises any such materials or substances except to use in the ordinary course of Tenant's business. Upon Landlord's written request, Tenant shall furnish to Landlord an inventory of the identity of such substances or materials used in the ordinary course of Tenant's business, except for usual cleaning materials and office equipment. Without limitation, hazardous substances and materials ("Hazardous Materials") shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., the Massachusetts Hazardous Waste Management Act, as amended, M.G.L. c.21C, the Massachusetts Oil and Hazardous Material Release Prevention and Response Act, as amended, M.G.L. C.21E, any applicable local ordinance or bylaw, and the regulations adopted under these acts, as amended (collectively, the "Hazardous Waste Laws"). If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous substances or materials, then the reasonable costs thereof shall be reimbursed by Tenant to Landlord upon demand as additional charges if and only if the following conditions are satisfied; (i) if such requirement applies to the Premises and (ii) if an independent, reputable third party engineer employed by Landlord or persons acting under Landlord conclusively determines

that such release had been or is likely to have been solely and exclusively caused by Tenant or persons acting under Tenant. If Tenant receives from any federal, state or local governmental agency any notice of violation or alleged violation of any Hazardous Waste Law, or if Tenant is obligated to give any notice under any Hazardous Waste Law, Tenant agrees to forward to Landlord a copy of any such notice within three (3) days of Tenant's receipt or transmittal thereof, in addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's request concerning Tenant's best knowledge of belief without independent investigation or inquiry regarding the presence of hazardous substances or materials on the Premises released by Tenant, in all events, Tenant shall indemnify Landlord in the manner provided in Section 6.1.7 of this Lease from any release of hazardous substances or materials on the Premises or elsewhere in the Park to the extent caused by Tenant or persons acting under the direction and control of Tenant. Landlord retains the right to inspect the Premises at all reasonable times, upon reasonable notice to Tenant, to ensure compliance with this paragraph. The within covenants shall survive the expiration or earlier termination of the Term;

6.1.18 Signs and Advertising - Except as hereinafter expressly provided, Tenant will not place or suffer to be placed or maintained on the exterior or roof of the Premises or Lot, or elsewhere in the Park, any sign, decoration, lettering or advertising matter or any other thing of any kind without Landlord's consent.

Landlord and Tenant further agree that Tenant shall be entitled to (i) standard signage in the lobby directory of the Building, and (ii), so long as Tenant (as set forth in Section 1.1) is then occupying the Phase 1 space, an exterior building signage (i.e. Tenant shall be entitled to install a clean and professionally lettered panel, supplied by Tenant or at Tenant's expense, customary or appropriate in the conduct of Tenant's business designating Tenant on the exterior of the Building, in a location to be reasonably approved by Landlord). Further, the parties agree that in the event that Tenant leases and occupies sixty-five percent (65%) of the Building or more and is not in default beyond all notice and cure periods, then Tenant shall be entitled to a second sign on the exterior of the Building (provided the same is no longer then committed to the current tenant of the Building). All of such exterior building signage shall be at Tenant's sole cost and expense, non-exclusive, subject to local codes, rules and ordinances, and subject to Landlord's prior approval (not to be unreasonably withheld or denied so long as the aforesaid leasing and occupancy thresholds are satisfied). Tenant's signage may be illuminated if permitted by said codes, rules and ordinances;

6.1.19 Tenant's Authority - Tenant has the power and authority to enter into this Lease and perform the obligations of Tenant hereunder. This Lease and all other documents executed and delivered by Tenant in connection herewith constitute legal, valid, binding and enforceable obligations of Tenant; and

6.1.20 Confidentiality - This Lease document is a confidential document by and between Landlord and Tenant and Tenant agrees that this Lease shall not be copied and

distributed or circulated to any person(s) other than to such parties, and their respective mortgagees, successors or assigns, their legal counsel or their accountants, brokers, advisers and insurers or to any prospective sublessees and assignees or affiliates of Tenant, or to any prospective acquirers, investors, or lenders of Tenant, or to regulatory authorities, or to the directors, shareholders or officers of Tenant, or as required by law, without the prior written consent of Landlord. All public announcements regarding this Lease prior to Tenant's occupancy hereunder must be approved by Landlord and Tenant in advance.

ARTICLE VII
CASUALTY AND TAKING

7.1 CASUALTY AND TAKING

In case during the Term all or any substantial part of the Premises, Building, and/or the Building Parking Area, or any part thereof, or both (i.e. in the case of a fire or casualty, requiring greater than twelve (12) months to rebuild in Landlord's reasonable judgment; or in the case of a condemnation or a taking, more than thirty-five percent (35%) of the floor area of the Premises, Building or any material part of the means of access thereto or more than thirty-five percent (35%) of the parking spaces located within the Building Parking Area) are damaged by fire or any other casualty or by action of public or other authority in consequence thereof or are taken by eminent domain Landlord shall give prompt notice, (i.e. within thirty (30) days thereof) to Tenant (the "Landlord's Notice") and this Lease shall terminate either at Landlord's or Tenant's election, except as provided hereinbelow, which may be made by notice given to the other within thirty (30) days after the date of Landlord's Notice, which termination shall be effective (i) in the event of a casualty, not less than thirty (30) nor more than sixty (60) days after the date of notice of such termination and (ii) in the event of eminent domain event, as of the date on which such taking becomes effective and Tenant is deprived of the use and enjoyment of the Premises, Building, or part thereof, and/or the Building Parking Area, or part thereof. If in any such case the Lease is not so terminated, Landlord shall proceed promptly and use due diligence to put the Premises, Building or part thereof, and/or the Building Parking Area, or part thereof, or in case of taking, what may remain thereof (excluding any items installed by Tenant which Tenant may be permitted to remove upon the expiration of the Term) into as near as possible to the condition and character thereof prior to such damage or taking, and in any event shall apply all insurance proceeds or eminent domain awards received by it toward such work, for use and occupation to the extent permitted by the net award of insurance plus any deductibles and such amounts as Tenant may elect to make available for such work as hereinafter provided, or the amount of the eminent domain award, and an equitable proportion of the Fixed Rent and additional rent according to the nature and extent of the injury shall be abated until the Premises, Building or such remainder and the Building Parking Area shall have been put by Landlord in such condition; and in case of a taking which permanently reduces the area of the Premises, an equitable proportion of the Fixed Rent and additional rent shall be abated for the remainder of the Term and, if necessary, an appropriate adjustment shall be made to the Landlord's Operating Costs and other additional rent payable hereunder.

However, in the case of a casualty, if such damage is not repaired and the Premises, Building, or portion thereof, and/or Building Parking Area or part thereof, are not restored to the

same condition as they were prior to such damage within twelve (12) months from the date of Landlord's Notice, then Tenant, within thirty (30) days from the expiration of such twelve (12) month period or from the expiration of any extension thereof by reason of any Tenant's Delay and/or Force Majeure (as defined in Section 3.5 hereof and subject to the provisions set forth below) as hereinafter provided, may terminate this Lease by notice to Landlord and Landlord's mortgagee(s), given in accordance with Section 10.3 hereof, specifying a date not more than ten (10) days after the giving of such notice on which the Term of this Lease shall terminate. Notwithstanding such termination notice by Tenant, in the event that Landlord repairs such damage and restores the Premises to the same condition prior to such casualty during such period, not to exceed ten (10) days, as specified in Tenant's notice, then such notice of termination given by Tenant to Landlord hereunder shall be null and void and of no further force or effect. The period within which the required repairs may be accomplished hereunder shall be extended by (a) the number of days lost as a result of a Tenant's Delay, with such term, however, relating to restoration or repair as referenced herein and not to the initial construction of the Building, and (b) the number of days lost as a result of Force Majeure, as defined in Section 3.5.

If less than a substantial part of the Premises or Building, or portion thereof, and/or the Building Parking Area, or portion thereof (i.e. in the case of a fire or casualty, requiring less than twelve (12) months to rebuild in Landlord's reasonable judgment; or in the case of a condemnation or taking thirty-five percent (35%) or less of the floor area of the Premises or Building or any part of the means of access thereto or of the thirty-five percent (35%) of the parking spaces or less within the Building Parking Area are damaged by fire or any other casualty or are taken by eminent domain, then Landlord shall give prompt notice (i.e. within thirty (30) days) thereof to Tenant, which notice shall specify Landlord's estimation of the time period within which such repairs shall be completed, and thereafter Landlord shall proceed promptly and with due diligence to the extent permitted by the net award of insurance plus any deductible amounts and such amount as Tenant may elect to make available for such work as hereinafter provided, or the amount of the eminent domain award to put the Premises, Building or part thereof, and/or the Building Parking Area, or part thereof, into as near as possible to the condition and character thereof prior to such damage or taking. In the event that Landlord fails to repair such damage and restore the Premises, Building and/or Building Parking Area to substantially the same condition prior to such fire and other casualty within the time period as reasonably estimated by Landlord, but in no event greater than such twelve (12) month period from the date of such Landlord's notice to Tenant, or any extension thereof permitted for delays lost due to any Tenant's delay and/or Force Majeure (as hereinbefore provided), then Tenant may terminate this Lease by written notice to Landlord and to Landlord's mortgagee(s), as provided in Section 10.3 hereof, specifying a date not more than thirty (30) days after the giving of such notice on which the Term of this Lease shall terminate. Notwithstanding such termination notice by Tenant, in the event that Landlord repairs such damage and restores the Premises to substantially the same condition prior to such fire or other casualty during such period, not to exceed thirty (30) days, as specified in Tenant's notice, then such notice of termination given by Tenant to Landlord hereunder shall be null and void and of no further force and effect. If less than a substantial part of the Premises and/or the Building Parking Area as aforesaid shall be so damaged, then Fixed Rent and additional rent due hereunder shall be equitably abated until the Premises, Building and/or the Building Parking Area are so restored as set forth hereunder.

Landlord's architect's certificate, given in good faith, shall be deemed conclusive statements therein contained and binding upon Tenant with respect to the performance and completion of any repair or restoration work undertaken by Landlord pursuant to this Section, except in the event of disagreement between Landlord and Tenant relating to this Section, in which event the dispute resolution provisions of Section 3.6 shall apply. Further, Tenant shall have all general rights and provisions relating to the initial construction in Article III in connection with any rebuilding under this Article VII, but expressly excluding any such allowances set forth therein.

Notwithstanding any language to the contrary, Landlord shall use diligent efforts to construct mutually agreeable "Replacement Parking" pursuant to the following: Landlord shall use diligent efforts to provide Replacement Parking and render Tenant's notice of termination nugatory (if applicable) by, within thirty (30) days following the effective date of such destruction, taking, appropriation or condemnation, giving to Tenant notice in writing that Landlord will, at Landlord's sole cost and expense, construct replacement parking spaces of the same quantity and quality and convenience as the parking spaces so taken, appropriated or condemned (i.e., Landlord using diligent efforts to locate the replacement parking spaces as close to the Building as possible). Any of such Replacement Parking shall be preapproved by Tenant and shall be constructed by Landlord within a reasonable time period following the effective date of such destruction, taking, appropriation or condemnation, but in no event later than thirty (30) days after the occurrence of such destruction, taking, appropriation or condemnation, it being agreed by Landlord and Tenant that such time period shall be extended to include weather-related delays as aforesaid, in which event such Replacement Parking will be completed as reasonably possible thereafter, Landlord agreeing to proceed promptly and with due diligence to complete construction of any Replacement Parking. Landlord and Tenant acknowledge that if Landlord is prevented from performing the final paving for said Replacement Parking on account of weather, such final paving may be performed as soon thereafter as is feasible. Such notice shall be accompanied by (A) a site plan showing (i) the location of the Replacement Parking spaces, and (B) an opinion from counsel for Landlord that such Replacement Parking may be constructed as-of-right under then applicable zoning and land use regulations.

In the event of any other taking of the Premises, Building or Building Parking Area, or any part thereof, for temporary use or for less than one (1) year, (i) an equitable proportion of the Fixed Rent and additional rent shall be abated during the period of any such temporary taking; and (ii) Landlord shall pay to Tenant its pro rata share of any such use, provided that if any taking is for a period extending beyond the Term of this Lease, such award shall be apportioned between Landlord and Tenant as of the Term Expiration Date. In such event, Landlord agrees to use diligent efforts to provide Tenant with temporary parking within the Park or at its other nearby locations, if available.

Tenant has the option but not the obligation, in any fire or other casualty which creates a Landlord repair obligation in accordance with the terms of this Section to make available for such reconstruction all or a portion of the amount by which the cost of repair as certified by Landlord's architect exceeds the amount of proceeds received by Landlord

7.2 RESERVATION OF AWARD

Landlord reserves to itself any and all rights to receive awards made for damages to the Premises, Building or Lot and the leasehold hereby created, or any one or more of them, accruing by reason of exercise of eminent domain or by reason of anything lawfully done in pursuance of public or other authority. Tenant hereby releases and assigns to Landlord all Tenant's rights to such awards, and covenants to deliver such further assignments and assurances thereof as Landlord may from time to time request, hereby irrevocably designating and appointing Landlord as its attorney-in-fact to execute and deliver in Tenant's name and behalf all such further assignments thereof. It is agreed and understood, however, that Landlord does not reserve to itself, and Tenant does not assign to Landlord, any damages payable for (i) movable trade fixtures installed by Tenant or anybody claiming under Tenant, at its own expense, or (ii) relocation expenses recoverable by Tenant from such authority in a separate action.

7.3 ADDITIONAL CASUALTY PROVISIONS

(a) Landlord shall not be required to repair or replace any of Tenant's business machinery, equipment, cabinet work, furniture, personal property or other installations not originally installed by Landlord.

(b) In the event of any termination of this Lease pursuant to this Article VU, the Term of this Lease shall expire as of the effective termination date as fully and completely as if such date were the date herein originally scheduled as the Term Expiration Date. Tenant shall have access to the Premises at Tenant's sole risk for a period of thirty (30) days after the date of termination in order to remove Tenant's personal property except as prohibited by any applicable governmental agency or official.

(c) Notwithstanding any language to the contrary contained in this Article VU, if all or any substantial part of the Premises, Building and/or the Building Parking Area or any part thereof (as hereinabove defined), shall be damaged by fire or other casualty or taken by eminent domain during the last year of the Term of this Lease or the last year of the Extended Term, or prior to the Term Commencement Date for Phase 1 hereunder, then either Landlord or Tenant may terminate this Lease effective as of the date of such fire or other casualty or taking upon notice to the other as aforesaid, except that Tenant may render Landlord's notice of termination null and void by exercising early its option to extend the initial Term of this Lease for five (5) additional years in accordance with Exhibit F or the applicable Extended Term, as the case may be, as applicable. In the event of such early exercise, Landlord and Tenant agree to determine the Fixed Rent for the applicable Extended Term at least nine (9) months prior to the commencement date of the Extended Term in accordance with and in the manner set forth in said Exhibit F.

ARTICLE VIII
RIGHTS OF MORTGAGE

8.1 PRIORITY OF LEASE

Landlord shall have the option to subordinate this Lease to any future mortgagee or deed of trust of the Lot or Premises, or both ("the mortgaged premises"), provided that the holder thereof enters into a Subordination, Non-Disturbance and Attornment Agreement ("SNDA")

substantially in the form attached hereto as Exhibit J (or such other form as mutually acceptable to Landlord and Tenant and Landlord's mortgagee). Landlord shall obtain a SNDA from its current lender on or before such date which is sixty (60) days following the execution of this Lease; otherwise, Tenant shall have the right to terminate this Lease by giving written notice thereof to Landlord after the expiration of said sixty (60) day period, unless within ten (10) days of receipt of Tenant's termination notice, Landlord obtains the SNDA, in which case the termination notice shall be rendered null and void.

8.2 LIMITATION ON MORTGAGEE'S LIABILITY

Upon entry and taking possession of the mortgaged premises for any purpose other than foreclosure, the holder of a mortgage shall have all rights of Landlord, and during the period of such possession, the duty to perform all Landlord's obligations hereunder. Except during such period of possession, no such holder shall be liable, either as mortgagee or as holder of a collateral assignment of this Lease, to perform, or be liable in damages for failure to perform any of the obligations of Landlord unless and until such holder shall enter and take possession of the mortgaged premises for the purpose of foreclosing a mortgage. Upon entry for the purpose of foreclosing a mortgage, such holder shall be liable to perform all of the obligations of Landlord accruing after said entry, provided that a discontinuance of any foreclosure proceeding shall terminate the liability of the holder as Landlord.

8.3 MORTGAGEE'S ELECTION

Notwithstanding any other provision to the contrary contained in this Lease, if prior to the substantial completion of Landlord's obligations under Article III, any holder of a first mortgage on the mortgaged premises enters and takes possession thereof for the purpose of foreclosing the mortgage, such holder may elect, by written notice given to Tenant and Landlord at any time within ninety (90) days after such entry and taking of possession, not to perform Landlord's obligations under Article HI, and in such event such holder and all persons claiming under it shall be relieved of all obligations to perform, and all liability for failure to perform, said Landlord's obligations under Article HI, and Tenant may terminate this Lease and all its obligations hereunder by written notice to Landlord and such holder given within thirty (30) days after the day on which such holder shall have given its notice as aforesaid.

8.4 NO PREPAYMENT OR MODIFICATION, ETC.

No Fixed Rent, additional rent, or any other charge shall be paid more than thirty (30) days prior to the due dates thereof, and payments made in violation of this provision shall (except to the extent that such payments are actually received by a mortgagee in possession or in the process of foreclosing its mortgage) be a nullity as against such mortgagee. No assignment of this Lease (excepting only in accordance with the provisions of this Lease) and no agreement to make or accept any surrender, termination or cancellation of this Lease (excepting only in accordance with the provisions of this Lease) and no agreement to modify so as to reduce the rent, change the Term, or otherwise materially change the rights of Landlord under this Lease, or to relieve Tenant of any obligations or liability under this Lease, shall be binding on mortgagee, valid unless consented to in writing by Landlord's mortgagees of which Tenant has received notice.

8.5 NO RELEASE OR TERMINATION

No act or failure to act on the part of Landlord which would entitle Tenant under the terms of this Lease, or by law, to be relieved of Tenant's obligations hereunder or to terminate this Lease, shall result in a release or termination of such obligations or a termination of this Lease unless (i) Tenant shall have first given thirty (30) days prior written notice of Landlord's act or failure to act to Landlord's mortgagees of which Landlord has provided written notice to Tenant, if any, specifying the act or failure to act on the part of Landlord which could or would give basis to Tenant's rights, and (ii) such mortgagees, after receipt of such notice, have failed or refused to correct or cure the condition complained of within a reasonable time thereafter, but nothing contained in this Section 8.5 shall be deemed to impose any obligation on any such mortgagee to correct or cure any such condition. "Reasonable time" as used above means and includes a reasonable time to obtain possession of the mortgaged premises, if the mortgagee elects to do so, and a reasonable time to correct or cure the condition if such condition is determined to exist, however, in no event shall such time extend beyond ninety (90) days from the date Tenant provides notice to Landlord's mortgagee(s) as aforesaid.

8.6 CONTINUING OFFER

The covenants and agreements contained in this Lease with respect to the rights, powers and benefits of a mortgagee (particularly, without limitation thereby, the covenants and agreements contained in this Article VIII) constitute a continuing offer to any person, corporation or other entity, which by accepting or requiring an assignment of this Lease or by entry or foreclosure assumes the obligations herein set forth with respect to such mortgagee, and such mortgagee shall be entitled to enforce such provisions in its own name. Provided that such mortgagee agrees in writing, pursuant to an agreement substantially in the form of Exhibit J attached hereto, to assume the Landlord's obligations hereunder, Tenant agrees on request of Landlord to execute and deliver from time to time an agreement substantially in the form of Exhibit J attached hereto which may reasonably be deemed necessary to implement the provisions of this Article VIII.

8.7 SUBMITTAL OF FINANCIAL STATEMENT

At any time and from time to time during the Term of this Lease, within fifteen (15) days after request therefor by Landlord, but not more than once per Fiscal Year, Tenant shall supply to Landlord and/or any mortgagee a current financial statement (including, without limitation, a balance sheet and income statement) or such other financial information as may be reasonably required by any such party. As long as Tenant is a publicly traded company, Tenant shall not be required to comply with the provisions of this Section 8.7.

ARTICLE IX
DEFAULT

9.1 EVENTS OF DEFAULT BY TENANT

It shall be an "Event of Default" under this Lease, if (i) Tenant fails to pay Fixed Rent or additional rent for more than seven (7) days, after written notice thereof specifying such failure and that such failure may be an Event of Default hereunder; (ii) Tenant fails to perform its other

non-monetary obligations hereunder for more than thirty (30) days after written notice thereof from Landlord, together with such additional time, if any, as is reasonably required to cure the default if the default is of such a nature that it cannot reasonably be cured in thirty (30) days; or (iii) if Tenant makes any assignment for the benefit of creditors, or files a petition under any bankruptcy or insolvency law; or (iv) if such a petition is filed against Tenant and is not dismissed within ninety (90) days; or (v) if a receiver becomes entitled to Tenant's leasehold hereunder and it is not returned to Tenant within ninety (90) days; or (vi) such leasehold is taken on execution or other process of law in any action against Tenant; then, and in any such cases, Landlord and the agents and servants of Landlord may, in addition to and not in derogation of any remedies for any preceding breach of covenant, immediately or at any time thereafter while such default continues and without further notice enter into and upon the Premises or any part thereof in the name of the whole or mail a notice of termination addressed to Tenant at the Premises and repossess the same as of Landlord's former estate and expel Tenant and those claiming through or under Tenant and remove its and their effects without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or prior breach of covenant, and upon such entry or mailing as aforesaid, this Lease shall terminate, but Tenant shall remain liable as hereinafter provided. After the occurrence of an Event of Default as aforesaid, Tenant hereby waives all statutory rights of redemption, if any to the extent such rights may be lawfully waived, and Landlord, without notice to Tenant, may store Tenant's effects and those of any person claiming through or under Tenant at the expense and risk of Tenant and, if Landlord so elects, may sell such effects at public auction or private sale and apply the net proceeds to the payment of all sums due to Landlord from Tenant, if any, and pay over the balance, if any, to Tenant.

9.2 TENANT'S OBLIGATIONS AFTER TERMINATION

In the event that this Lease is terminated under any of the provisions contained in Section 9.1 or shall be otherwise terminated for breach of any obligation of Tenant, Tenant covenants as follows:

(a) to pay forthwith to Landlord, as compensation, a lump sum equal to the total rent reserved for the residue of the Term. In calculating the rent reserved, there shall be included, in addition to the Fixed Rent and all additional rent, the value of all other consideration agreed to be paid or performed by Tenant for said residue, less the net proceeds of any rents obtained by Landlord in reletting the Premises as provided in (b)(ii) below; and

(b) and, to the extent not received in (a) above or to the extent Landlord elects, in its sole discretion to proceed under this subparagraph (b) rather than subparagraph (a), as an additional and cumulative obligation, to pay punctually to Landlord all of the sums and perform all of the obligations which Tenant covenants in this Lease to pay and to perform in the same manner and to the same extent and at the same time as if this Lease had not been terminated. In calculating the amounts to be paid by Tenant under this subclause (b), Tenant shall be credited with: (i) any amount paid to Landlord as compensation as provided in sub clause (a) of this Section 9.2 (if Landlord elects to proceed pursuant to subclause (a)); and (ii) the net proceeds of any rents obtained by Landlord by reletting the Premises, after

deducting all of Landlord's expenses in connection with such reletting, including, without implied limitation, all repossession costs, brokerage commissions, tenant improvements costs paid, tenant improvement allowances, or rent abatement granted, fees for legal services, and any other expenses of reletting the Premises or preparing the Premises for the new tenant or tenants.

Landlord agrees to use commercially reasonable efforts to relet the Premises following termination provided, however, that Landlord, in good faith: (x) may relet the Premises or any part or parts thereof for a term or terms which may, at Landlord's option, be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term, and may grant such concessions and rent abatement as Landlord in its sole judgment considers advisable or necessary to relet same; (y) may make such alterations, repairs and decorations in the Premises as Landlord, in its judgment, considers advisable or necessary to relet the same, and no action of Landlord in accordance with the foregoing sub clauses (x) and/or (y), or Landlord's failure to relet or to collect the rent through reletting after having used commercially reasonable efforts, shall operate or be construed to release or reduce Tenant's liability as aforesaid; and (z) shall have no duty to relet the Premises to a prospective tenant who first expressed interest in leasing other space that Landlord (or its affiliate(s)) then has available.

So long as at least twelve (12) months of the Term remain unexpired at the time of such termination, in lieu of any other damages of indemnity and in lieu of full recovery by Landlord of all sums payable under all the foregoing provisions of this Section 9.2, Landlord may, by written notice to Tenant, at any time after this Lease is terminated under any of the provisions contained in Section 9.1, or is otherwise terminated for breach of any obligation of Tenant and before such full recovery, elect to recover, and Tenant shall thereupon pay, as liquidated damages, an amount equal to the aggregate of the Fixed Rent and additional rent accrued under Article IV in the twelve (12) months ended next prior to such termination (or if the Term has not yet commenced, the Fixed Rent and additional rent that would be due for said time period) plus the amount of Fixed Rent and additional rent of any kind accrued and unpaid at the time of termination and less the amount of any recovery by Landlord under the foregoing provisions of this Section 9.2 up to the time of payment of such liquidated damages.

Nothing contained in this Lease shall, however, limit or prejudice the right of Landlord to prove and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

ARTICLE X
MISCELLANEOUS

10.1 TITLES

The titles of the Articles are for convenience and are not to be considered in construing this Lease.

10.2 NOTICE OF LEASE

Concurrently with the executing of this Lease, Landlord and Tenant have executed and recorded a notice of lease in the form attached hereto as Exhibit I. If this Lease is terminated before the Term expires the parties will execute an instrument in such form acknowledging the date of termination.

10.3 NOTICES FROM ONE PARTY TO THE OTHER

No notice, approval, consent requested or election required or permitted to be given or made pursuant to this Lease shall be effective unless the same is in writing. Communications shall be addressed, if to Landlord, at Landlord's Address with a copy to Gloria M. Gutierrez, Esq., The Gutierrez Company, One Wall Street, Burlington, Massachusetts 01803, or at such other address as may have been specified by prior notice to Tenant and, if to Tenant, at Tenant's Address with a copy to Peter J. Dawson, Esq., Mirick, O'Connell, DeMallie & Lougee, LLP, 100 Front Street, Worcester, MA 01608, or at such other place as may have been specified by prior notice to Landlord. Any communication so addressed shall be deemed duly served if actually received or delivery is refused at the foregoing addresses mailed by registered or certified mail, return receipt requested, delivered by hand, or by overnight express service by a carrier providing a receipt of delivery.

10.4 BIND AND INSURE

The obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns, except that the Landlord named herein and each successive owner of the Premises shall be liable only for the obligations accruing during the period of its ownership, said liability terminating as to future liability upon termination of such ownership and passing to the successor in ownership. Neither the Landlord named herein nor any successive owner of the Premises whether an individual, trust, a corporation or otherwise shall have any personal liability beyond their equity interest in the Premises (including all proceeds and rents deriving therefrom).

10.5 NO SURRENDER

The delivery of keys to any employees of Landlord or to Landlord's agent or any employee thereof shall not operate as a termination of this Lease or a surrender of the Premises.

10.6 NO WAIVER, ETC.

The failure of Landlord or of Tenant to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this Lease or, with respect to such failure of Landlord, any of the Rules and Regulations referred to in Section 6.1.4, whether heretofore or hereafter adopted by Landlord, shall not be deemed a waiver of such violation nor prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation, nor shall the failure of Landlord to enforce any of said Rules and Regulations against any other tenant in the Park be deemed a waiver of any such Rules or Regulations. The receipt by Landlord of Fixed Rent or additional rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach by Landlord,

unless such waiver be in writing signed by Landlord. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same agreement or duty in a previous or subsequent instance, or any other agreement or duty.

10.7 NO ACCORD AND SATISFACTION

No acceptance by Landlord of a lesser sum than the Fixed Rent and additional rent then due shall be deemed to be other than on account of the earliest installment of such rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed as accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease provided.

10.8 CUMULATIVE REMEDIES

Unless expressly provided herein to the contrary, the specific remedies to which Landlord or Tenant may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by Tenant or Landlord, as applicable, of any provisions of this Lease. In addition to the other remedies provided in this Lease, Landlord or Tenant, as the case may be, shall be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or to a decree compelling specific performance of any such covenants, conditions or provisions.

10.9 PARTIAL INVALIDITY

If any term of this Lease, or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Lease shall be valid and enforceable to the fullest extent permitted by law.

10.10 LANDLORD'S RIGHT TO CURE

If Tenant shall at any time fail to perform its obligations in accordance with the provisions of this Lease and Tenant does not commence the cure of such failure within thirty (30) days of notice thereof, and thereafter diligently prosecute such cure to completion (except in the event of emergency whereupon Landlord may immediately take action), then Landlord shall have the right, but shall not be obligated, to enter upon the Premises and to perform such obligation, notwithstanding the fact that no specific provision for such substituted performance by Landlord is made in this Lease with respect to such default, in performing such obligation, Landlord may make any payment of money or perform any other act. All sums so paid by Landlord (together with interest at the rate set forth in Section 4.3 herein), and all necessary incidental reasonable third party costs and expenses in connection with the performance of any such acts by Landlord, shall be deemed to be additional rent under this Lease and shall be payable to Landlord immediately on demand. Landlord may exercise the foregoing rights without waiving any other of its rights or releasing Tenant from any of its obligations under this

Lease. Notwithstanding any provision of this Lease to the contrary, if within said thirty (30) day period Tenant notifies Landlord that Tenant disputes Landlord's allegation that Tenant has failed to perform its obligations in accordance with the provisions of this Lease, then (i) Tenant shall nevertheless commence the cure of such failure within the said thirty (30) day period, and (ii) the subject matter of the dispute shall be resolved at the election of Tenant by an action brought in the Superior Court Department of Middlesex County or resolved by binding arbitration by a single arbitrator through REBA Dispute Resolution, Inc. under its Arbitration Guidelines in effect at the time of such arbitration. The Landlord and Tenant and arbitrator agree that there shall be no more than three (3) days of presentation in the arbitration, that the arbitration shall be held within thirty (30) days of the election for arbitration, and the arbitrator shall render his or her decision within ten (10) days of the completion of the presentation. Each party shall pay its own costs and expenses for any such action or arbitration. Each determination under this Section 10.10 shall be binding upon Landlord and Tenant.

10.11 ESTOPPEL CERTIFICATE

Tenant and Landlord agree on the Commencement Date, and from time to time thereafter, upon not less than thirty (30) days' prior written request by the other, to execute, acknowledge and deliver to Tenant or Landlord (as applicable) a statement in writing substantially in the form attached hereto as Exhibit G (or a similar statement if so requested by Tenant, modified accordingly), certifying if true (and where not true, indicating where not true), as follows: that this Lease is unmodified and in full force and effect; that except as set forth in this Lease, Tenant has no defenses, offsets or counterclaims against its obligations to pay the Fixed Rent and additional rent and to perform its other covenants under this Lease; that there are no uncured defaults of Landlord or Tenant under this Lease (or, if there are any defenses, offsets, counterclaims, or defaults, setting them forth in reasonable detail); and the dates to which the Fixed Rent, additional rent and other charges have been paid. Any such statements delivered pursuant to this Section 10.11 may be relied upon by any prospective purchaser or mortgagee or any prospective assignee of any such mortgagee.

10.12 WAIVER OF SUBROGATION

Landlord and Tenant mutually agree, with respect to any hazard which is covered by casualty or property insurance then being carried by them, or required to be carried hereunder (whether or not such insurance is then in effect) to release each other from any and all claims, liability, loss, damage, cost or injury with respect to such loss regardless if caused by the fault or negligence of the other party; and they further mutually agree that their respective insurance companies shall have no right of subrogation against the other on account thereof. Each party shall be responsible for its own deductibles and retentions.

10.13 BROKERAGE

Tenant represents and warrants to Landlord, and Landlord represents and warrants to Tenant, that it has dealt with no broker, other than the Real Estate Broker listed in Section 1.1, in connection with this transaction and agrees to defend, indemnify and save the other party harmless from and against any and all claims for a commission arising out of this Lease made by anyone claiming to have dealt with the party making the representation, other than the Real

Estate Broker listed in Section 1.1. Landlord shall be responsible for, and agrees to hold Tenant harmless with respect to, all fees and commissions payable to such Real Estate Broker specified in Section 1.1 pursuant to a separate agreement.

10.14 PARKING

Tenant's occupancy of the Premises shall include the non-exclusive use of parking spaces in common with other tenants of the Building on a ratio of three (3) on-grade parking spaces per 1,000/RSF, which such spaces are designated (and shall be referred to in this Lease) as the Building Parking Area as shown on the plans attached hereto and made a part of Exhibit A ("Building Parking Spaces").

10.15 400 AND 600 WHEELER ROAD

Landlord agrees to provide Tenant with advance notice when Landlord (TGC or its affiliates) commence development discussions for construction of approximately 250,000 square feet to be developed at 400 and 600 Wheeler Road, but in any event prior to commencement of any actual construction.

10.16 ACCESS

Subject to the terms and provisions of this Lease and all laws applicable to the Premises, Tenant shall have twenty-four (24) hours, seven (7) days per week, fifty-two (52) weeks per year, access to the Premises (including the Building Parking Area).

10.17 ENTIRE AGREEMENT

This instrument contains the entire and only agreement between the parties as to the Premises, and no oral statements or representations or prior written matter not contained in this instrument shall have any force or effect. This Lease shall not be modified in any way except by a writing subscribed by both parties.

10.18 GOVERNING LAW

This Lease shall be governed by and construed and enforced in accordance with the laws and the Courts of the Commonwealth of Massachusetts.

10.19 ADDITIONAL REPRESENTATIONS

Landlord represents and warrants to Tenant as follows:

(a) that Landlord has the right and authority to enter into this Lease and grant Tenant possession of the Premises and other rights set forth herein;

(b) that Landlord is the fee simple owner of the Lot and that Landlord (or its affiliate(s) or an affiliate(s) of The Gutierrez Company) are the fee simple owners of the Park;

(c) that on the Term Commencement Date the Building, the Building Parking Area and the Lot shall comply with all dimensional, use, parking, loading and other zoning requirements of the Town of Burlington, and all applicable building codes and governmental requirements, including without limitation the Americans with Disabilities Act (ADA);

(d) Landlord has good and marketable title to the Premises in fee simple absolute. There are no restrictive covenants, exclusive use provisions in other tenants' leases, or other agreements of which Landlord (or its affiliates) are a party to, or are aware of, that will prevent or interfere in any respect with Tenant's use and occupancy of the Premises for the Permitted Uses described herein;

(e) The Mortgagee reflected on the Subordination, NonDisturbance and Attornment Agreement attached as Exhibit "J" is the only Mortgagee of the Building, Lot and Building Parking Area;

(f) To the best of Landlord's knowledge, the Premises are free of all violations, orders or notices of violations of all public or quasi-public authorities, whether or not of record;

(g) To the best of Landlord's knowledge, the Premises are in compliance with all local zoning ordinances and parking requirements;

(h) To the best of Landlord's knowledge, the Premises are free from asbestos and asbestos-containing materials and all other Hazardous Materials (hereinbefore defined);

10.20 COVENANTS INDEPENDENT

To the extent any provision hereof or any application of any provision hereof may be declared unenforceable, such provision or application shall not affect any other provision hereof or other application of such provision. Notwithstanding any language to the contrary in this Lease, except as expressly set forth in Sections 3.2, 4.1 and 5.2, or in Article VII, Tenant acknowledges and agrees that Tenant's obligation to pay Fixed Rent and additional rent and to perform its other obligations hereunder are absolute, unconditional and irrevocable obligations which are separate and independent of any and all obligations, covenants, warranties, or representations of Landlord hereunder, with the result that Tenant's sole remedy for any alleged breach by Landlord of its obligation hereunder shall be to commence a judicial proceeding against Landlord seeking specific performance, and not to deduct or set off Fixed Rent or additional rent or terminate this Lease.

10.21 ROOFTOP COMMUNICATION EQUIPMENT

Subject to the provisions hereinafter provided and availability of space, Tenant shall have the right from time to time during the Term hereof, without any additional consideration from Tenant hereunder, to install and maintain, on a non-exclusive basis, rooftop communication equipment and/or antennae(s) for Tenant's communications network on the roof of the Building. Subject to applicable law, matters of title, and the consent of Landlord (which consent shall not

be unreasonably withheld or delayed), Tenant, at its sole cost and expense, has the right to install such equipment and/or antennae(s) on the roof of the Building. The size and location of the installation shall be at a site acceptable to Landlord, provided such site affords Tenant an operable communication system and the approval of any such size and location shall not be unreasonably withheld or delayed by Landlord. Tenant shall install the equipment and/or antennae(s) in such a manner as to not interfere with the space or the rooftop equipment of other tenant(s) of the Building and at all times in accordance with sound construction practices, and in accordance with all applicable laws, rules, codes and ordinances, and in a good and workmanlike manner. Tenant shall use such roofing contractor required to comply with the existing roof warranties. The cost of any structural review of the proposed location and weight of such equipment and/or antennae(s) shall be at Tenant's expense. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all liability or loss arising from or out of the installation or removal of such rooftop communication equipment, except where the existing roofing contractor is listed as aforesaid, in which event no indemnity from Tenant shall apply. Upon expiration of the Term, Tenant shall be responsible for the removal of the same and for repairing any damage caused therefrom.

10.22 REDUCTION OF PREMISES

So long as there does not then exist an uncured, continuing Event of Default as defined in Section 9.1 of this Lease, Tenant may, at its sole option, have the one-time right to reduce the Premises by an amount up to 10,000 rentable square feet, so long as the same is marketable by Landlord, as determined by Landlord in its reasonable discretion (the "Reduction Option"), effective on the 3rd anniversary and fifth (5th) anniversary of the Phase 1 Commencement Date (the "Reduction Date"), by delivering notice (the "Notice") of its election to Landlord at least nine (9) months in advance, and with such Notice, Tenant shall provide a plan of the space to be reduced ("Reduced Space") and Tenant shall pay to the Landlord on or before the Reduction Date the applicable Fee as set forth below. The costs incurred to demise the Reduced Space from the Premises shall be done at Tenant's expense. For purposes hereof, the term "Fee", as of the third anniversary of the Phase 1 Commencement Date, and assuming all three Phases are delivered to Tenant, shall be equal to $37.00/RSF per the Schedule attached hereto as Exhibit O. The Tenant, from time to time, may request from the Landlord what the amount of the Fee will be based on a fifth (5th) anniversary Reduction Date. If Tenant exercises its Reduction Option, then the "Premises" shall automatically be reduced by the Reduced Space set forth in the Notice (so long as Landlord agrees that the Reduced Space is marketable as set forth herein) as of the Reduction Date (with the same effect as if such Reduction Date were the Term Expiration Date set forth in Section 1.1 as to the Reduced Space) without the necessity of any additional documentation. Adjustments shall be made to the Fixed Rent and additional rent obligations as of the Reduction Date. The remaining Premises and provisions of this Lease shall remain unchanged. There shall be a presumption that if the Reduced Space has access to the Common Areas (including all utility systems) and is not oddly configured, that the Reduced Space is marketable. Landlord shall notify Tenant of its determination of whether the Reduced Space is marketable within twenty (20) days of Landlord's receipt of the Notice. If Landlord does not object within said twenty (20) day period, then the Reduced Space shall be deemed to be marketable. If Landlord determines that the Reduced Space is not marketable, then Landlord shall notify Tenant of its determination and Tenant shall, within twenty (20) days of Tenant's receipt of Landlord's notice, either submit the initial plan of the Reduced Space to Landlord with

a statement of reasons why Tenant believes it is marketable or submit a different plan to Landlord of the Reduced Space (the "Second Notice"). If Landlord does not determine that the Reduced Space as initially proposed or as revised is marketable within twenty (20) days of Landlord's receipt of the Second Notice, then the dispute shall be resolved at the election of Tenant by an action brought in the Superior Court Department of Middlesex County or resolved by binding arbitration by a single arbitrator through REBA Dispute, Inc. under its Arbitration Guidelines in effect at the time of such arbitration. The Landlord and Tenant and arbitrator agree that there shall be no more than three (3) days of presentation in the arbitration, that the arbitration shall be held within thirty (30) days of the election for arbitration, and the arbitrator shall render his or her decision within ten (10) days of the completion of the presentation. The arbitrator shall be provided a copy of this section of the Lease and agrees to be bound by the same. Each party shall pay its own costs and expenses for any such action or arbitration. Each determination under this Section 10.22 shall be binding upon Landlord and Tenant.

10.23 5TH AND 6TH FLOOR PREMISES

The Landlord represents, warrants and covenants with the Tenant, and Tenant is relying on the same as a material inducement to enter into this Lease as follows:

(a) Landlord shall use good faith, diligent, commercially reasonable efforts to relocate the current occupant of the area on the 5th floor known as "the Applied Radar Space", consisting of approximately 1309 rentable square feet ("Radar Space") on or before such date which is within a year of the Term Commencement Date for Phase 1, Landlord agreeing, however, to relocate the tenant as soon as possible prior to the same and to commence discussions with said tenant immediately following the execution of this Lease. Landlord shall keep Tenant apprised, from time to time, regarding the status of Landlord's efforts to relocate such occupant. Further, Landlord shall provide to Tenant evidence of an agreement with the Radar Space occupant at least ten (10) days prior to the one year anniversary of Phase 1 Commencement Date, which agreement provides for the relocation of such occupant on or before expiration of said one year date. Once relocated, the Radar Space shall be added to the Lease, Landlord shall build out the Radar Space consistent with Tenant's other Premises, Landlord shall provide to Tenant allowances consistent with Exhibit M for the Radar Space, Tenant shall have thirty (30) days' access to ready the Radar Space for Tenant's use and Landlord shall abate the monthly Fixed Rent applicable to the Radar Space for four months after Landlord delivers the Radar Space in accordance with Section 3.2 of the Lease and subject to the terms and provisions thereof, including Tenant supplying the necessary plans and specifications necessary for delivery therefor.

(b) Landlord shall, as part of Landlord's Work described in Article in hereof, on or prior to the Term Commencement Date for Phase 1 extend the area leased to the Tenant on the sixth floor by recapturing a portion of the common area hallway, and install a magnetic door to the fire door ("Sixth Floor Improvements"), all as more particularly set forth on the plan attached as Exhibit A.

(c) The Landlord, pursuant to the current lease for the Radar Space, possesses the right to relocate the Radar Space occupant otherwise the lease is automatically terminated if the parties do not agree on the new space.

(d) Once the Radar Space is completed, the Landlord and Tenant shall execute an Amendment to Lease amending the Rentable Floor Area of Tenant's Space and the Fixed Rent as set forth in Section 1.1.

Remainder of Page Intentionally Left Blank
Signature Page to Follow

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease as of this day of May, 2007.

LANDLORD:

ONE WHEELER ROAD ASSOCIATES

By: The Gutierrez Company,
Its General Partner

By: _____
Arthur J. Gutierrez, Jr.
President

Date: May , 2007

TENANT:

ASPEN TECHNOLOGY, INC.

By: _____

Name: _____

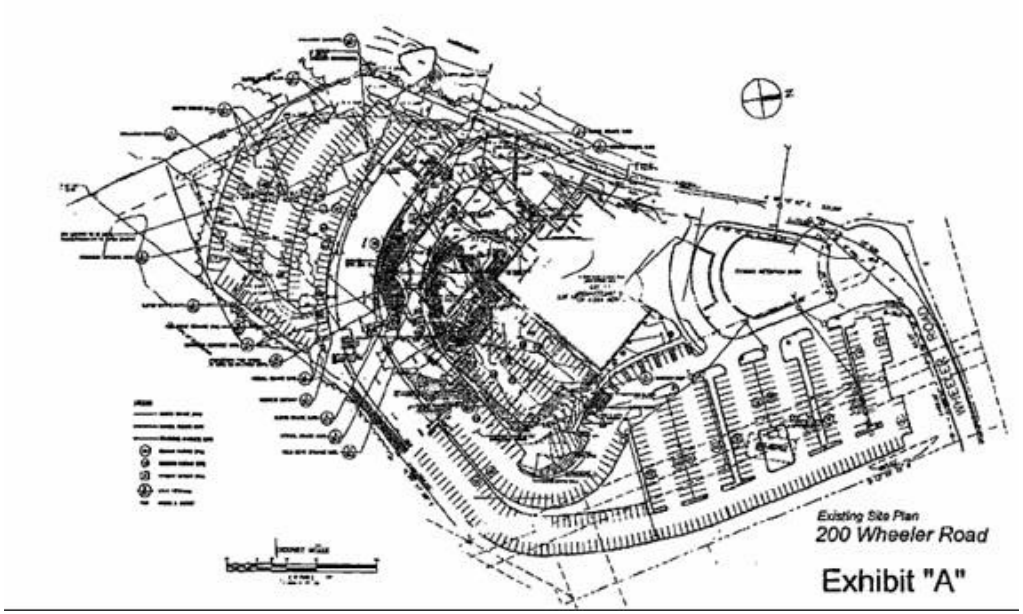
Its: _____

Date: May , 2007

EXHIBIT "A"

Plans Showing Tenant's Space
the Lot (including the Building Parking Area),
and the Park

(SEE ATTACHED)


WHEELER ROAD
Existing Site Plan
200 Wheeler Road
Exhibit "A"

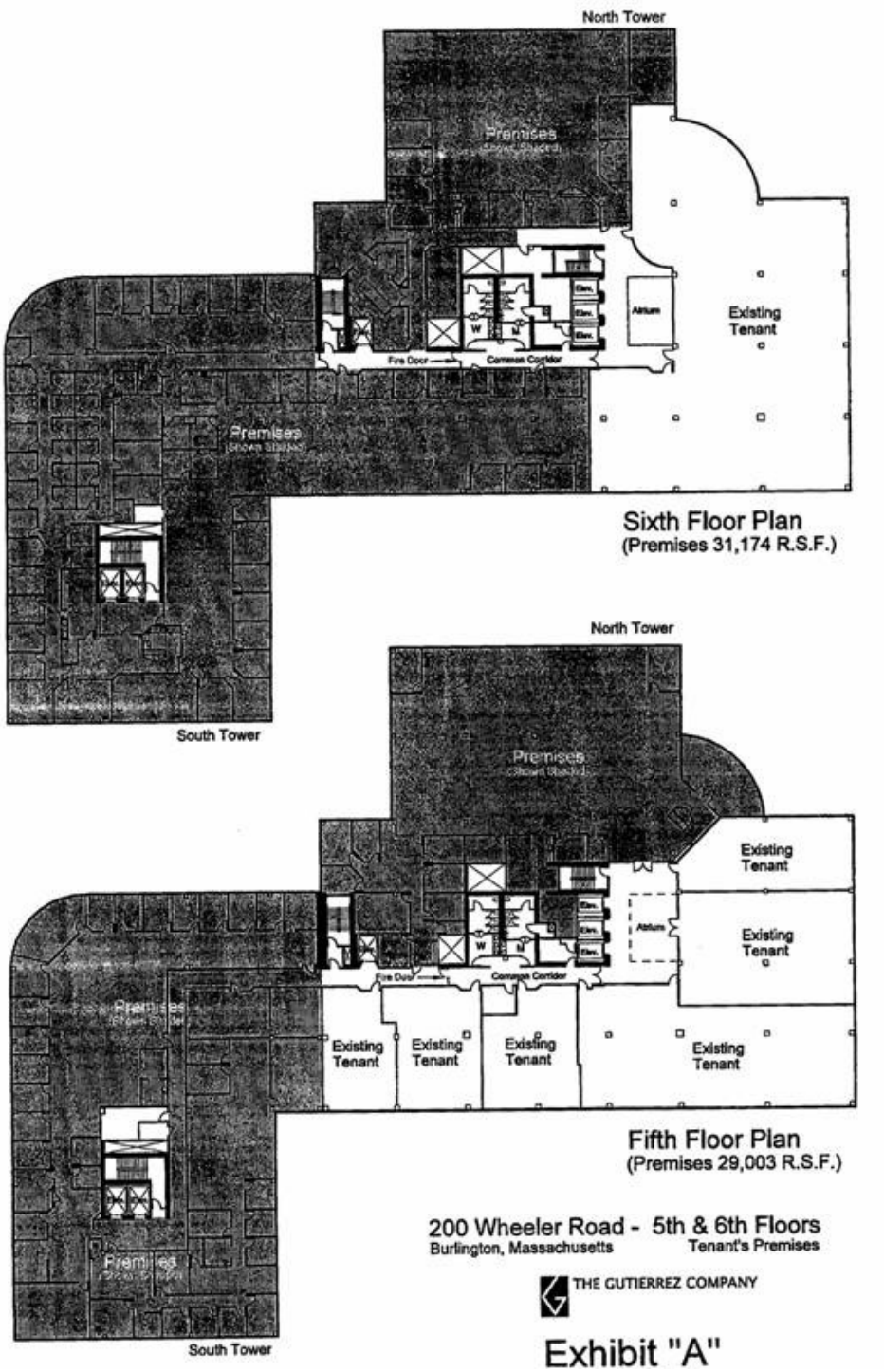

North Tower
Premises
Existing Tenant
Atrium
Elev.
Elev.
Elev.
W
M
Fire Door
Common Corridor
Premises
Sixth Floor Plan
(Premises 31,174 R.S.F.)
North Tower
Premises
Existing Tenant
Existing Tenant
Atrium
Elev.
Elev.
Elev.
W
M
Fire Door
Common Corridor
Premises
Existing Tenant
Existing Tenant
Existing Tenant
Existing Tenant
South Tower
Fifth Floor Plan
(Premises 29,003 R.S.F.)
200 Wheeler Road - 5th & 6th Floors
Burlington, Massachusetts
Tenant's Premises
THE GUTIERREZ COMPANY
South Tower
Exhibit "A"

EXHIBIT "B"

Preliminary Tenant Improvement Plans and Specifications

(TO BE SUPPLIED — IF APPLICABLE)

EXHIBIT "C"

PRIOR RIGHT OF FIRST REFUSAL AND OPTION TO RENT

FIFTH (5TH) AND SIXTH (5TH) FLOORS

Provided that there does not then exist an uncured, continuing Event of Default under this Lease and provided further that Tenant (and/or its permitted successors and/or assigns) is then leasing the entire Premises delivered to Tenant to date, then in no event shall Landlord decide to lease, agree to lease, lease or accept any offer to lease any portion of the space that becomes available on the fifth (5th) and/or sixth (6th) floors of the Building, specifically the adjacent space shown on the Plan attached hereto as Exhibit C-l (the "Adjacent Space"), unless Landlord first affords Tenant an opportunity to lease all or a portion of the Adjacent Space in accordance with the provisions of this Exhibit C and only after written notice to Tenant (except that no such notice shall be required if Tenant exercises its option to rent all of the Adjacent Space prior to Landlord's receipt of an offer for any of the Adjacent Space, as set forth in the last paragraph of this Exhibit C). Such notice shall contain the essential terms of any bona fide, third party offer received by Landlord (and which offer Landlord intends to accept but for Tenant's rights hereunder) with respect to all or a portion of the Adjacent Space (Landlord's summary thereof, shall herein be referred to as the "Offer"). The Offer shall also set forth the identity of the prospective tenant (unless said tenant has requested that its identity be kept confidential) and all of the essential terms and conditions upon which Landlord proposes to lease all or a portion of the Adjacent Space, which space shall be offered to Tenant at the same terms and conditions as set forth in the Offer. Upon receipt of such notice and the Offer from Landlord, Tenant shall have a right to lease all or a portion of the Adjacent Space as set forth in the Offer (and not portions of the same described in the Offer) on the terms set forth in this Exhibit C by giving notice to Landlord to such effect within twelve (12) days after Tenant's receipt of Landlord's notice of such Offer. If such notice is not so timely given by Tenant, then Landlord shall be free to lease that portion of the Adjacent Space described in the Offer, to such third party on the terms and conditions contained in the Offer (or such other more favorable terms to Landlord [but not including a greater portion of the Adjacent Space] or substantially similar terms [i.e. not more than five percent (5%) more favorable to the proposed tenant but in no event including a greater portion of the Adjacent Space, as agreed to by Landlord]) during the period commencing after the expiration of said twelve (12) day period and ending when the transaction is not consummated but in no event more than one hundred eighty (180) days after expiration of the twelve (12) day period. If the Offer varies by more than five percent (5%) in favor of Tenant or if additional Adjacent Space is included, then Landlord shall resubmit the adjusted Offer to Tenant, whereupon Tenant shall have the right to lease all or a portion of the Adjacent Space on the terms set forth herein. In the event that Landlord does not consummate the transaction described in the Offer with said third party within the time parameters set forth above, then Tenant's rights hereunder shall revive as to the Adjacent Space subject to the Offer. Tenant's rights hereunder with respect to all other Adjacent Space continue regardless of the consummation of the transaction. The non-exercise by Tenant of its rights under this Exhibit C as to any one Offer by Landlord for less than all of the Adjacent Space, shall not waive Tenant's rights of first refusal hereunder for any subsequent Offer for that or any portion or all of the Adjacent Space. The Tenant's rights of first refusal set forth herein may be exercised on any

number of occasions until all of the Adjacent Space has been leased in accordance with this Exhibit C.

In the event that Tenant exercises its rights hereunder to lease said portion or all (as applicable) of the Adjacent Space, then Landlord and Tenant hereby agree that they shall enter into a mutually acceptable agreement amending, modifying or supplementing this Lease (the "Amendment to Lease"), specifying that all or a portion (as applicable) of the Adjacent Space is a part of the Premises under this Lease and demising all or a portion (as applicable) of the Adjacent Space to Tenant. The Amendment to Lease will be prepared by the Landlord and signed by Tenant within twenty-one (21) days of receipt of the proposed Amendment to Lease from the Landlord, provided such Amendment to Lease is consistent with the terms herein. Notwithstanding anything to the contrary in this Exhibit C, if Tenant notifies Landlord of its election to lease all or a portion of the Adjacent Space, and then fails to execute and deliver the Amendment to Lease (provided the Amendment to Lease is consistent with the terms herein) once the same has been delivered by Landlord to Tenant in accordance with this Exhibit C, then Landlord shall have the unrestricted right to lease that portion of such Adjacent Space covered by the Amendment to Lease upon whatever terms and conditions as are negotiated by Landlord in its sole discretion; and Tenant's right of first refusal hereunder (as to that portion of the Adjacent Space subject to the Amendment to Lease) shall terminate and be of no further and effect. The recording by Landlord, in good faith, of an affidavit to such effect shall be conclusive evidence of the termination of Tenant's first refusal hereunder as to that portion of the Adjacent Space subject to the Amendment of Lease. Otherwise, if the Landlord and Tenant, each acting reasonably and in good faith, fail to agree on a mutually agreeable form of Amendment to Lease within said twenty-one (21) day period from Tenant's receipt of Landlord's proposed form of Amendment to Lease, unless such date is extended by mutual agreement of both parties hereto, then such failure shall be treated as a non exercise by Tenant of its right of first refusal for such portion of the Adjacent Space in accordance with the first paragraph of this Exhibit C.

Notwithstanding any language to the contrary set forth herein, Tenant shall have the option to rent all or any portion of the Adjacent Space on the terms set forth herein at any time prior to Landlord's receipt of an Offer, to the extent such Adjacent Space is available to lease and the parties are able to agree on mutually acceptable terms, in connection therewith, Landlord agrees to notify Tenant at least six (6) months in advance of such date that Landlord anticipates that Adjacent Space (or portions thereof) will become available, but in any event prior to soliciting third party offers.

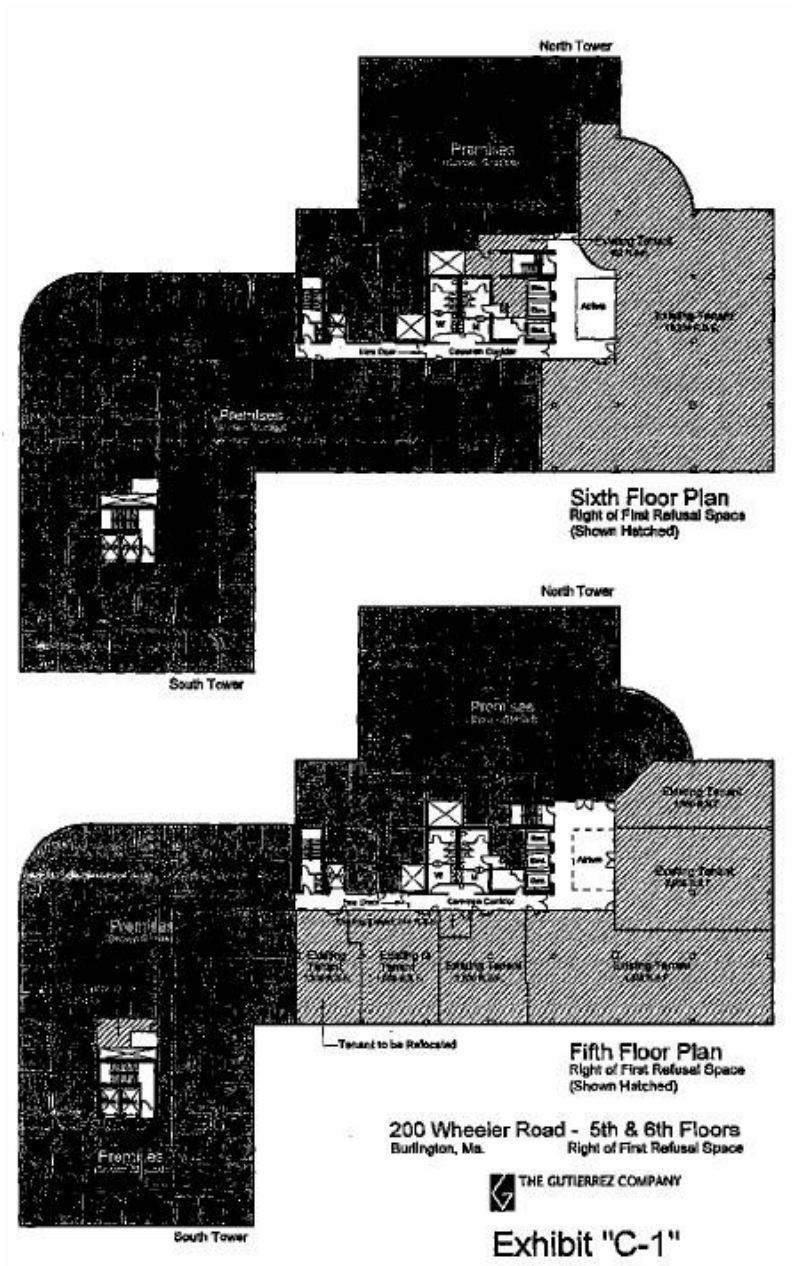


EXHIBIT "D"

LANDLORD'S SERVICES

I. CLEANING

A. Building Lobbies and Common Areas:

1. Entrance doors and partition glass to be cleaned nightly. Wipe down frames and fixtures as needed.

2. Remove entrance mats and clean sand and dirt from pits and floors, clean and replace mats nightly.

3. Floors to be swept and washed nightly. Maintain a high luster finish following manufacturer's specifications.

4. Walls to be dusted and spot cleaned as necessary, thoroughly washed twice a year.

5. Empty and wipe clean trash receptacles nightly including exterior smoker's stations.

6. Dust, with treated cloth, security desks, window sills, directory frames, planters, etc., nightly.

7. Clean directory glass nightly.

8. Vacuum all carpeted areas nightly, treat and spot clean stains, clean fully as needed.

9. Vinyl tile floors to be dry mopped nightly, spot washed with clean water as needed and spray buffed weekly.

10. Sweep all stairwells in building nightly and keep in clean condition, washing same as necessary.

11. Do all high dusting (not reached in nightly cleaning) quarterly, which includes the following:

    (a) Dust all pictures, frames, charts, graphs and similar wall hangings.

    (b) Dust exposed piped, ventilation and air conditioning grilles, louvers, ducts and high molding, as needed.

12. Clean and maintain luster on ornamental metal work as needed within arm's reach.

13. Dust all drapes and blinds as needed.

14. Wash and disinfect drinking fountains using a non-scented disinfectant nightly. Polish all metal surfaces on the unit nightly.

15. Strip and wax all resilient tile floors yearly.

16. Shampoo all common area carpets at additional contract price at least once per year.

B. Common Lavatories - Daily

1. Empty paper towel receptacles, bag and transport waste paper to designated area, disinfect receptacle and add new liner.

2. Empty sanitary napkin disposal receptacles, bag and transport waste, disinfect receptacle and add new liner.

3. Refill toilet tissue, hand towel dispensers, and sanitary napkin dispensers.

4. Scour, wash and disinfect all basins, bowls and urinals using non-scented disinfectants.

5. Wash, disinfect and wipe dry both sides of toilet seat using non-scented disinfectants.

6. Wash and polish all mirrors, counters, faucets, flushometers, bright work and enameled surfaces.

7. Spot clean toilet partitions, doors, door frames, walls, lights and light switches.

8. Remove all cobwebs from walls and ceilings.

9. Sweep and wash all floors, using proper non-scented disinfectants.

10. Add water to floor drains weekly, disinfect monthly.

11. Turn off lights.

12. Mid-day bathroom check-up.

C. Elevators - Nightly

1. Thoroughly clean walls.

2. Wipe clean control panels, door frames and mirrors.

3. Vacuum cab and floor door tracks.

4. Vacuum floors, shampoo as needed, wash stone floors.

5. Dust ceilings.

D. General Cleaning (Monday through Friday - Holidays Excluded)

Tenant Areas Nightly - Unless Noted

1. Empty and clean all waste receptacles nightly and remove waste paper and waste materials, including folded paper boxes and cartons, to designated area. Replace liners as needed. Check and wash waste baskets if soiled. Abnormal, waste removal (e.g. computer installation paper, bulk packaging, wood or cardboard crates, refuse from cafeteria operation, etc.) shall be Tenant's responsibility.

2. Weekly hand dust with treated cloth and wipe clean or feather duster all accessible areas on furniture, desks, files, telephones, fixtures and window sills.

3. Clean all glass table tops and tenant entrance glass. Spot clean glass partitions.

4. Spot clean all walls, door frames and light switches.

5. Wipe clean and polish all bright metal work as needed within arm's reach.

6. All stone, ceramic, tile, marble, terrazzo and other unwaxed flooring to be swept, using approved dust-down preparation.

7. All wood, linoleum, rubber asphalt, vinyl and other similar type of floors to be swept, using approved dust-down preparation and mopped or cleaned with dry system cleaner nightly.

8. Reception areas, halls, high traffic areas to be vacuumed nightly.

9. Offices and cubicles to be spot vacuumed nightly. Complete vacuum weekly.

10. Spot clean carpet stains.

11. Wash and clean all water fountains and coolers nightly. Sinks and floors adjacent to sinks to be washed nightly.

12. Dust blinds as needed.

13. Vinyl tile floors to be dry mopped nightly, spot washed with clean water as needed and spray buffed every two (2) weeks.

14. Clean Refrigerators - inspect for rotten materials and dispose as required and fully clean (disposal and wipedown) once a week (Fridays).

15. Wipe out microwave.

E. Common Showers

1. Wash shower walls and floors nightly, using proper non-scented disinfectants.

2. Clean and disinfect shower curtains weekly.

3. Scrub showers with bleach weekly.

4. Wash tile walls with proper grout cleaning compound as needed.

5. Add water to floor drains weekly, disinfect monthly.

6. Turn off lights.

II. HEATING, VENTILATING AND AIR CONDITIONING

1. Heating, ventilation and air conditioning as required to provide reasonably comfortable temperatures for normal business day occupancy (except holidays), Monday through Friday, from 7:00 AM to 7:00 PM, and Saturday from 8:00 AM to 1:00 PM, if so requested by Tenant. HVAC services beyond the aforesaid normal building hours of operation, including Saturday from 8:00 AM to 1:00 PM, can be made available to Tenant, if so requested by Tenant, by providing Landlord at least twenty-four (24) hours prior written or facsimile notice for such request. The request shall clearly state the start and stop hours of the "off-hour" service. Tenant shall submit to Landlord a list of personnel who are authorized to make such requests. Charges for operating the Building's HVAC system other than the normal building hours as noted above, shall be at a cost of approximately $25.00 per hour per unit subject to adjustment as electric costs increase.

2. Maintenance on any additional or special air conditioning equipment and the associated operating cost thereof, will be at Tenant's expense.

III. WATER

Hot water for lavatory purposes and cold water for drinking, lavatory and toilet purposes.

IV. ELEVATORS

Elevators for the use of all tenants and the general public for access to and from all floors of the Building, programming of elevators (including, but not limited to, service elevators), shall be as Landlord from time to time determines best for the Building as a whole.

V. SECURITY/ACCESS

Twenty-four (24) hour entry to the Building is available to Tenant and Tenant's employees, after normal Building hours of operation, accessible via a key pad system located near the loading dock area in the North Tower of the Building and key pad system located at the main entrance to the South Tower of the Building. Tenant shall have unrestricted access to its Premises at all times, and not just during normal Building Hours. All security shall be the responsibility of the Tenant.

VI. BUILDING HOURS

Normal building hours of operation are Monday through Friday from 7:00 a.m. to 7:00 p.m. The Building operates on Saturday from 8:00 a.m. to 1:00 p.m., with access to the Building subject to the provisions as outlined in Item V. contained herein. Except for the heating, ventilating and air conditioning system, which operates in accordance with the schedule as described in Item II. contained herein, all Building systems, including but not limited to, electrical, mechanical, elevator, fire safety and sprinkler, and water, operate twenty-four (24) hours per day, seven (7) days a week, subject to repairs, failures and interrupted service beyond Landlord's control.

VII. CAFETERIA, VENDING AND PLUMBING INSTALLATIONS

1. Any space to be used primarily for lunchroom or cafeteria operation shall be Tenant's responsibility to keep clean and sanitary. Cafeteria, vending machines or refreshment service installations by Tenant must be approved by Landlord in writing. All maintenance, repairs and additional cleaning necessitated by such installations shall be at Tenant's expense.

   Upon request, Landlord shall, at Tenant's expense, provide on a daily basis, general cleaning services to area's contained within Tenant's lunchroom excepting of any appliances and/or furniture and fixtures and the like (i.e., coffee pots, etc.) which shall in all instances be Tenant's responsibility as noted herein.

2. Tenant is responsible for the maintenance and repair of plumbing fixtures and related equipment installed in the Premises for its exclusive use (such as in coffee room or cafeteria).

VIII. SIGNAGE

Tenant shall be entitled to the Building's standard signage at Tenant's main entry and on the Building's lobby directories.

IX. ELECTRICITY

Tenant shall pay, as additional rent and in the same manner and time as Fixed Rent, for all electricity consumed in the Premises pursuant to Landlord's reasonable estimate of the electricity consumed within the Premises (currently estimated at $1.25 per rentable square foot). At Landlord's option and cost, Landlord may install a separate meter and

shall invoice Tenant monthly for the actual cost of Tenant's electricity. Tenant shall reimburse Landlord, as additional rent, for such consumption within thirty (30) days upon receipt of Landlord's invoice therefor.

Tenant's use of electrical service in the Premises shall not at any time exceed the capacity of any of the electrical conductors or other equipment in or otherwise serving the Premises or the Building standard, as hereinafter provided. To ensure that such capacity is not exceeded and to avert possible adverse effects upon the Building's electrical system, Tenant shall not, without at least thirty (30) days prior written notice to and consent of Landlord in each instance, connect to the Building electric distribution system any fixtures, appliances or equipment which operates on a voltage in excess of 277/480 volts nominal, or make any alteration or addition to the electric system of the Premises, in the event Tenant shall use (or request that it be allowed to use) electrical service in excess of that deemed by Landlord to be standard for the Building, Landlord may refuse to provide such excess usage or refuse to consent to such usage or may consent upon such conditions as Landlord reasonably elects (including but not limited to the installation of utility service upgrades, sub-meters, air handlers or cooling units, or back-up generators), and all such additional usage (except to the extent prohibited by law), installation and maintenance thereof shall be paid for by Tenant, as additional rent, upon Landlord's demand.

It is understood that the electrical generated service to the Premises may be furnished by one (1) or more generators of electrical power and that the cost of electricity may be billed as a single charge or divided into and billed in a variety of categories, such as distribution charges, transmission charges, generation charges, congestion charges, public good charges, and other similar categories, and may also include a fee, commission or other charge by a broker, aggregator or other intermediary for obtaining or arranging the supply of generated electricity. Landlord shall have the right to select the generator of electricity to the Premises and to purchase generated electricity for the Premises through a broker, aggregator or other intermediary and/or buyers group or other group and to change the generator of electricity and/or manner of purchasing electricity from time to time.

If Landlord undertakes activities for the purpose of reducing Tenant's operating costs (such as negotiating an agreement with a utility or another energy generator or engaging an energy consultant or undertaking conservation or other energy efficient measures that may require capital expenditures), Tenant shall pay its proportionate share of all costs and expenses associated with such actions (including, but not limited to, brokers' commissions, legal fees and capital expenditures), as additional rent, if, as and when payment is made by Landlord.

As used herein, the term "generator of electricity" shall mean one or more companies (including, but not limited to, an electric utility, generator, independent or non-regulated company) that provides generated power to the Premises or to the Landlord to be provided to the Premises, as the case may be.

X. OTHER UTILITIES

Tenant shall be responsible for the payment of all other utilities consumed by Tenant in the Premises, including telephone, cable, other communications and gas (if applicable). Tenant shall pay for such consumption directly to the provider of such utilities.

EXHIBIT 'E'

RULES AND REGULATIONS

1. The entrance, lobbies, passages, corridors, elevators and stairways shall not be encumbered or obstructed by Tenant, Tenant's agents, servants, employees, licensees, and visitors, or be used by them for any purpose other than for ingress and egress to and from the Premises. The moving in or out of all safes, freight, furniture, or bulky matter of any description must take place during the hours which Landlord may reasonably determine from time to time. Landlord reserves the right to inspect all freight and bulky matter to be brought into the Building and to exclude from the Building all freight and bulky matter which violates any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part.

2. No curtains, blinds, shades, screens, advertisements, signs, or the like other than those furnished by Landlord, shall be attached to, hung in, affixed to, or used in connection with any window or door of the Premises or to any other area of the Premises (including without limitation on interior windows, walls and doors) that is visible from the outside of the Building or visible from any common area of the Building without the prior written consent of the Landlord (taking into account such factors such as size, color and style and compatibility with the Building). If Tenant is not the sole Building tenant, interior signs on doors on the common areas of the Building shall be painted or affixed for Tenant by Landlord, or by sign painters first approved by Landlord, at the expense of Tenant and shall be of a size, color and style acceptable to Landlord and shall be compatible to the Building.

3. Tenant shall furnish Landlord with master keys or access devices for any security (door access) system provided and installed by Tenant, so long as the same has been approved by Landlord. Tenant shall be allowed to place additional locks or bolts upon doors and windows within the Premises, as long as Tenant provides master keys to Landlord as aforesaid as these additional locks and bolts could prove to be a hindrance to Landlord providing building services, such as cleaning and maintenance. Tenant must, upon the termination of its tenancy, remove all additional locks and bolts and restore all original door hardware and provide Landlord all Building keys either furnished to or otherwise procured by Tenant; and in the event of the loss of any keys so furnished, Tenant shall pay to Landlord the reasonable replacement cost thereof.

4. Canvassing, soliciting and peddling in the Building, or on the Lot or in the Park is prohibited, and Tenant shall cooperate to prevent the same.

5. Tenant shall comply with all reasonably necessary security measures from time to time established by Landlord for the Building or Park, if applicable.

6. Tenant agrees that there shall be no smoking allowed anywhere in the Premises or Building.

7. No animals, with the exception of "assistance animals" (e.g., seeing eye dogs), shall be brought into the Building by Tenant, Tenant's agents, servants, employees, invitees, subtenants and assigns.

8. Users of any common fitness room or shower facilities within the Building (if applicable) shall only place a lock on a locker only during the time they are using the fitness, locker room and/or shower facilities.

EXHIBIT "F"

OPTION TO EXTEND

The Tenant has the option to extend this Lease for two (2) successive term(s) of five (5) consecutive years each (the "Extended Terms", or the "first Extended Term" or "second Extended Term"), the exercise of which shall automatically extend the Term of this Lease without the necessity of additional documentation. So long as there does not exist any Event of Default hereunder at such time either of the Extended Terms is exercised, the first option to extend shall be deemed to have been exercised by Tenant's notification to Landlord that it elects to exercise its first option to extend at least nine (9) months but not more than eighteen (18) months prior to the end of the initial Term hereunder, and the second option to extend shall be deemed to have been exercised by Tenant's notification to Landlord that it elects to exercise its second option to extend at least nine (9) months but not more than eighteen (18) months prior to the end of the first Extended Term hereunder. The Extended Terms shall be upon the same terms and conditions as are set forth in this Lease, except that (i) there shall be no additional option to extend after the termination of the second Extended Term or the failure to exercise the first Extended Term or second Extended Term, whichever shall first occur, and (ii) the annual Fixed Rent for the Extended Terms shall be equal to ninety-five (95%) percent of the then Market Rent (as defined in and determined in accordance with Exhibit H). Notwithstanding the foregoing, in no event, however, shall the annual Fixed Rent for the first Extended Term be less than the annual Fixed Rent and additional rent (i.e. including the then escalation) payable during the last year of the initial Term, and in no event shall the annual Fixed Rent for the second Extended Term be less than the annual Fixed Rent and additional rent (i.e. including the then escalation) payable during the last year of the first Extended Term.

EXHIBIT "G"

ESTOPPEL CERTIFICATE

DATE:

The undersigned hereby certifies as follows:

1. Aspen Technology, Inc.(as "Tenant"), and **One Wheeler Road Associates** (as "Landlord"), entered into a written lease agreement dated May , 2007 (hereinafter referred to as the "Lease"), in which Landlord leased to Tenant and Tenant leased from Landlord, certain premises consisting of 60,177 rentable square feet (RSF) of tenant space (the "Premises"), comprising a portion of the building (the "Building") located on that certain parcel of real property known and numbered as 200 Wheeler Road, in the Town of Burlington, County of Middlesex, Commonwealth of Massachusetts, and as more particularly described in the Lease (the "Property").

2. The Lease is in full force and effect and has not been amended, modified, supplemented or assigned by Tenant. The Lease represents the entire agreement between Landlord and Tenant.

3. The Tenant has accepted the Premises and presently occupies them, and is paying rent on a current basis. Tenant has no setoffs, claims, or defenses to the enforcement of the Lease.

4. As of the date of this certificate, Tenant is not in default in the performance of any of its obligations under the Lease, and has not committed any breach of the Lease, and no notice of default has been given to Tenant.

5. As of the date of this certificate, Landlord is not in default in the performance of any of its obligations under the Lease, and has not committed any breach of the Lease, and no notice of default has been given to Landlord.

6. The amount of Fixed Rent currently due and as defined in the Lease is $ per year, which was payable from ("Rent Commencement Date"). Fixed Rent has been paid by Tenant under the Lease up to and including .

   The amount of the Operating Cost Escalation adjustment currently payable by Tenant is $ per month and Operating Cost Escalation adjustment has been paid.

7. Tenant has paid to Landlord a Security Deposit in the amount of $ in the form of .

8. Tenant has no claim against Landlord for any other security deposit, prepaid fee or charge or prepaid rent.

9. The Term of the Lease commenced on ("Term Commencement Date"), and is presently scheduled to expire on ("Term Expiration Date").

If there are any rights of extension or renewal or expansion under the terms of the Lease, the same have not, as of the date of this certificate, been exercised.

10. Tenant is executing and delivering this certificate with the understanding that a lender provided financing which affects the Building and the Property. Tenant acknowledges and agrees that Landlord and Lender shall be entitled to rely on Tenant's certifications set forth herein.

TENANT:

ASPEN TECHNOLOGY, INC.

A corporation

By: _____
Name: _____
Title: _____

[TO BE MODIFIED FOR LANDLORD UPON A TENANT REQUEST PURSUANT TO SECTION 10.11]

EXHIBIT "H"

MARKET RENT

The market rent for the Premises shall be the then fair market rent for similar space in similar buildings in the Town of Burlington, which such rent (the "Market Rent") shall be determined as follows:

(a) The Market Rent shall be proposed by Landlord within fifteen (15) days of receipt of Tenant's notice that it intends to exercise its option to extend the Term as specified in Exhibit "F", of this Lease hereof (the "Landlord's Proposed Market Rent"). The Landlord's Proposed Market Rent shall be the Market Rent unless Tenant notifies Landlord, within fifteen (15) days of Tenant's receipt of Landlord's Proposed Market Rent, that Landlord's Proposed Market Rent is not satisfactory to Tenant ("Tenant's Rejection Notice").

(b) If Tenant delivers Tenant's Rejection Notice and the Market Rent is not otherwise agreed upon by Landlord and Tenant within forty-five (45) days after Landlord's receipt of Tenant's notice that it intends to exercise its option to extend the Term, then the Market Rent shall be determined by the following appraisal procedure:

1. Within fifteen (15) days of the expiration of said forty-five (45) day period, Tenant shall give notice to Landlord, which notice shall specify the name and address of the appraiser designated by Tenant (the "Tenant's Appraisal Notice"). Landlord shall within fifteen (15) days after receipt of Tenant's Appraisal Notice, notify Tenant of the name and address of the appraiser designated by Landlord. Such two appraisers shall, within twenty (20) days after the designation of the second appraiser, make their determinations of the Market Rent in writing and give notice thereof to each other and to Landlord and Tenant. Such two (2) appraisers shall have twenty (20) days after the receipt of notice of each other's determination to confer with each other and to attempt to reach agreement as to the determination of the Market Rent. If such appraisers shall concur in such determination, they shall give notice thereof to Landlord and Tenant and such concurrence shall be final and binding upon Landlord and Tenant. If such appraisers shall fail to concur as to such determination within said twenty (20) day period, they shall give notice thereof to Landlord and Tenant and shall immediately designate a third appraiser. If the two appraisers shall fail to agree upon the designation of such third appraiser within five (5) days after said twenty (20) day period, then they or either of them shall give notice of such failure to agree to Landlord and Tenant and if Landlord and Tenant fail to agree upon the selection of such third appraiser within five (5) days after the appraiser(s) appointed by the parties give notice as aforesaid, then either party on behalf of both may apply to the American Arbitration Association or any successor thereto, or on his or her failure, refusal or inability to act, to a court of competent jurisdiction, for the designation of such third appraiser.

2. All appraisers shall be independent real estate appraisers or consultants who shall have had at least seven (7) years continuous experience in the business of appraising real estate in the suburban Boston area.

3. The third appraiser shall conduct such hearings and investigations as he or she may deem appropriate and shall, within ten (10) days after the date of his or her designation, make an independent determination of the Market Rent.

4. If none of the determinations of the appraisers varies from the average of the determinations of the other appraisers by more than ten (10%) percent, the average of the determinations of the three (3) appraisers shall be the Market Rent for the Premises. If, on the other hand, the determination of any single appraiser varies from the average of the determinations of the other three (3) appraisers by more than ten (10%) percent, the average of the determination of the two (2) appraisers whose determinations are closest shall be the Market Rent.

5. The determination of the appraisers, as provided above, shall be conclusive upon the parties and shall have the same force and effect as a judgment made in a court of competent jurisdiction.

6. Each party shall pay fees, costs and expenses of the appraiser selected by it, its own counsel fees, and one-half (1/2) of all other expenses and fees of any such appraisal.

EXHIBIT "I"

NOTICE OF LEASE

In accordance with the provisions of Massachusetts General Laws (Ter. Ed.) Chapter 183, Section 4, as amended, notice is hereby given of a certain lease (hereinafter referred to as the "Lease") dated as of May , 2007 by and between One Wheeler Road Associates (hereinafter referred to as "Landlord") and Aspen Technology, Inc. (hereinafter referred to as "Tenant").

W I T N E S S E T H:

1. The address of the Landlord is c/o The Gutierrez Company, One Wall Street, Burlington, Massachusetts 01803.

2. The address of the Tenant is .

3. The Lease was executed on May , 2007.

4. The Term of the Lease is a period beginning on the Commencement Date for the Phase 1 Premises (determined pursuant to Section 3.2 of the Lease currently estimated on September 1, 2007 and expiring seven years and four months from the Commencement Date for the Phase 3 Premises.

5. Subject to the provisions of the Lease, the Tenant has a Right of First Refusal and a Right to Rent with respect to space located pursuant to Exhibit "C" of the Lease.

6. Subject to the provisions of the Lease, the Tenant has the option to extend the Term of the Lease for two (2) consecutive periods equal to five (5) years each pursuant to Exhibit "F" of the Lease.

7. The demised premises is approximately 60,177 square feet located within a six (6) story building containing approximately two hundred fifty thousand, four hundred twenty eight (250,428) rentable square feet located at 200 Wheeler Road, Burlington, Massachusetts 01803, and the areas of which are the subject of all appurtenant rights and easements set forth in Sections 2.1 and 10.14 of the Lease. For Landlord's title, see deed at Book , Page .

This Notice of Lease has been executed merely to give notice of the Lease, and all of the terms, conditions and covenants of which are incorporated herein by reference. The parties hereto do not intend this Notice of Lease to modify or amend the terms, conditions and covenants of the Lease which are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have duly executed this Notice of Lease as of this day of May, 2007.

LANDLORD:

ONE WHEELER ROAD ASSOCIATES

BY: THE GUTIERREZ COMPANY, ITS GENERAL PARTNER

By: _____
Arthur J. Gutierrez, Jr.
President

TENANT:

ASPEN TECHNOLOGY, INC.

By: _____

Its: _____

By: _____

Its: _____

THE COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, SS

On this day of , 2007, before me, the undersigned notary public, personally appeared Arthur J. Gutierrez, the President, of The Gutierrez Company, General Partner of One Wheeler Road, Burlington, Massachusetts, proved to me through satisfactory evidence of identification, which was ☐ photographic identification with signature issued by a federal or state governmental agency, ☐ oath or affirmation of a credible witness, ☐ personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that he/she signed it voluntarily for its stated purpose.

(*official seal*)

Notary Public
My Commission Expires:

THE COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, SS

On this day of , 2007, before me, the undersigned notary public, personally appeared of Aspen Technology, Inc., proved to me through satisfactory evidence of identification, which was ☐ photographic identification with signature issued by a federal or state governmental agency, ☐ oath or affirmation of a credible witness, ☐ personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that he/she signed it voluntarily for its stated purpose.

(*official seal*)

Notary Public
My Commission Expires:

EXHIBIT "I"

RECORDING REQUESTED BY
AND AFTER RECORDING, RETURN TO:

GMAC Commercial Mortgage Corporation
200 Witmer Road
Horsham, PA 19044-8015
Attn: Executive Vice President -Servicing Administration
991091890

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

This Subordination, Non-Disturbance and Attornment Agreement (" **Agreement**"), is made as of this day of , 200 among , not individually, but solely as Trustee for the Certificate Holders of , Series 3, Series - under certain {Pooling/Trust} and Servicing Agreement dated as of , ("Lender"), by and through GMAC Commercial Mortgage Corporation, a California corporation, its [Master] Servicer under said {Pooling/Trust} and Servicing Agreement, One Wheeler Road Associates, a Massachusetts Limited Liability Company ("**Landlord**"), and Aspen Technology, Inc., a corporation, including its successors and/or assigns (" **Tenant**").

Background

A. Lender is the owner and holder of a deed of trust or mortgage or other similar security instrument (either, the "Security Instrument"), covering, among other things, the real property commonly known and described as 200 Wheeler Road, Burlington, Massachusetts, and further described on Exhibit "A" attached hereto and made a part hereof for all purposes, and the building and improvements thereon (collectively, the " Property")

B. Tenant is the lessee under that certain lease agreement between Landlord and Tenant dated May , 2007 (" **Lease**"), demising a portion of the Property described more particularly in the Lease (" **Leased Space**").

C. Landlord, Tenant and Lender desire to enter into the following agreements with respect to the priority of the Lease and Security Instrument.

NOW, THEREFORE, in consideration of the mutual promises of this Agreement, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Subordination. Tenant agrees that the Lease, and all estates, options and rights created under the Lease, hereby are subordinated and made subject to the lien and effect of the Security Instrument, as if the Security Instrument had been executed and recorded prior to the Lease.

2. Nondistubrance. Lender agrees that no foreclosure (whether judicial or nonjudicial), deed-in-lieu of foreclosure, or other sale of the Property in connection with enforcement of the Security Instrument or otherwise in satisfaction of the underlying loan shall operate to terminate the Lease or Tenant's rights thereunder to possess and use the leased space provided, however, that (a) the term of the Lease has commenced, (b) Tenant is in possession of the premised demised pursuant to the Lease, and (c) the Lease is in full force and effect and no uncured default exists under the Lease.

3. Attornment. Tenant agrees to attorn and recognize as its landlord under the Lease each party acquiring legal title to the Property by foreclosure (whether judicial or nonjudicial) of the Security Instrument, deed-in-lieu of foreclosure, or other sale in connection with enforcement of the Security Instrument or otherwise in satisfaction of the underlying loan (" **Successor Owner**"). Provided that the conditions set forth in Section 2 above are met at the time Successor Owner becomes owners of the Property, Successor Owner shall perform all obligations of the landlord under the Leases arising from and after the date title to the Property was transferred to Successor Owner. In no event, however, will any Successor Owner be: (a) liable for any default, act or omission of any prior landlord under the Lease, (except that Successor Owner shall not be relieved from the obligation to cure any defaults which are non-monetary and continuing in nature, and such that Successor Owner's failure to cure would constitute a continuing default under the Lease); (b) subject to any offset or defense which Tenant may have against any prior landlord under the Lease; (c) bound by any payment of rent or additional rent made by Tenant to Landlord more than 30 days in advance; (d) bound by any modification or supplement to the Lease, or waiver of Lease terms, made without Lender's written consent thereto; (e) liable for the return of any security deposit or other prepaid charge paid by Tenant under the Lease, except to the extent such amounts were actually received by Lender; (f) liable or bound by any right of first refusal or option to purchase all or any portion of the Property; or (g) liable for construction or completion of any improvements to the Property or as required under the Lease for Tenant's use and occupancy (whenever arising). Although the foregoing provisions of this .Agreement are self-operative, Tenant agrees to execute and deliver to Lender or any Successor Owner such further instruments as Lender or a Successor Owner may from time to time request in order to confirm this Agreement. If any liability of Successor Owner does arise pursuant to this Agreement, such liability shall be limited to Successor Owner's interest in the Property.

4. Rent Payments; Notice to Tenant Regarding Rent Payments. Tenant agrees not to pay rent more than one (1) month in advance unless otherwise specified in the Lease. After notice is given to Tenant by Lender that Landlord is in default under the Security Instrument and that the rentals under the Lease should be paid to Lender pursuant to the assignment of leases and rents granted by Landlord to Lender in connection therewith, Tenant shall thereafter pay to Lender all rent and all other amounts due or to become due to Landlord under the Lease, and Landlord hereby expressly authorizes Tenant to make such payments to Lender upon reliance on Lender's written notice (without any inquiry into the factual basis for such notice or any prior notice to or consent from Landlord) and hereby releases Tenant from all liability to Landlord in connection with Tenant's compliance with Lender's written instructions.

5. Lender Opportunity to Cure Landlord Defaults. Tenant agrees that, until the Security Instrument is released by Lender, it will not exercise any remedies under the Lease following a Landlord default without having first given to Lender (a) written notice of the

alleged Landlord default and (b) the opportunity to cure such default within the time periods provided for cure by Landlord, measured from the time notice is given to Lender. Tenant acknowledges that Lender is not obligated to cure any Landlord default, but if Lender elects to do so, Tenant agrees to accept cure by Lender as that of Landlord under the Lease and will not exercise any right or remedy under the Lease for a Landlord default. Performance rendered by Lender on Landlord's behalf is without prejudice to Lender's rights against Landlord under the Security Instrument or any other documents executed by Landlord in favor of Lender in connection with the Loan.

6. Miscellaneous.

(a) Notices. All notices under this Agreement will be effective only if made in writing and addressed to the address for a party provided below such party's signature. A new notice address may be established from time to time by written notice given in accordance with this Section. All notices will be deemed received only upon actual receipt.

(b) Entire Agreement: Modification. This Agreement is the entire agreement between the parties relating to the subordination and nondisturbance of the Lease, and supersedes and replaces all prior discussions, representations and agreements (oral and written) with respect to the subordination and nondisturbance of the Lease. This Agreement controls any conflict between the terms of this Agreement and the Lease. This Agreement may not be modified, supplemented or terminated, nor any provision hereof waived, unless by written agreement of Lender and Tenant, and then to the extent expressly set forth in such writing.

(c) Binding Effect. This Agreement binds and inures to the benefit of each party hereto and their respective heirs, executors, legal representatives, successors and assigns, whether by voluntary action of the parties or by operation of law. If the Security Instrument is a deed of trust, this Agreement is entered into by the trustee of the Security Instrument solely in its capacity as trustee and not individually.

(d) Unenforceability. Any provision of this Agreement which is determined by a government body or court of competent jurisdiction to be invalid, unenforceable or illegal shall be ineffective only to the extent of such holding and shall not affect the validity, enforceability or legality of any other provision, nor shall such determination apply in any circumstance or to any party not by such determination.

(e) Construction of Certain Terms. Defined terms used in this Agreement may be used interchangeably in singular or plural form, and pronouns cover all genders. Unless otherwise provided herein, all days from performance shall be calendar days, and a "business day" is any day other than Saturday, Sunday and days on which Lender is closed for legal holidays, by government order or weather emergency.

(f) Governing Law. This Agreement shall be governed by the laws of the State in which the Property is located (without giving effect to its rules governing conflicts of laws).

(g) WAIVER OF JURY TRIAL. TENANT, AS AN INDUCEMENT FOR LENDER TO PROVIDE THIS AGREEMENT AND THE ACCOMMODATIONS TO

TENANT OFFERED HEREBY, HEREBY WAIVES ITS RIGHT, TO THE FULL EXTENT PERMITTED BY LAW, AND AGREES NOT TO ELECT, A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS AGREEMENT.

(h) Counterparts. This Agreement may be executed in any number of counterparts, each of shall be deemed an original and all of which together constitute a fully executed agreement even though all signatures do not appear on the same document. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their respective obligations hereunder.

Remainder of Page Intentionally Left Blank
Signature Page to Follow

IN WITNESS WHEREOF, this Agreement is executed as of this day of May, 2007.

LENDER:

[insert Trustees' name here], Trustee

By: GMAC Commercial Mortgage Corporation, its [Master] Servicer

By: _____
Name
Title:

Lender Notice Address:

[insert Trustee's name here], Trustee
c/o GMAC Commercial Mortgage Corporation
200 Witmer Road
Horsham, PA 19044
Attn: Executive Vice President — Servicing Administration

LANDLORD:

One Wheeler Road Associates

By: The Gutierrez Company,
Its General Partner

By: _____
Name: Arthur J. Gutierrez, Jr.
Title: President

Landlord Notice Address:
c/o The Gutierrez Company
One Wall Street
Burlington, MA 01803

TENANT:

Aspen Technology, Inc.

By: _____
Name:
Title:

Tenant Notice Address:

_____
_____
_____
Attn:

Notary Acknowledgement for Lender:

Commonwealth of Pennsylvania :
:ss
County of Montgomery :

On this, the day of , 200_, before me, the undersigned Notary Public, personally appeared known to me (or satisfactorily proven) to be the person whose name is subscribed to within instrument, and who acknowledged to me that he/she is an officer of GMAC Commercial Mortgage Corporation in the capacity stated and that he/she executed the within instrument in such capacity for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

{seal}

Notary Acknowledgement for Tenant:

THE COMMONWEALTH OF MASSACHUSETTS

COUNTY

On this day of , 2007, before me, the undersigned notary public, personally appeared of Aspen Technology, Inc., proved to me through satisfactory evidence of identification, which was ☐photographic identification with signature issued by a federal or state governmental agency, ☐ oath or affirmation of a credible witness, ☐ personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that he/she signed it voluntarily for its stated purpose.

(*official seal*)

Notary Public
My Commission Expires:

Notary Acknowledgement for Landlord:

THE COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, SS

On this day of , 2007, before me, the undersigned notary public, personally appeared Arthur J. Gutierrez, Jr., as President of The Gutierrez Company, proved to me through satisfactory evidence of identification, which was personal knowledge of the undersigned, to be the person whose name is signed on the documents listed below, and acknowledged to me that he signed it voluntarily for its stated purpose.

(*official seal*)

Notary Public
My Commission Expires:

EXHIBIT "K"

Example of abatement (Section 4.1)

For purposes of example regarding the four (4) month rent abatement of Fixed Rent applicable to the Phase 1, Phase 2 and Phase 3 Premises, if the Phase 1 Commencement Date is September 10, 2007, Fixed Rent commences on the Phase 1 Space on January 10, 2008. Similarly, if the Phase 2 Commencement Date is October 10, 2007, then Fixed Rent commences for the Phase 2 Space on February 10, 2008. If the Phase 3 Commencement Date is January 1, 2008, Fixed Rent commences on May 1,2008.

EXHIBIT "L"

Schedule of Milestone Dates

[TO BE SUPPLIED]

EXHIBIT "M"

ALLOWANCE

a) TI Allowance - $25.00 per rentable square foot, which such credit shall be applied towards the first dollars due for Landlord's Work or for any other purpose related to the Lease or Tenant's furnishings, or attorneys' fees.

b) A&E Allowance - $2.50 per rentable square foot to be used to pay architects, engineers and others the cost of preparing the Tenant's Plans (and specifications) in connection with the Landlord's Work. Said Allowance shall be applied to the preparation of the Tenant's Plans.

The aforesaid A&E Allowance shall be paid to Tenant within thirty (30) days of Landlord's receipt of said requisition (together with reasonable documentation evidencing Tenant's expenditure of same). The TI Allowance shall be offset against Landlord's Work. Any unused portion of either allowance (sometimes herein collectively referred to as the "Allowance"), shall be applied to the first rental payment due hereunder.

c) Any rebates received by Landlord regarding the purchase of any goods or materials shall be credited to the TI Allowance for Tenant's benefit.

EXHIBIT "N"

SWING SPACE

Effective as of May 1, 2007, Landlord shall provide Tenant with up to 8,000 rentable square feet of "Swing Space" at 200 Wheeler Road on an "as is" basis, which Tenant shall have the right to lease, at its sole option, on a tenant-at-will basis for $0.00/RSF, net of electricity for lights and plugs until the Term Commencement Date hereunder. Any such "Swing Space" shall be made available to Tenant promptly upon within twenty-one (21) days notice from Tenant to Landlord, subject to the execution of a mutually agreeable Use and Occupancy Agreement.

Exhibit 10.4

SYSTEM LICENSE AGREEMENT

This Agreement is made on the 30th day of March , 1982 between the Massachusetts Institute of Technology, a Massachusetts corporation ("M.I.T."), 77 Massachusetts Avenue, Cambridge, Massachusetts 02139, and Aspen Technology, Inc., a Massachusetts corporation, ("LICENSEE"), 251 Vassar Street, Cambridge, Massachusetts 02139.

WHEREAS, M.I.T. is the owner, subject to a royalty-free, non-exclusive license heretofore granted to the United States Government, of copyrights in the writings of authors and works of authorship in the nature of computer media and documentation that relate to a set of computer programs known as ASPEN (the "System"); and

WHEREAS, M.I.T. is the owner of certain rights to technical data developed under the Aspen Project and has the right to grant licenses under said rights to technical data, subject only to a royalty-free, non-exclusive license heretofore granted to the United States Government; and

WHEREAS, M.I.T. desires to have the benefits of the technology comprised in the System made available as rapidly and widely as possible to the public; and

WHEREAS, achievement of such public utilization requires the provision of certain services, such as installation of the System for new users and maintenance, support and enhancement of the System for all users; and

WHEREAS, wide public utilization of the System will the making of in and enhancements to the System, which will be beneficial to the users; and

WHEREAS, M.I.T. is not presently able to provide such services within its normal academic and research activities, however, LICENSEE is willing, on the terms and subject to the conditions set forth below, to take responsibility for providing the public with installation service, maintenance and enhancement support for the System; and

WHEREAS, M.I.T. desires access to the System as enhanced and supported by LICENSEE;

NOW, THEREFORE, the parties agree as follows:

§1. DEFINITIONS

§1.1. "Licensed Materials" shall mean the various writings of authors, works of authorship and technical data relating to the System, including but not limited to documentation, narrative descriptions, manuals, computer media, magnetic tapes, discs, punched cards, paper tapes and listing printouts (including microfiche) of the information contained on such computer media and including both source and object codes.

§1.2. "Enhancements" shall mean any technical data, ideas, innovations, improvements, changes and adaptations made or developed by LICENSEE using Licensed Materials, whether

such Enhancements are in human or machine readable form and whether or not patentable or copyrightable.

§1.3. ‘‘Derivative Works” shall mean all works of authorship, whether in human or machine readable form based upon Licensed Materials, revised, annotated, elaborated or otherwise modified by LICENSEE so as to incorporate one or more Enhancements.

§2. FURNISHING OF MATERIALS

Promptly after the date of this Agreement, M.I.T. will furnish LICENSEE with, or enable LICENSEE to create, one (1) copy of each item of the Licensed Materials which is in M.I.T.’s possession and is then current.

§3. LICENSE GRANT

§3.1. M.I.T. hereby grants LICENSEE a non-exclusive, non-transferable (except as provided herein), perpetual, worldwide license (the “License”), on the terms and subject to the conditions set forth in this Agreement, to:

(a) make copies of Licensed Materials;

(b) make Enhancements and Derivative Works;

(c) permit (whether by sublicense or otherwise) other persons to use Licensed Materials and copies thereof; and

(d) use Licensed Materials in any manner in its business (including, without limitation, use as a commercial service bureau or job-shop).

§3.2. Except as limited by this Agreement, LICENSEE may in its sole discretion, establish fees (if any) and all other terms and conditions for sublicenses and other arrangements pursuant to which it permits use of Licensed Materials and copies thereof.

§3.3. M.I.T. agrees that so long as this Agreement is in effect and provided that LICENSEE has not received a notice under §7.1 prohibiting further use of Licensed Materials, M.I.T. will not permit any other party to use or to have a license agreement with respect to any Licensed Materials, which agreement contains any provision which is more favorable to such other party than this Agreement is to LICENSEE. In the event that M.I.T. grants any such provision to any such other party, this Agreement shall be automatically modified thereby to afford LICENSEE such provision. Upon written request by LICENSEE, M.I.T. shall provide to LICENSEE’S counsel access at M.I.T. to all license agreements with respect to Licensed Materials.

§4. PROPRIETARY RIGHTS IN LICENSED MATERIALS, ENHANCEMENTS AND DERIVATIVE WORKS

§4.1. M.I.T. represents that it has not granted any license of the Licensed Materials except to the U.S. Government and to the participants in the program of industrial testing under

the Aspen project. LICENSEE acknowledges that M.I.T. shall continue to own the right, title and interest (including copyrights) in the Licensed Materials notwithstanding the License granted under this Agreement, and LICENSEE agrees to comply with all laws applicable to its use of the Licensed Materials.

§4.2. M.I.T. shall be responsible for establishing and maintaining its proprietary rights in the Licensed Materials, at its own expense, including, without limitation, complying with formalities with respect to the deposit of copies and registration. M.I.T. shall give LICENSEE prompt notice (a) of any claim that the Licensed Materials or any part thereof infringes the proprietary rights of another person, and (b) of any potential infringement by another person of M.I.T.'s proprietary rights in the Licensed Materials. In either case, M.I.T. may, at its discretion, take such action as it deems necessary or desirable to protect its proprietary rights, and hereby grants to LICENSEE, acting in its own behalf and on behalf of M.I.T., the authority to assume the defense of such rights or to enforce such rights against a third person in any case in which M.I.T. declines or fails to actively protect its proprietary rights. M.I.T. represents that, to the best of its knowledge and belief, the Licensed Materials in existence as of the date of this Agreement do not infringe the proprietary rights of any third party.

§4.3. In the event M.I.T. declines to enforce its rights against a purported substantial infringer, or there is a final adjudication of the rights of such purported infringer, and in either of such cases such purported infringer is allowed to utilize any of the rights granted to LICENSEE hereunder under an arrangement which includes any provision which is more favorable to the purported infringer than this Agreement is to LICENSEE, then this Agreement shall automatically be modified thereby to afford to LICENSEE such provision.

§4.4. M.I.T. shall, from time to time, prescribe to LICENSEE the form and location of the copyright notice to be included on any licensed materials. LICENSEE shall include copyright notices as so prescribed by M.I.T. on ail such copies made or created by LICENSEE and will impose the obligation to do so on all or persons licensed or otherwise permitted by LICENSEE to make copies thereof. M.I.T. agrees that LICENSEE shall have all proprietary rights, whether in the nature of trade secrets, copyrights, patents or otherwise in all Enhancements and Derivative Works. M.I.T. does not and will not claim any proprietary rights therein.

§5. LICENSE FEE

In consideration of the License granted to LICENSEE under §3 hereof, LICENSEE shall pay to M.I.T. a license fee of $10,000. $5,000 of which shall be paid upon signature of this Agreement and $5,000 of which shall be paid on or before October 1, 1982.

§6. LIMITATIONS OF LIABILITY

§6.1. EXCEPT AS PROVIDED IN §§4.1 and 4.2, NEITHER PARTY MAKES TO THE OTHER, AND NEITHER PARTY RECEIVES FROM THE OTHER, ANY WARRANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY LICENSED MATERIALS, PARTICULARLY NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

§6.2. Except with respect to any breach by M.I.T. of its representations set forth in §§4.1 and 4.2, neither party shall be liable to the other for any indirect, special, or consequential damages, such as lost profits, regardless of the cause of action, or for any loss, cost or expense incurred by the other arising from, or related to, any claim or demand on the other by any third party.

§6.3. LICENSEE shall hold M.I.T. harmless from all loss, claims, demands or other liability arising from or based on:

(a) use of the System by any third party claiming through LICENSEE, or

(b) LICENSEE'S use of the System or other performance of LICENSEE under this agreement.

§7. TERMINATION AND REMEDIES

§7.1. If any of the following events shall occur:

(a) LICENSEE breaches any of its obligations under this Agreement and fails to cure the breach within ninety (90) days after the receipt of written notice from M.I.T. specifying the nature of the claimed breach;

(b) LICENSEE ceases to carry oil its business;

(c) A receiver or similar officer is appointed for LICENSEE and is not discharged within ninety (90) calendar days;

(d) LICENSEE makes an assignment for the benefit of, or a composition with, its creditors, or another arrangement of similar import, and such assignment, composition, or other arrangement is not voided, discontinued, or terminated within ninety (90) calendar days; or

(e) Proceedings under any bankruptcy or insolvency law are commenced by LICENSEE, or are commenced against it, and are not discontinued within ninety (90) calendar days;

then, in addition to pursuing any other remedies to which it may be entitled, M.I.T. may, by giving written notice to LICENSEE, terminate the License. It is agreed that such termination shall not (i) abridge or diminish in any way the rights of LICENSEE'S customers to the use and enjoyment of the System and/or Enhancements in accordance with any sublicense granted prior to such termination, or (ii) impair LICENSEE'S proprietary rights in any Enhancements and Derivative Works developed prior to the date of the granting of such remedy or the date of such notice of termination.

§7.2. If any of the following events shall occur:

(a) A third party asserts a claim that any Licensed Materials, or the use thereof infringes its proprietary rights;

(b) M.I.T. breaches any of its obligations under this Agreement and fails to cure the breach within ninety (90) days after the receipt of written notice from LICENSEE specifying the nature of the claimed breach;

(c) Any representation made by M.I.T. herein shall prove to have been known to be false or materially misleading as of the date made; or

(d) The U.S. Government places a substantial portion of the Licensed Materials in the public domain or proposes to make a substantial portion of the Licensed Materials available under license;

then, in addition to pursuing any other remedies to which it may be entitled, LICENSEE may, by giving written notice to M.I.T., terminate this Agreement.

§7.3. No failure or delay by either party in the enforcement of its rights hereunder shall be deemed to be a waiver thereof, and all remedies to which either party may be entitled hereunder or in law or equity shall be cumulative.

§7.4. LICENSEE hereby transfers to M.I.T. all rights it may have, after the date on which LICENSEE ceases to carry on its business, under all sublicenses with its customers other than the right to receive payment of money for products or services furnished prior to the date on which LICENSEE ceases to carry on its business.

§8. STATUS OF LICENSEE; NON-USE OF NAMES

§8.1. In rendering performance under this Agreement, LICENSEE shall be an independent contractor and not an agent, partner, employee, or joint venturer of M.I.T. LICENSEE may subcontract work to M.I.T., accept contracts from M.I.T., and receive consulting and other services from employees of M.I.T.

§8.2. LICENSEE shall not use the name of M.I.T. or any adaptation thereof in any advertising, promotional, or sales literature without the written consent of the M.I.T. Patent, Copyright and Licensing Office having been obtained in each case at least seven (7) days prior to such use, except that LICENSEE may indicate that it is licensed by M.I.T. to use Licensed Materials pursuant to this Agreement and LICENSEE may refer to M.I.T. in its promotional materials or otherwise for the purpose of describing the project under which the System and the Licensed Materials were developed.

§8.3. LICENSEE shall not use any corporate or business name, or conduct its business in any manner, which M.I.T. reasonably believes is likely to suggest that LICENSEE is organizationally related to M.I.T. However, the use by LICENSEE of the name “ASPEN” and/or the use of the aspen-leaf logo as used by the ASPEN Project at M.I.T. shall not be deemed to be a violation of this Paragraph.

§9. EXPORT CONTROL

§9.1. LICENSEE is solely responsible for securing any licenses required for the exportation by LICENSEE from the United States of Licensed Materials. M.I.T. agrees to cooperate in obtaining such licenses at its own expense.

§9.2. LICENSEE hereby gives its assurance to M.I.T. that LICENSEE will not knowingly and willfully, unless prior authorization is obtained from the United states Office of Export Control, export directly or indirectly any Licensed Materials to any country restricted by such Office.

§9.3. M.I.T. neither represents that such licenses are not required nor that, if required, they will be issued by the United States Government.

§10. ASSIGNMENT

LICENSEE may not assign or otherwise transfer this Agreement without the written permission of M.I.T., which permission shall not be unreasonably withheld. Notwithstanding the foregoing, it is agreed that LICENSEE may transfer this Agreement in the event of a sale of substantially all of the assets of or merger of LICENSEE, and it is further agreed that LICENSEE shall not be required to obtain the permmission of M.I.T. to effect a change in control of LICENSEE, whether upon the influx of equity or debt capital, whether private or public, or otherwise. Upon such assignment or transfer, the term LICENSEE as used herein shall include such assignee or transferee.

§11. PAYMENTS AND NOTICES

All payments, notices, or other communications given under this Agreement shall be sufficient only if in writing addressed to the respective party as set forth below, or at such other address as is designated by a notice.

In the case of M.I.T.:

Patent, Copyright & Licensing Office
Room E19-722
Massachusetts Institute of Technology
Cambridge, MA 02139

In the case of LICENSEE:

Aspen Technology, Inc.
251 Vassar Street
Cambridge, MA 02139
ATTN: Lawrence B. Evans, President

All payments, notices and other communications shall be deemed given on the date received.

§12. MISCELLANEOUS

§12.1. This Agreement is governed by, subject to, and to be construed according to the laws of the Commonwealth of Massachusetts.

§12.2. This Agreement is the statement of the complete agreement of the parties respecting its subject matter as of the date hereof. No alterations of the provisions hereof shall be binding on either party unless set forth in a writing signed by both parties.

§12.3. No waiver by either party of any rights under this Agreement shall be valid unless set forth in a writing signed by the party against which enforcement is sought. The failure of either party to insist upon strict performance of any provision of this Agreement shall not be construed as a waiver.

§12.4. The provisions of this Agreement are severable and in the event that any provisions of this Agreement are determined to be invalid or unenforceable under any controlling body of laws, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions.

§12.5. This Agreement may be executed in two or more identical counterparts, each of which, when duly executed and delivered shall be an original, but all of which shall constitute a single instrument. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as an instrument under seal as of the day and year first written above.

ASPEN TECHNOLOGY, INC.

By: /s/ Lawrence Evans

Title: President

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

By: /s/ George ???

Title: Director, Office of Sponsored Programs

Exhibit 10.5

Amendment to
System License Agreement

The System License Agreement dated March 30, 1982 between the Massachusetts Institute or Technology ("M.I.T.") and Aspen Technology, Inc. ("AspenTech") is hereby amended, effective as of March 30, 1982, as follows.

1. Premises. The last premise is deleted.

2. Section 3.3. Section 3.3 is .amended to read in its entirety as follows:

3.3 M.I.T. agrees that so long as this Agreement is in effect and provided that LICENSEE has not received a notice under 7.1 prohibiting further use of Licensed Materials, M.I.T. will not permit any other party to use or to have a license agreement with respect to any Licensed Materials, which agreement contains any provision which is more favorable to such other party than this Agreement is to LICENSEE except with regard to licenses which may be granted to members of the Industrial Testing Program under the Aspen Project. In the event that M.I.T. grants any such provision to any such other party, other than to members of the Industrial Testing Program, this agreement shall be automatically modified thereby to afford LICENSEE such provision. Upon written request by LICENSEE, M.I.T. shall provide to LICENSEE'S counsel access at M.I.T. to all license agreements with respect to Licensed Materials.

3. Section 4.1 Section 4.1 is amended to read in its entirety as follows:

4.1. M.I.T. represents that it has not, at this time, granted any license of the Licensed Materials except to the U.S. Government and to the participants in the Program of Industrial Testing under the Aspen project. However, M.I.T. reserves the right to issue such future licenses as it, in its sole discretion, deems advisable. LICENSEE acknowledges that M.I.T. shall continue to own the right, title and interest (including copyrights) in the Licensed Materials notwithstanding the License granted under this Agreement, and LICENSEE agrees to comply with all laws applicable to its use of the Licensed Materials.

4. Section 5. Section 5 is amended to read in its entirety as follows:

5. LICENSEE FEE

In consideration of the License granted to LICENSEE under § 3 hereof, LICENSEE shall pay to M.I.T. a license fee of Thirty Thousand Dollars ($30,000) which shall be payable as follows:

(a) Upon execution of this Agreement, the sum of Five Thousand Dollars ($5,000);

(b) On or before October 1, 1982 the sum of Five Thousand Dollars ($5,000);

(c) On or before April 1, 1983, the sum of Five Thousand Dollars ($5,000);

(d) On or before October 1, 1983, the sum of Five Thousand Dollars ($5,000);

(e) On or before April 1, 1984, the sum of Five Thousand Dollars ($5,000);

(f) On or before October 1, 1984, the sum of Five Thousand Dollars ($5,000).

5. Section 7.2(d). Section 7.2(d) is amended to read in its entirety as follows:

(d) The U.S. Government places a substantial portion of the Licensed Materials in the public domain or proposes to make a substantial portion of the Licensed Materials available under licenses which grant rights equivalent to the total rights granted hereunder;

Except as specifically amended hereby, the Agreement shall remain unchanged and is hereby confirmed as being in full force and affect.

This amendment may be executed in two or more identical counterparts, each of which, when duly executed and delivered shall be an original, but all of which shall constitute a single instrument. In making proof of this amendment, it shall not be necessary to produce or account for more than one such counterpart.

ASPEN TECHNOLOGY, INC.

By: /s/ Lawrence Evans

Title: President

Date: September 13, 1982

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

By: /s/ George ???

Title: Director, Office of Sponsored Programs

Date: 9/29/82

Exhibit 10.13

VENDOR PROGRAM AGREEMENT

THIS VENDOR PROGRAM AGREEMENT ("Agreement") is dated as of March 29, 1990 by and between GENERAL ELECTRIC CAPITAL CORPORATION ("GE CAPITAL"), a New York corporation, with an address at 55 Federal Road, P.O. Box 3199, Danbury, CT 06813-3199, attn: Manager of Operations, Vendor Equipment Financing, and ASPEN TECHNOLOGY, INC., its successors and assigns ("COMPANY"), a Massachusetts corporation, with its principal place of business and address at 251 Vassar Street, Cambridge, MA 02139, attn: Ms. Mary A. Dean, Vice President - Finance.

R E C I T A L S

COMPANY and GE CAPITAL are entering into this Agreement with the principal objective of setting forth the terms and conditions upon which GE CAPITAL will purchase, and COMPANY will sell, the payments provided under certain Transactions, and all right, title and interest of COMPANY in and to such Transactions to the extent the same secure or benefit such payments (the "Program') relating to the licensing of certain computer software products and services licensed by COMPANY ("Software").

NOW, THEREFORE, in consideration of the above premises and of the representations, warranties and agreements contained herein, the parties hereby agree as follows:

1. DEFINITIONS.

(a) "Agreement" means this Vendor Program Agreement and any riders, addenda, and written amendments hereto or thereto.

(b) "Customer" means a qualified customer of COMPANY who is an obligor under a Transaction or guarantor of such Customer.

(c) "Default" means a breach by COMPANY of any representation, warranty, covenant, terM or condition of this Agreement.

(d) "Discount Rate" means the rate of interest at which GE CAPITAL discounts the payments remaining under a Transaction which are remaining to be paid on the date GE CAPITAL purchases such Transaction from the due date of such payments to the date of such purchase.

(e) "Discounted Value" means the amount GE CAPITAL is willing to pay for the payments remaining to be paid under a Transaction.

(f) "Event of Cancellation" shall, with respect to a Transaction, refer to (i) a Material Adverse Change in Financial Condition, business or operations of COMPANY since the date of this Agreement or of the Customer since the date of the related Offer Document Package; or (ii) the occurrence of an event which causes a representation made by Customer, COMPANY or any other party in connection with the Transaction or under this Agreement to be or become false or misleading in any material respect when made or, although true when made, will not be true and correct at the time Software related to such Transaction is to be accepted by the Customer; or

(iii) a breach of any term of such Transaction, or of any related guaranty or credit support agreement, or any Default; or (iv) a notification by a Customer to COMPANY or to GE CAPITAL of its intent to cancel all or any part of the Transaction.

(g) "Final Document Package" means such other and further documents as GE CAPITAL shall from time to time require in accordance with its standard procedures for the Program in order to purchase a Transaction and to pay the Discounted Value of the Software to COMPANY.

(h) "Material Adverse Change in Financial Condition" means a significant negative change in the balance sheet or profit and loss statements, from the balance sheet or profit and loss statements delivered to GE CAPITAL by COMPANY on or before the date of this Agreement.

(i) "Offer Document Package" means an application (including credit information concerning the Customer) and related documents from time to time required by GE CAPITAL in accordance with its standard procedures for the Program to initiate its consideration of a proposed Transaction.

(j) "Transaction" means the licensing of Software (and the guaranty thereof) by a Customer in the form of a Software License Agreement or other document approved by GE CAPITAL from time to tine.

2. PURCHASE OF TRANSACTIONS. GE CAPITAL and COMPANY agree that, subject to the terms and provisions hereof, and provided that no Default has occurred, GE CAPITAL may purchase, and COMPANY may sell, the payments provided under certain Transactions, together with all right, title and interest of the COMPANY in and to such Transactions to the extent the same secure or benefit such payments. Nothing contained herein shall require COMPANY to sell such payments or require GE CAPITAL to purchase the same or approve any Customer referred by COMPANY.

3. TRANSACTIONS. At its discretion, COMPANY shall complete and deliver to GE CAPITAL an Offer Document Package. Upon receipt thereof, GE CAPITAL shall review and either approve or reject the Offer Document Package and shall notify COMPANY of its determination. Upon notification of approval by GE CAPITAL, COMPANY shall obtain and deliver to GE CAPITAL the Final Document Package.

4. OBLIGATION TO PURCHASE. Provided that: (a) GE CAPITAL has not previously revoked its approval of a Transaction; (b) no Default has occurred; (c) GE CAPITAL has received the Final Document Package; and (d) COMPANY agrees to sell the Transaction for the Discounted Value quoted by GE CAPITAL, GE CAPITAL shall pay COMPANY the Discounted Value.

5. REVOCATION OF APPROVAL. Notwithstanding anything to the contrary contained herein, GE CAPITAL may revoke its agreement to purchase a Transaction if either (a) GE CAPITAL has not received the Final Document Package within sixty (60) days after the date GE CAPITAL notified the COMPANY of approval of a Transaction, or (b) prior to the receipt by GE CAPITAL of the Final Document Package or payment by GE CAPITAL of the

Discounted Value, GE CAPITAL determines, in its good faith judgment, that an Event of Cancellation has occurred. Upon revocation of its agreement to purchase a Transaction, GE CAPITAL shall have no further liability to COMPANY in connection with the Transaction.

6. GENERAL ADMINISTRATIVE SERVICES. GE CAPITAL will provide general administrative services in connection with the Transactions, including but not limited to billing and collecting. GE CAPITAL shall have the right to deal with all Transactions and Customers in the sole exercise of its business judgment, and, without limiting the generality of the foregoing, may (a) amend any Transaction or renew or extend the time for payment or performance or grant any other indulgence to any Customer; and (b) make any settlements or compromises therewith; (c) demand additional collateral or release its lien upon any Software; (d) restructure, defer or otherwise alter payment terms; and (e) transfer or assign any of its rights or obligations in regard of any Transaction or any Software. GE CAPITAL's and COMPANY's rights and obligations hereunder shall remain unaffected by any such activity. In the event COMPANY receives any payment on a Transaction, COMPANY shall promptly forward such payment to GE CAPITAL. COMPANY hereby irrevocably appoints GE CAPITAL its attorney-in-fact to act in its name and stead in regard of the Transactions, including without limitation the right to endorse, or sign COMPANY'S name on all checks, collections, receipts or other documents with regard to the Transactions, as GE CAPITAL deems necessary or appropriate to protect its right, title and interest in and to the Transactions and the security intended to be afforded thereby and hereby.

7. REPRESENTATIONS AND WARRANTIES. COMPANY hereby represents, warrants and covenants to GE CAPITAL, its successors and assigns, as of the date hereof, and of the Offer Document Package and the Final Document Package in respect of each Transaction pursuant hereto, that:

(a) COMPANY is a duly organized and validly existing corporation and has full power to enter into this Agreement and to carry out the transactions contemplated hereby;

(b) the execution and delivery of this Agreement and the performance by COMPANY of the transactions contemplated hereby have been duly authorized by all necessary corporate action;

(c) this Agreement constitutes a legal, valid and binding obligation of COMPANY enforceable in accordance with its terms;

(d) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will constitute a violation or default of any statute, rule, or decree of any court, administrative agency or governmental body to which COMPANY is or may be subject;

(e) all documents relating to a Transaction to which COMPANY is a party or by which it is bound will be genuine, legal, valid, and binding obligations of COMPANY, enforceable in accordance with their terms and COMPANY will not amend, change, settle, or compromise any Transaction without the prior written consent of GE CAPITAL;

(f) there are and will be no agreements between COMPANY or its agents and any Customer in connection with any Transaction, except as contained therein, and no express or

implied warranties have been or will be made by COMPANY or its agents to such Customer, except as contained in the Transaction documents;

(g) COMPANY has not received any license fees or other monies from any Customer in respect of payments due under any Transaction following the date of purchase by GE CAPITAL and will immediately remit such funds to GE CAPITAL if any are received;

(h) GE CAPITAL shall have a first priority security interest in the customer's right to use the Software governed by any Transaction, free and clear of all liens, claims, security interests and encumbrances;

(i) all documents relating to a Transaction are the legal, valid and binding obligation of the Customer named therein, enforceable according to their respective terms, and the signature of the named Customer is genuine;

(j) COMPANY and its agents have not participated in and have no knowledge of any fraudulent act in connection with any Transaction or with respect to any Customer;

(k) the Software shall have been delivered to and accepted by the named Customer, properly installed at the location indicated in the applicable Offer Document Package, and is, and shall be maintained in good working order, condition and repair, conforming to specifications;

(l) all credit or other information reasonably relevant to a credit determination concerning the Customer known to COMPANY will have been disclosed to GE CAPITAL;

(m) COMPANY possesses and will maintain throughout the term of any Transaction adequate licenses and permits to grant licenses with respect to or rights to the use of the related Software;

(n) all applicable sales, use, or property taxes which may apply to the value, sale or use of the Software (other than those assessed or imposed at or after the time GE CAPITAL purchases the Transactions), shall have been paid or will be timely remitted by COMPANY to the appropriate taxing authority and COMPANY will on request provide GE CAPITAL with proof of such payment as promptly as possible, and the payments being purchased by GE CAPITAL are and shall remain net or free of any sales, use or property taxes due to any taxing authority;

(o) the execution and delivery by COMPANY of this Agreement does not conflict with or constitute a material default with respect to any indenture, loan agreement, mortgage, lease, deed or other agreement to which it is a party or by which it is bound, and there are no suits or proceedings pending or, to the knowledge of COMPANY, threatened in any court or before any regulatory commission, board or other administrative or governmental agency against or affecting COMPANY which could materially impair COMPANY'S ability to perform its obligations hereunder;

(p) the most recent financial statements of COMPANY dated 12/31/89 and delivered to GE CAPITAL fairly represent the position of COMPANY as of 12/31/89 and the results of operations of COMPANY for the periods covered thereby, all in conformity with generally

accepted accounting principles applied on a consistent basis, and since the date of the latest such financial statements, there has been no Material Adverse Change in the Financial Condition of COMPANY; and

(q) COMPANY will promptly deliver to GE CAPITAL such information concerning the financial or other condition of COMPANY as GE CAPITAL may reasonably request from time to time, and will deliver to GE CAPITAL within one hundred twenty (120) days of the close of each fiscal year, the balance sheet and profit and loss statement of COMPANY (including the consolidated taxpayer group of which it is a part), certified by a recognized firm of certified public accountants, and, within ninety (90) days of the close of each fiscal quarter of COMPANY, in reasonable detail, copies of the quarterly financial report of COMPANY, each certified by its chief financial officer.

8. INDEMNIFICATION. COMPANY shall indemnify and hold harmless GE CAPITAL, its affiliates, subsidiaries, employees, officers, directors and agents, from and against any and all losses, claims by or against GE CAPITAL, liabilities, demands and expenses whatsoever, including without limitation reasonable attorneys' fees and costs, arising out of or in connection with any breach by COMPANY of its representations, warranties or obligations hereunder or with any act, failure to act, omission, representation or misrepresentation (including but not limited to those in connection with the sale, use, operation, ownership, possession, servicing or maintenance of the Software and conduct relating thereto) by COMPANY, its affiliates, subsidiaries or dealers or the employees, officers or agents of any of the foregoing. GE CAPITAL shall not be required to attempt to recover from any Customer through legal proceedings or otherwise as a condition to receiving the benefits hereunder. All indemnities and obligations under this Section 8 shall survive the expiration or termination of this Agreement and the expiration or termination of any Transaction.

9. RECOURSE AND SPECIAL TRANSACTION WARRANTIES.

(a) COMPANY agrees to repurchase from GE CAPITAL its right, title and interest in and to the related Transaction and the payments purchased thereunder, in accordance with the terms and conditions set forth below:

(i) If a Customer has defaulted in the performance of any obligation to make payments under the Transaction (regardless of the reason therefor) which default has remained uncured for a period of thirty (30) days, or in the event of a Default under this Agreement, COMPANY shall, within ten (10) days of receipt of notice thereof, pay GE CAPITAL the Repurchase Amount applicable thereto. Upon receipt of such payment, GE CAPITAL shall sell and transfer to COMPANY all of its right, title and interest in and to the Transaction and the payments purchased thereunder, AS IS, WHERE IS, without recourse or warranty to or from GE CAPITAL. If the repurchase obligation arises out of Default by COMPANY hereunder, COMPANY shall be obligated to repurchase all Transactions subject to this Agreement.

(ii) See Attachment I.

(iii) The Repurchase Amount means an amount equal to the total of the following amounts due or to become due under the Transaction: (A) all payments accrued and unpaid under the Transaction as of the date of receipt by GE CAPITAL of the Repurchase Amount (the "Repurchase Date"), together with interest at the Discount Rate from the due dates of such payments to the Repurchase Date, plus (B) that amount reflected on the books and records of GE CAPITAL as gross investment in finance receivables with respect to the Transaction as of the Repurchase Date, less the amount so reflected as unearned income with respect to such Transaction, plus (C) any out-of-pocket expenses (including actual attorneys' fees) incurred by GE CAPITAL prior to the Repurchase Date. Interest shall accrue on the Repurchase Amount from the due date thereof until paid in full at the rate of 18% per annum.

(b) COMPANY hereby represents, warrants and covenants to GE CAPITAL, its successors and assigns, as of the date of the Final Document Package in respect of each Transaction, that (i) GE CAPITAL shall have received an original of the documentation for such Transaction; (ii) all other originals of such documentation are in the exclusive possession of COMPANY or, to the best of COMPANY'S knowledge, the Customer for such Transaction; (iii) all originals of such documentation in the possession of COMPANY shall be stamped with a legend on the cover page and each signature page as follows: "Aspen Technology, Inc. has transferred and assigned all of its right, title and interest in this Agreement and the payments hereunder to General Electric CAPITAL Corporation, 55 Federal Road, P.O. Box 3199, Danbury, CT 06813-3199, Attn: Manager-Operations."

10. TERM AND TERMINATION. This Agreement shall be effective upon execution by GE CAPITAL and COMPANY and shall continue from such effective date unless and until terminated by either party at any time upon sixty (60) days prior written notice; provided that either party may terminate this Agreement immediately upon notice to the other in the event of a breach by the other party. Upon termination or expiration of this Agreement, the obligations of the parties with respect to Transactions not approved by GE CAPITAL shall cease.

11. MISCELLANEOUS. (a) GE CAPITAL and COMPANY acknowledge that they are separate entities, each of which has entered into this Agreement for independent business reasons. COMPANY shall have no right or authority to, and will not attempt to, accept collections, repossess or consent to the return of the Software (other than for repairs) or modify the terms of any Transaction in any way whatsoever.

(b) The rights and obligations of COMPANY hereunder may not be assigned without the written consent of GE CAPITAL, provided that COMPANY may assign its rights to receive money or other payments under this Agreement.

(c) The provisions of this Agreement and the rights and obligations of the parties hereto shall survive the execution and delivery hereof, and except insofar as they relate to purchasing further Transactions, shall survive the termination of this Agreement.

(d) Notices to COMPANY or GE CAPITAL under this Agreement shall be deemed to have been given if mailed, postage prepaid, by first class, overnight delivery service or by registered or certified mail, return receipt requested, to the other party at the address first stated above or such other address as such party may have provided by notice.

(e) The parties agree that this Agreement has been executed and delivered in, and shall be construed in accordance with the laws (other than the choice of law provisions) of, the State of New York.

(f) If at any time any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

(g) This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and incorporates all representations made in connection with negotiation of the same. The terms hereof may not be terminated, amended, supplemented or modified orally, but only by an instrument duly executed by each of the parties hereto.

(h) This Agreement and any amendments hereto shall be binding on and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

(i) In the event there is any conflict between this Agreement and any ancillary agreements with respect to any Transaction or Software, the terms and conditions of this Agreement shall control.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives on the date set forth below.

ASPEN TECHNOLOGY, INC.		GENERAL ELECTRIC CAPITAL CORPORATION	
By:	/s/ [Illegible]	By:	/s/ [Illegible]
Title:	Vice President Finance	Title:	VP & GM
Date:	3/29/90	Date:	3/30/90

ATTACHMENT I

9 (a) (ii) If COMPANY becomes insolvent, is unable to pay debts as they mature, fails to operate as a going concern, files under Title 11 of the United States Code or any successor or similar federal or state statute, makes an assignment for the benefit of creditors, has an appointment of a receiver, dissolution or change in the corporate structure, or in a material portion of the stock ownership, COMPANY shall, within 10 days of receipt of notice thereof, pay GE CAPITAL the applicable Repurchase Amount.

Exhibit 10.13(a)

RIDER NO. 1
To
VENDOR PROGRAM AGREEMENT
DATED AS OF MARCH 29, 1990
BY AND BETWEEN
GENERAL ELECTRIC CAPITAL CORPORATION ("GE CAPITAL")
AND
ASPEN TECHNOLOGY, INC. ("COMPANY")

THIS RIDER is hereby incorporated into and made a part of the above referenced Vendor Program Agreement (the "Agreement") and is subject to all the terms and conditions thereof. All terms used and not defined herein shall have the meanings set forth in the Agreement.

WHEREAS, COMPANY and GE CAPITAL wish to amend the Agreement to amend certain recourse provisions and to further enhance the operation of the Program.

NOW, THEREFORE, in consideration of the above premises, the parties hereby agree as follows:

1. RECOURSE OBLIGATIONS. Section 9(a) of the Agreement is hereby amended in its entirety to read as follows:

"(a) Upon the occurrence of any event specified in subparagraphs (i) through (iv) below, COMPANY agrees to repurchase from GE CAPITAL all of GE CAPITAL's right, title and interest in and to the applicable Transaction and the payments purchased thereunder in accordance with the terms and conditions set forth below:

(i) a default in the performance of any obligations under the applicable Transaction by any Customer who is not located in the United States;

(ii) any alleged breach by COMPANY of any representation, warranty or obligation of COMPANY contained in the applicable Transaction or any other agreement relating to the Software, including any service agreement, which involves the performance of the Software or COMPANY's obligation to provide maintenance, support or services with respect thereto (a "Service Default"). Prior to repurchasing GE CAPITAL's interest in the applicable Transaction pursuant to the terms and conditions set forth below in the event of a Service Default, COMPANY may elect to attempt to cure the Service Default for a period of sixty (60) days after written notice thereof by GE CAPITAL to COMPANY. During such sixty (60) day period, COMPANY shall promptly remit to GE CAPITAL all payments then due under the applicable Transaction. If the Service Default is not cured by the sixtieth day following written notice from GE CAPITAL, COMPAWY shall repurchase the applicable Transaction in accordance with the terms and conditions set forth below.

(iii) a Default by COMPANY under this Agreement, or

(iv) COMPANY becomes insolvent, is unable to pay its debts as they mature, fails to operate as a going concern, files under Title 11 of the United States Code or any successor or

similar federal or state statute, makes an assignment for the benefit of creditors, has an appointment of a receiver, or is subject to a dissolution or a change in its corporate structure or in a material portion of

(v) Upon the occurrence of any of the events described in subparagraphs (i) through (iv) above, COMPANY shall, within ten (10) days of receipt of written notice thereof (or sixty (60) days in the event of a Service Default which COMPANY has elected to cure pursuant to subparagraph (ii) above), pay GE CAPITAL the Repurchase Amount applicable thereto. Upon receipt of such payment, GE CAPITAL shall sell and transfer to COMPANY all of its right, title and interest in and to the applicable Transaction and the payments purchased thereunder, AS IS, WHERE IS, without recourse or warranty to or from GE CAPITAL. If the repurchase obligation arises out of a Default by COMPANY hereunder, COMPANY shall be obligated to repurchase all Transactions subject to this Agreement.

(vi) The Repurchase Amount means an amount equal to the total of the following amount due or to become due under the applicable Transaction: (A) all payments accrued and unpaid under such Transaction as of the date of receipt by GE CAPITAL of the Repurchase Amount (the "Repurchase Date"), together with interest at the Discount Rate from the due dates of such payments to the Repurchase Date, plus (B) that amount reflected on the books and records of GE CAPITAL as gross investment in finance receivables with respect to such Transaction as of the Repurchase Date, less the amount so reflected as unearned income with respect to such Transaction, plus (C) any out-of-pocket expenses (including actual attorneys' fees) incurred by GE CAPITAL prior to the Repurchase Date. Interest shall accrue on the Repurchase Amount from the due date thereof until paid in full at the rate of eighteen percent (18%) per annum."

2. NO FURTHER AMENDMENTS. The provisions of this Rider No. 1 shall be in addition to, and not in the place of any other provisions of the Agreement Except as specifically amended herein, all provisions of the Agreement and the obligations of the parties pursuant thereto shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Rider No. 1 to be executed by their duly authorized representatives as of the dates set forth below.

ASPEN TECHNOLOGY, INC.	**GENERAL ELECTRIC CAPITAL CORPORATION**
Signature	Signature
Name and Title – Please Print	Name and Title – Please Print
Date	Date

Exhibit 10.13(b)

RIDER NO. 2 TO VENDOR PROGRAM AGREEMENT
BETWEEN
GENERAL ELECTRIC CAPITAL CORPORATION ("GE CAPITAL")
AND
ASPEN TECHNOLOGY, INC. ("ASPEN")
DATED AS OF MARCH 29, 1990

THIS RIDER NO. 2 is hereby incorporated into and made a part of the above referenced Vendor Program Agreement, as amended from time to time (the "Agreement"), and is subject to all of the terms and provisions thereof.

CONTEXT OF AGREEMENT

A. GE CAPITAL and ASPEN have entered into the Agreement to establish a customer financing capability to support ASPEN's licensing of Software in the United States.

B. ASPEN, in addition to licensing Software in the United States, licenses Software to Customers who are domiciled and carry on business in Canada ("Canadian Customers").

C. General Electric Capital Canada Inc., Vendor Financial Services Division ("GECAN"), is a corporation incorporated under the laws of Canada, and has a principal place of business at 2300 Meadowvale Blvd., Mississauga, Ontario, L5N 5P9. GECAN is an affiliate of GE CAPITAL.

D. ASPEN has requested that GE CAPITAL and GECAN enter into a strategic alliance with ASPEN to provide a customer financing capability to support the license of Software by ASPEN in Canada. GE CAPITAL and GECAN are willing to enter into such a strategic alliance in accordance with the terms and conditions of the Agreement, as amended, supplemented or modified in accordance with the terms and conditions of this Rider No. 2.

E. It is the intention of the parties to this Rider No. 2 that, for the purposes of conducting the Program in Canada, a relationship shall be established between ASPEN and GECAN similar to the relationship between ASPEN and GE CAPITAL which shall be governed by the provisions of the Agreement, subject to certain modifications required to accommodate the Canadian segment of the Program (the "Canadian Program").

NOW, THEREFORE, for valuable consideration exchanged among them, the parties to this Rider No. 2 hereby agree as follows:

1. **Definitions**. All capitalized terms used in this Rider No. 2 shall have the meanings given to them in the Agreement unless otherwise defined herein.

2. **Parties to Canadian Program**. Except as otherwise specifically indicated herein, for purposes of this Rider No. 2 only, all references in the Agreement to GE CAPITAL shall be deemed to refer to and include GECAN. For purposes of this Rider No. 2 only, GECAN is hereby made a party to the Agreement.

3. **Canadian Transactions**. ASPEN shall from time to time enter into and complete Transactions with Canadian Customers ("Canadian Transactions") under the Canadian Program in accordance with the provisions of this Rider No. 2.

4. **Incorporation of Agreement Provisions**. All of the terms and conditions of the Agreement shall apply to the Canadian Program and are incorporated herein by reference, subject only to the modifications described in this Rider No. 2.

5. **Canadian Program Modifications**. For purposes only of the Canadian Program and Canadian Transactions entered into pursuant thereto:

(a) Except as otherwise specifically indicated herein, GECAN shall perform the functions of GE CAPITAL set out in the Agreement, with a view to operating the Canadian Program in a manner which is separate from, but parallel to and consistent with, the Program;

(b) All references in the Agreement to the term "Transactions" shall be deemed to include Canadian Transactions;

(c) All dollar amounts referred to in the Agreement shall be deemed to be United States dollar amounts if the underlying Canadian Transaction is denominated in United States dollars and shall be deemed to be Canadian dollar amounts if the underlying Canadian Transaction is denominated in Canadian dollars;

(d) All payments of the Discounted Value of a Canadian Transaction shall be made by GECAN to ASPEN;

(e) All references in the Agreement to American statutes and statutory documents shall be deemed to refer to the equivalent federal and provincial or territorial statutes and documents of the appropriate jurisdictions in Canada;

(f) All references in the Agreement to Title 11 of the United States Code shall be deemed to be references to the debt reorganization and debtor protection provisions of the Bankruptcy and Insolvency Act (Canada) or the Companies' Creditors Arrangement Act (Canada), as appropriate, or any successor or other federal or provincial or territorial statute having similar effect;

(g) All references in the Agreement to "sales taxes" are deemed to include all applicable provincial or territorial and federal sales taxes, goods and services taxes and value added taxes;

(h) Section 8 of the Agreement is hereby amended by inserting the following sentence immediately following the first sentence thereof:

> "ASPEN shall indemnify and hold harmless each of GE CAPITAL and GECAN, and each of its affiliates, subsidiaries, employees, officers, directors and agents from and against any losses, claims, liabilities, demands, and expenses whatsoever including without limitation reasonable attorneys' fees and costs, by or against GE CAPITAL or GECAN, arising out of or in connection with any

failure of ASPEN to be duly qualified to do business in all provinces and territories of Canada and to be duly licensed under all applicable Canadian and provincial statutes to carry on its business or to enter into and complete the transactions contemplated by the Agreement"; and

(i) Section 11(e) of the Agreement is hereby amended by adding the following clause: "; provided that the Agreement, as it relates to the Canadian Program, shall be construed in accordance with the laws (other than the choice of law provisions) of the Province of Ontario."

6. **Term and Termination of Canadian Program**. The Canadian Program will commence upon execution of this Rider No. 2 and will continue from such effective date for the duration of the term of the Agreement, unless sooner terminated by any of the parties hereto in accordance with the applicable provisions of Section 10 of the Agreement. For greater certainty, the Canadian Program may be terminated either before or contemporaneously with the Program.

7. **Notices**. Notices to GECAN under the Agreement shall be deemed to have been given if sent to the address set forth in Recital C above in accordance with Section 11(d) of the Agreement.

8. **Language**. The parties hereto state their express wish that this Agreement as well as all documentation contemplated hereby or pertaining hereto or to be executed in connection herewith be drawn in the English language; les parties aux presentes expriment leur desir explicite a reffet que cette entente, de meme que tous documents envisages par les presentes ou y ayant trait qui seront signes relativement aux presentes solent rediges en anglais.

9. **Prior Canadian Transactions**. The parties specifically agree that each and every Canadian Transaction which has been approved or entered into by GECAN prior to the date hereof shall be deemed to be a Canadian Transaction which is governed by and subject to the provisions of the Agreement, as amended by this Rider No. 2.

10. **No Other Amendments**. The provisions of this Rider No. 2 are in addition to the provisions of the Agreement, as previously amended, and, except as they are modified by the provisions of this Rider No. 2, the provisions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Rider No. 2 to be executed by their duly authorized representatives on the date set forth below.

ASPEN TECHNOLOGY, INC.	**GENERAL ELECTRIC CAPITAL CANADA INC.**
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

GENERAL ELECTRIC CAPITAL CORPORATION

By: _____

Title: _____

Date: _____

Exhibit 10.14

March 25, 1992

Aspen Technology, Inc.
251 Vassar Street
Cambridge, Massachusetts 02139

Gentlemen:

We understand that you are engaged in the development, licensing and financing of computer software systems, and that you may from time to time offer to us for purchase software license financing contracts arising out of such business. This letter sets forth the price we will pay for, and the terms and conditions which will be applicable to, any such contracts or other agreements that we may elect to purchase from you.

1. Definitions.

The following terms, wherever used in this Agreement, shall have the meanings ascribed to them in this paragraph:

(a) "Adjustment Amount" means the amount determined in accordance with paragraph 1(n) or paragraph 1(o) hereto. The Adjustment Amount compensates us for the initial direct costs we incurred when purchasing the Contract to which it relates.

(b) "Balance of Payment" of a Contract at any time means the total Payments then due and to become due under the Contract.

(c) "Contract" means a non-cancelable full pay-out financing agreement arising out of the licensing of Software.

(d) "Currency Exchange Agreement" means any agreement entered into between us and a third party providing, in effect, for the payment to the third party from us of the amount of International Currency Payments under an International Contract, and also providing for the payment to us by the third party, at Chicago, Illinois of specified U.S. dollar amounts at the time of our payment of the International Currency to the third party.

(e) "Discount Rate" for any Contract purchased by us means the rate used to determine our purchase price for the Contract.

(f) "Domestic Contract" means a dollar-denominated Contract which is not an International Contract.

(g) "Eligible Contract" means a Contract purchased by us which meets all of the requirements set forth in paragraph 5; provided, however, that notwithstanding that a Contract is otherwise an Eligible Contract, upon a breach of the covenant set forth in paragraph 6(e), or a breach of any of your other covenants or agreements which breach remains unremedied thirty

(30) days after notice from us, the Contract and all other Contracts shall cease to be Eligible Contracts.

(h) "International Contract" means a Contract under which the Obligor is an entity organized under the laws of, and/or is conducting business such that the Software covered under the Contract will be used in a jurisdiction other than the United States of America.

(i) "International Currency" means a currency other than United States dollar.

(j) "Obligor" means any party obligated in respect of a Contract other than the developer or licensor of the Software covered thereby.

(k) "Obligor Default" means: (i) failure of an Obligor under any Domestic Contract to make a Payment within thirty (30) days of the due date of the due date of that Payment; (ii) the failure of an Obligor under any International Contract to make a Payment within forty-five (45) days of the due date of that Payment; (iii) the making by any Obligor of an assignment of all or a substantial part of its assets for the benefit of creditors, or institution of any proceeding by or against any Obligor alleging that the Obligor is insolvent or unable to pay its debts as they mature if such proceeding is not withdrawn or dismissed within sixty (60) days after its institution; (iv) entry of any final judgment (which under generally accepted accounting principles would be deemed material) against any Obligor remaining unsatisfied for a period of thirty (30) days if such judgment is deemed by us to be a material factor in the creditworthiness of the Obligor; (v) dissolution, merger, consolidation or transfer of a substantial part of the property of any Obligor which is a corporation or a partnership, if such dissolution, merger, consolidation or transfer is deemed by us to be a material adverse factor in determining the creditworthiness of such Obligor; or (vii) falsity in any material respect as of the date made in any statement, representation or warranty of any Obligor in connection with any Contract.

(l) "Obligor Guaranty" means any guaranty given to you (or under which you have rights) by any person or entity guaranteeing the payment and/or performance of a Contract purchased by us.

(m) "Payment" means any payment, whether or not earned by performance, receivable by the developer or licensor of the Software on account of a Contract purchased by us.

(n) "Repurchase Price" of a Domestic Contract purchased by us means, at any time, the sum of (i) the present value of the Balance of Payment of the Contract at that time, calculated using the Discount Rate for such Contract, plus (ii) an Adjustment Amount for such Contract equal to one percent (1.0%) of the amount, determined under clause (i) of this sentence.

(o) "Repurchase Price" of an International Contract means the sum of (i) the greater of (A) the present value, calculated using the Discount Rate for such Contract, of the dollar payments due under the Contract or due to us under any Currency Exchange Agreement existing with respect to such Contract, plus, if any Currency Exchange Agreement which has been entered into with the Contract is terminated or canceled in connection with the repurchase or our inability to transfer the Payments due- under the Contract to our counterparty under the Currency Exchange Agreement, the amount payable to our counterparty under such Currency Exchange Agreement on account of the termination or breakage of the Currency Exchange Agreement, or

(B) the amount of lump sum dollar payment quoted or contracted for by us under a Currency Exchange Agreement to acquire the amount(s) of International Currency Payments due from us to our counterparty under a currency Exchange Agreement entered into-with respect to the Contract, plus (ii) an Adjustment Amount equal to one percent (1%) of the greater of items (A) or (B) in clause (i) of this sentence plus (iii) the amount, if any of costs, fees or expenses incurred by us in connection with the Contract which have not been reimbursed by the Obligor thereunder, plus (iv) interest at the rate of percent (12%) per annum on any expense, fee, cost or expenditure made or incurred by us with respect to the Contract from the date of incurrence through the date of your payment thereof.

(p) "Software" means software products licensed by you under license agreements with Obligors.

2. Purchase Price.

(a) You may, but shall not be required to, offer us the right to purchase any Domestic Contract that you execute and we may elect to purchase or decline to purchase any Domestic Contract so offered. If we for any reason refuse to buy any Domestic Contract offered to us within ten (10) days after the offer has been made, then you may offer the Contract to any other purchaser. The purchase price of a Domestic Contract shall be computed as of the date of purchase by discounting the Balance of Payment at the then applicable Discount Rate set forth in Schedule A attached hereto and made a part hereof (as the same may from time to time be revised by us by written revisions which we shall provide to you).

(b) You may offer us the right to purchase any International Contract that you execute and we may elect to purchase or decline to purchase any International Contract so offered, provided however, that you will not be required to offer, and we will be under no obligation of any kind to consider the purchase of International Contracts denominated in any International Currency or involving any nation or jurisdiction not previously approved by us in writing. If we for any reason refuse to buy any International Contract offered to us within ten (10) days after the offer has been made, then you may offer the International Contract to another purchaser, unless we shall have entered into any Currency Exchange Agreement in anticipation of our purchase of such International Contract, in which case an additional five (5) days shall be allowed to us to purchase the Contract prior to your offering such Contract to a third party. The purchase price Oran International Contract shall be computed as of the date of purchase by discounting, at the then applicable Discount Rate set forth in Schedule A hereto, either (i) the Balance of Payment (net of any special costs of collection, transfer or receipt which are to be incurred with respect thereto) of dollar-denominated International Contracts, or (ii) the amount of net dollar payments quoted to us or contracted for by us under a Currency Exchange Agreement in exchange for the Balance of Payment (net of any special costs of collection, transfer or receipt which are to be incurred with respect thereto) of International Currency-denominated International Contracts.

(c) On the date of our purchase of a Contract we will first apply the proceeds representing the purchase price to be paid by us against any payments you are then required to make to us under the terms of this Agreement and then we will pay any remainder to you in cash.

3. Assignment of Contracts, Payments and Equipment .

At the time of our purchase of a Contract, you will assign to us all of your right, title and interest in, to and under (i) all Payments due and to become due under or with respect to the Contract and in, to and under the Contract insofar as the Contract relates to the Payments, the right to receive payments, and/or the licensor's or financer's right to enforce Payment obligations or avail itself of remedies in the event of any breach of the Contract, (ii) all Obligor Guaranties, and (iii) all general intangibles (as defined in the Uniform Commercial Code) relating to or arising out of items (i) and (ii) above.

4. Representations and Warranties.

You hereby represent and warrant (each representation and warranty shall be considered as having been restated and ratified in connection with the sale of a Contract to us as an inducement to us to purchase the Contract) that, as of the date of this Agreement:

(a) You are a corporation duly organized, validly existing and in good standing under the laws of Massachusetts and you are duly qualified and in good standing as a foreign corporation authorized to do business in each state or jurisdiction where such qualification is necessary.

(b) You are duly authorized to execute and deliver this Agreement, and are and will (as long as this Agreement is in effect and thereafter until payment in full of all amounts due and owing us pursuant to any Contract or this Agreement) continue to be, duly authorized to perform all of your obligations under this Agreement and under each instrument and document delivered in connection with this Agreement.

(c) The execution and delivery of this Agreement by you does not, and the performance by you of your obligations under this Agreement will not, conflict with any provision of law, rule or regulation or of your charter or by-laws or of any agreement or court or administrative order, judgment or decree binding upon you

(d) You have delivered to us copies of (i) your most recent annual audited financial statements, prepared and certified by an independent firm of certified public accountants satisfactory to us, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year and presenting fairly your financial condition as at such date, and the results of your operations for the twelve (12) month period then ended and (ii) your most recent quarterly financial statements, prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal quarter and presenting fairly your financial condition as at such date and the results of your operations for the quarter then ended, certified as true and correct by your chief financial officer; and since the date of the above described financial statements there has been no material adverse change in your financial condition.

(e) You have delivered to us a schedule of material litigation or governmental proceedings pending against you (including estimates of the dollar amounts involved). Other than any liability incident to the litigation or proceedings disclosed in such schedule, you have no

contingent liabilities not provided for or disclosed in the financial statements referred to in paragraph 4(d).

(f) Your chief executive office and principal place of business is located at the address set forth on the first page hereof unless another address is specified here: .

5. Eligibility Requirements.

In order for a Contract to be an Eligible Contract, all of the following must be true and correct with respect to the Contract, the Payments due under the Contract and the Software covered by the Contract:

(a) The Obligor under the Contract has waived all defenses against the assignee of the licensor;

(b) The Contract arises from a bona fide, financing of the Software described in the Contract and the Software is in all respects in accord with the requirements of the Contract and has been delivered to, installed and unqualifiedly accepted by the Obligor-licensee under the Contract;

(c) The Contract and the related Software comply with all applicable laws and regulations (including, without limitation, interest/usury laws); the Contract is genuine, valid, enforceable in accordance with its terms, accurately describes the related Software and the Payments due under the Contract, and is in all respects what it purports to be; the Contract, the Payments due under the Contract and all proceeds thereof are not subject to any lien, claim, or security interest except the interest of the Obligor-licensee of the Software; you have an unconditional, non-terminable right to license, relicense or sublicense the Software covered under the Contract for the full term of the Contract; and the Contract is one which we are and will continue to be authorized by law to purchase and hold;

(d) At the time of our purchase of the Contract, you had (i) good title to the Contract, the Payments due under the Contract, and each Obligor Guaranty related to the Contract, free of all liens, claims or security interests; (ii) and an unimpaired right to license the related Software, subject only to the interest of the Obligor-licensee thereof; and (iii) all legal power, right and authority to sell the Payments due under the Contract, all remedies and rights of enforcement relating to such Payments, all related general intangibles and all Obligor Guaranties to us;

(e) Good title to the Payments due under the Contract, all remedies and rights of enforcement relating to such Payments, all related general intangibles and all Obligor Guaranties, and all proceeds thereof free of all liens, claims or security interests, shall be vested in us by the Assignment executed by you relating to the Contract;

(f) All counterparts of the Contract have been clearly marked to indicate that only one counterpart is the “Original” and assignable, and that counterpart will be delivered to us at the time of our purchase;

(g) At the time of our purchase of the Contract, you have informed us in writing of all agreements entered into between you and the Obligor in connection with the Contract and/or the Software and of all agreements between you and any party from which you have received a right to license, relicense or sublicense the Software covered by the Contract, and fully executed copies (all original copies if requested by us) of all those agreements will be delivered to use simultaneously with delivery of the Contract;

(h) Each party to the Contract or any Obligor Guaranty has all the legal capacity, power and right required for it to enter into the Contract or Obligor Guaranty and any supplemental agreements, and to perform its obligations thereunder; all such actions have received all corporate or governmental authorization required by any applicable charter, by-law, constitution, law, rule or regulation;

(i) At the time of our purchase of the Contract no event of default, or event which with the passage of time or giving of notice, or both, would become an event of default under terms of the Contract, existed and you had no knowledge of any fact that may impair the Contract's validity;

(j) There exist no setoffs, counterclaims or defenses on the part of any Obligor under the Contract or any Obligor Guaranty to any claims against or obligations of any Obligor thereunder;

(k) You have not done anything that might impair the value of the Contract or any related Obligor Guaranty or any of our rights under the Contract, any related Obligor Guaranty, or with respect to the Software covered by the Contract or Payments due under the Contract;

(l) All taxes, assessments, fines, fees and other liabilities relating to the Contract, the Payments due under the Contract, the related Software, or any related Obligor Guaranty have been paid when due, and all filings in respect of any such taxes, assessments, fines, fees and other liabilities have been timely made;

(m) Neither you, nor any developer or licensor of the Software is in default of any of your or such developer's or licensor's obligations under the Contract or arising by contract or imposed by applicable law, rule or regulation with respect to the Contract and the related Software;

(n) You have taken, at your expense, all steps from time to time necessary or deemed by us to be desirable to perfect (and continue the perfection of) our security interest in the Contract, the Payments covered by the Contract and all proceeds thereof;

(o) Neither the Contract nor any related Obligor Guaranty has been, or will be, terminated, canceled, altered, modified, changed or amended without our prior written consent;

(p) At the time of our purchase of the Contract, no amounts have been prepaid on the Contract except advance payments which are required by the terms of the Contract;

(q) The Obligor-licensee under the Contract has no contractual right to cancel, terminate or suspend performance under the Contract; and

(r) If the Contract is an International Contract, (i) the Contract is strictly enforceable by us against the Obligor(s) thereunder in jurisdiction(s) in which the Obligor is organized and existing and in which the Software is used, (ii) the Obligor is subject to the jurisdiction of courts in the United States of America, (iii) a judgment or decree rendered against the Obligor-licensee in any such United States jurisdiction will be capable of being recognized, enforced and executed upon in any applicable jurisdiction against such Obligor-licensee, (iv) neither execution and delivery of, payment or performance of, transfer of payments thereunder to the United States, nor the assignment or enforcement of the Contract, or the remedies thereunder or required herein, do or shall require any governmental consents, approvals or licensees or are subject to any applicable requisitions, restrictions, taxes, fines, fees or imposts of any kind, unless all of the same have been paid or provided for prior to the purchase of the Contract by us, and (v) all Payments thereunder shall be net of all taxes, fees, imposts or governmental charges of any kind with respect to the Contract and/or the exportation of Payments to the United States, provided however, that the Contract shall not be deemed ineligible in connection with clauses (i)-(iii) above unless we in our sole discretion determine that it may be necessary to enforce the Contract through judicial proceedings in order to obtain the full benefits and protections provided under the Contract.

6. Covenants.

Until the termination of this Agreement and for as long as we hold any Contract purchased under this Agreement, you agree that you will:

(a) Furnish to us: (i) as soon as available, but not later than sixty (60) days after the end of each quarter (except the last) of each fiscal year, quarterly unaudited financial statements concerning your business, prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal quarter, presenting fairly your financial condition as at the end of that quarter and containing such data as may be requested by us, and certified as true and correct by your chief financial officer; (ii) as soon as available, but not later than one hundred-twenty (120) days after the end of each fiscal year, a copy of your annual audit report for that year, prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year and presenting fairly your financial condition as at the end of that fiscal year and the results of your operations for the twelve (12) month period then ended and signed by independent certified public accountants of recognized standing or otherwise satisfactory to us; and (iii) from time to time any other information as we may reasonably request;

(b) Notify us promptly upon your learning of (i) any change in the name of the Obligor under any Contract purchased by us; (ii) the default or violation of any provision of a Contract purchased by us or other related document by any Obligor thereunder or the occurrence of event which with notice or the passage of time would constitute a default under any Contract purchased by us; (iii) any and all litigation of which you have knowledge concerning you or any Obligor which might reasonably be construed to affect adversely our interest in a Contract purchased by us or the Payments under the Contract; (iv) any matter which may adversely affect your right to license, sublicense or rel i tense, or the Obligor's rights as licensee of any Software covered under a Contract purchased by us or any of our rights under this Agreement;

(c) Permit us reasonable access to your books and records as they relate to Contracts purchased by us;

(d) Make or cause to be made all filings in respect of, and pay or cause to be paid when due, all taxes, assessments, fines, fees and other liabilities (including all taxes and other claims in respect to the Contracts and the related Software), except and so long as (i) such taxes, assessments, fines, fees and other liabilities are contested in good faith, with due diligence and by appropriate proceedings; (ii) a reserve therefore has been established and is being maintained and such reserve is in an amount determined to be adequate, under generally accepted accounting principles, by independent accountants of recognized national standing; and (iii) failure to pay the same does not adversely affect our rights under this Agreement or under a Contract purchased by us or our interest in the related Software;

(e) Not (i) cease to engage in substantially the same line of business in which you are engaged on the date of this Agreement, (ii) cease to engage in the development and licensing of Software, or (iii) sell, transfer or convey a substantial part of your assets or effect or be a party to any merger or consolidation unless the same shall not, in our sole determination, adversely affect your financial condition or capacity or your ability to perform your obligations under Contracts purchased by us or with respect to the Software covered by such Contracts (all such determinations shall be made not later than thirty (30) days after your request therefor, and if not made by us within such time, shall be deemed to be a determination by us of no adverse affect);

(f) Perform all your obligations arising by contract or imposed by applicable law, rule or regulation with respect to the Contracts and the related Software, including, without limitation, providing maintenance and service of the Software in accordance with your standard practice and policy;

(g) Notify us at least ten (10) days prior to your (i) changing the location of your principal place of business or chief executive office or (ii) opening or closing any places of business in any jurisdictions where such openings or closings might affect the place where a UCC financing statement or similar document would need to be filed in order to perfect or protect our interest in any Contract or Payment; and

(h) From time to time execute and deliver such further documents and do such further acts and things as we may reasonably request in order to fully effect the purposes of this Agreement and to protect our interest in the Contracts and the Payments.

7. Agreement to Indemnify.

We assume no obligation or liability to any Obligor under any Contract purchased by us and no assignment of any Contract shall impose any such obligation or liability on us. You agree to indemnify and save us harmless of, from and against any losses, damages, penalties, forfeitures, claims, costs, expenses (including court costs and reasonable attorneys' fees) or liabilities which may at any time be brought, incurred, assessed or adjudged against us, related to or arising from the Contracts and the related Software or the collection of transmission of Payments under a Contract.

We will each give the other notice of any event or condition that requires indemnification by you hereunder, or any allegation that such event or condition exists, promptly upon obtaining knowledge thereof. You agree to pay all amounts due hereunder promptly after such amount has become due or assessed, or if contested as hereinafter provided, after such amount has been settled or adjudicated in connection with such contest. To the extent that you may make or provide, as determined by us or to the satisfaction of counsel retained for the purpose of contesting the underlying claim, for payment under this indemnity provision, and if you are otherwise in compliance with the terms of this Agreement, you shall have the right to select counsel subject to our reasonable concurrence, and to control litigation related thereto, to determine the settlement of claims thereon, and be subrogated to our rights with respect to such event or condition. All of the indemnities and agreements contained in this paragraph shall survive and continue in full force and effect notwithstanding termination of this Agreement or of any Contact purchased by us provided however, that such indemnities and agreements shall expire and be of no further effect after the lapse or expiration of all statute of limitation periods applicable to the claims and events for which indemnification is provided.

8. Agreements Regarding Collections.

You agree to promptly notify the Obligor-licensee under each Contract purchased by us, and obtain the Obligor-licensee's written acknowledgment, of the fact of such purchase and direct each such Obligor-licensee, thenceforth, to make all payments directly to us. If, despite such direction, you subsequently receive a Payment on account of a Contract sold to us, you agree to hold the amount in trust for us and immediately forward the Payment to us in kind. You hereby authorize us to endorse, in writing or by stamp, in your name or otherwise any and all checks, drafts, notes, bills of exchange and orders, howsoever received by us, representing any Payment under any Contract purchased by us. We may take or fail to take whatever action with respect to collections under Contracts purchased by us as we, in our sole discretion, shall deem proper. Regardless of what collection action we may or may not take, the provisions of paragraphs 10 and 11 will remain in force and shall be unaffected by any such action or failure to act.

Sales and use taxes, and other taxes of a similar nature which we may hereafter specifically agree to bill and collect, will be billed for by us in accordance with your reasonable instructions and collected by us using our normal collection methods. Upon our receipt thereof, such taxes shall be remitted to you monthly for payment to the appropriate taxing authorities. You shall at all times remain responsible for the preparation and filing of all state and local tax returns applicable to such taxes and for the actual payment thereof and for the billing, collection and payment of, and the filing of returns with respect to, all other taxes, imposts, fines and fees charged or assessed with respect to the Contracts, Payments and/or Software.

9. Contract Prepayments.

If a Contract purchased by us is prepaid in full for any reason, we shall be entitled to receive, in connection with the prepayment, an amount equal to the Repurchase Price of the Contract plus, if provided for in Schedule A to this Agreement, a prepayment fee calculated in accordance with Schedule A (as the same may be revised by us from time to time by written

revisions). This paragraph 9 shall not apply to any Contract repurchased under paragraph 10 or 11.

10. Repurchase of Contracts (Lack of Eligibility).

In the event any Contract shall not be an Eligible Contract at the time of our purchase or shall thereafter cease to be an Eligible contract you agree, upon demand by us, to repurchase the Contract for cash for a price equal to the Repurchase Price of the Contract. After we receive the Repurchase Price for any repurchased Contract, we will reassign to you all of our right, title and interest in the repurchased Contract and nay Payments due thereunder, without recourse to, and without representations or warranties by, us of any kind whatsoever.

11. Repurchase of contracts (Obligor Default).

In the event that we give you notice of an Obligor Default under any Contract purchased by us, and request in writing that you repurchase the defaulted Contract, you will within ten (10) days after receipt of our request, pay to us an amount equal to the Repurchase Price of the defaulted Contract, computed as of the time of your payment. After we receive the Repurchase Price for any repurchased Contract we will reassign to you all of our right, title and interest in the repurchased Contract and any Payments due thereunder within recourse to, and within representations or warranties by, us of any kind whatsoever.

12. Fees and Reimbursements.

(a) In consideration of our issuance of this letter agreement and related documents, our preparation to analyze, consider and administer Contracts to be offered to us under this Agreement, and in consideration of other costs, expenses, services and labor to be incurred and expended by us in connection with this Agreement, you agree to pay to us a documentation and preparation fee (the " Fee")in the amount of $50,000.00, of which $25,000.00 has been fully earned by us upon your execution of this Agreement, and the balance of which shall be refunded to you only if we shall have purchased Contracts having an aggregate purchase price in excess of $2,500,00.00 on or prior to March 6, 1993, or if we shall have terminated this Agreement prior to such date (unless termination is made in connection with an adverse change in your business or financial condition or a breach by you of this Agreement, in which event the balance may be retained by us). Except as provided in the immediately preceding sentence, this Fee shall not be refundable for any reason whatsoever.

(b) In addition to the Fee, you agree to pay the amount of attorney's and paralegal's fees incurred by us in the investigation of and documentation of this Agreement and matters related hereto, provided however, that the amount of such reimbursement due from you shall not exceed $5,000.00.

(c) The fees and reimbursements referred to in paragraph 12(a) and 12(b) are not commitment fees, and neither the payment of such fees and/or reimbursements, nor any other provisions of this Agreement or otherwise shall be construed to create a commitment on our part to consider or purchase Contracts except in our sole discretion and as provided in and subject to the provisions of this Agreement.

13. Termination.

This Agreement shall continue in effect until terminated and may be terminated by either party at any time upon thirty (30) days' written notice to the other, provided, however, that all of the rights and obligations of the parties applicable to the Contracts purchased by us prior to such termination shall survive such termination.

14. Miscellaneous.

(a) You agree to pay all reasonable costs and expenses, including reasonable attorneys' and paralegal's fees, expenses and court costs incurred by us in enforcing any of the provisions of this Agreement or in enforcing any obligations of yours contained in any Assignment.

(b) You hereby waive notice of any Obligor Default under any Contract purchased by us and you consent that, without affecting any of your liabilities or obligations hereunder or under any Assignment, we may agree with any Obligor as to any modification, alteration, release, compromise, extension, waiver, consent, or other similar or dissimilar indulgence of or with respect to any term or condition relating to the Payments or rights under the Contract which have been assigned to us.

(c) Any notice under this Agreement shall be in writing and shall be delivered in person, by telegram or by United States first class mail, postage prepaid, and addressed:

(i) if to you, at your address set forth on the first page of this Agreement;

(ii) if to us, at One South Wacker Drive, Chicago, Illinois 60606, Attn: President; and

(iii) to either party at any other address. as such party may, by notice as herein provided, received by the other, designate as its address for all notices under this Agreement.

(d) This Agreement shall be binding on, and inure to the benefit of, us and you and our respective successors and assigns and contains our entire understanding and agreement with respect to the subject matter hereof. It is understood and agreed that from time to time we may, without notice to you, (i) decide that any or all of the purchases pursuant hereto shall be made by one or more of our affiliates, subsidiaries, or subsidiaries of our affiliates; (ii) assign to one or more of our affiliates, subsidiaries or subsidiaries of our affiliates, all of our right, title and interest in any Contract purchased by us hereunder and the Software covered by any such Contract; and (iii) assign this Agreement in whole or in part and/or all or part of our rights and benefits under this Agreement to any person, provided however, that we shall give you notice of any assignment described in clause (iii) of this sentence. If one or more of our affiliates, subsidiaries or subsidiaries of our affiliates purchase any Contract, such purchase or purchases shall be made under the terms and conditions of this Agreement.

(e) This Agreement has been delivered for acceptance by us in Chicago, Illinois and shall be governed by and construed in accordance with the internal laws of the State of Illinois.

You hereby (i) waive any right to a trial by jury in any action to enforce or defend any matter arising from or related to this Agreement; (ii) irrevocably submit to the jurisdiction of any state or federal court located in Cook County, Illinois, over any action or proceeding to enforce or defend any matter arising from or related to this Agreement; (iii) irrevocably waive, to the fullest extent you may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding; (iv) agree that a final non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law; and (v) agree not to institute any legal action or proceeding against us or any of our directors, officers, employees, agents or property, concerning any matter arising out of or relating to this Agreement in any court other than one located in Cook County, Illinois. Nothing in this paragraph shall affect or impair our right to serve legal process in any manner permitted by law or our right to bring any action or proceeding against you or your property in the courts of any other jurisdiction.

(f) This Agreement is not assignable by you, by operation of law or otherwise.

(g) All of the covenants, agreements, representations and warranties made by you in this Agreement shall, notwithstanding any investigation by us, be deemed to be material to and to have been relied upon by us with respect to each Contract purchased to us pursuant to this Agreement. Our knowledge at any time of any breach of or non-compliance with any of such covenants, agreements, representations or warranties shall not constitute a waiver of any thereof by us. None of our rights under this Agreement will be waived except by a writing signed by us and any such waiver will be effective only as to matters expressly set forth in such writing.

(h) Our obligation to perform under this Agreement is limited by and subject to any and all applicable laws, rules and regulations. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

If the foregoing meets with your approval, kindly so indicate by your signature under the words "Accepted and Approved" and return all copies of this Agreement, as executed by you, to us and upon our executing the same this letter

SANWA BUSINESS CREDIT CORPORATION

By: _____

Title: _____

ACCEPTED AND APPROVED:

Aspen Technologies, Inc.

By: _____

Title: _____

Attachment: Schedule A

SCHEDULE A ATTACHED TO AND MADE A PART OF THAT CERTAIN LETTER AGREEMENT (THE "LETTER AGREEMENT") DATED MARCH 28, 1992, BETWEEN ASPEN TECHNOLOGY, INC. AND SANWA BUSINESS CREDIT CORPORATION ("SBCC")

1. **Discount Rate.** Contracts purchased pursuant to the Letter Agreement will be discounted to yield to SBCC the following equivalent simple interest rates per annum:

Size of Contract (determined using highest Discount Rate stated below)	Interest Rates Per Annum
$25,000.00 – $100,000.00	12.50%
$100,000.01 – $500,000.00	11.25%
$500,000.01 and greater	11.00%

2. **Prepayment Fee.** If a Contract is prepaid for any reason, SBCC will be entitled to receive, in addition to the Repurchase Price for the Contract, a prepayment fee equal to the greater amount computed under the following schedules:

Schedule 1:

The prepayment fee will be equal to the Repurchase Price of the Contract multiplied by the applicable percentage determined below.

Prepayment Occurring During Months Following Date Contract Purchased	Prepayment Fee as Percentage of Repurchase Price.
Months 01-12	5%
Months 13-24	4%
Months 25-36	3%
Months 37-48	2%
Months 49-60	1%
Months 61 and thereafter	0%

Schedule 2 [applicable only to dollar-denominated Contracts and International Contracts for which the Repurchase Price is determined on the basis of clause (i) (A) of paragraph 1(o) of the Letter Agreement]

The prepayment fee for any Contract shall be the difference between (a) the present value of the remaining Balance of Payment calculated using the Applicable Treasury Rate quoted most recently prior to the date such Contract is repurchased minus (b) the present value of such remaining Balance of Payment calculated using the Applicable Treasury Rate quoted

most recently prior to the date such Contract was purchased by SBCC, provided that in no event will the prepayment fee be less than 0.

The "Applicable Treasury Rate" will be the "This Week" rate quoted for "Treasury Constant Maturities" of the applicable maturity, as determined by the following chart, in Statistical Release H.15 (519) published by the Board of Governors of the Federal Reserve System. In the event that the Board of Governors ceases publishing H.15 (519), the Applicable Treasury Rate, will be determined using a comparable index chosen by SBCC in good faith.

Contract Term in Months*	**Applicable Maturity of Treasury Constant Maturities**
18 or less	1-Year
more than 18 but 48 or less	2-Year
More than 48 but 72 or less	3-Year
More than 72 but 120 or less	5-Year

*Note: to determine the Applicable Treasury Rate for the date the Contract was purchased by SBCC, use the original term of the Contract. To determine the Applicable Treasury Rate for the date the Contract is repurchased, use the number of whole months in the remaining term on the date of repurchase.

Agreed to this 25 day of March 1992.

ASPEN TECHNOLOGIES, INC.

By: _____

Title: _____

SANWA BUSINESS CREDIT CORPORATION

By: _____

Title: _____

EXHIBIT A

There is currently approximately $5000 owed to the Department of Revenue, State of Kansas.

[CUSTOMER NAME AND ADDRESS]

Dear Sirs:

We refer to our Software License and Service Agreement with you dated , 200 , a copy of which is attached (the "Contract") and advise you that we have sold all of our rights to the payments due under the Contract as set forth below (the "Payments") to Fleet Business Credit, LLC ("Fleet").

DUE DATE **AMOUNT DUE**

Please note that all requests for Service and any questions related to the Product should still be referred to us. AspenTech has not transferred any of its obligations in the Contract, and all correspondence or questions regarding training and maintenance should be directed to your AspenTech representative. All of the Payments should be made directly to Fleet at Fleet Global Vendor Finance, 135 South LaSalle, Department 8210, Chicago, Illinois 60674-8210, or at such other address as Fleet may advise you of directly.

AspenTech also advises you that you should not, without Fleet's prior written consent: (i) modify or amend the Contract, (ii) assign, encumber or sublet your rights under the Contract, or (iii) exercise any of your rights under the Contract which are exercisable only with the consent of AspenTech. Further, a copy of each notice which you are required to give AspenTech under the terms of the Contract should also be sent by you to Fleet at its address set forth above, or at such other address as Fleet may hereafter notify you.

Thank you in advance for your assistance and cooperation in the assignment of Payments under the referenced Contract.

Very truly yours,

Christine Duffy
Treasurer
Aspen Technology, Inc.

Exhibit 10.14(a)

FIRST AMENDMENT TO LETTER AGREEMENT

This Amendment (the ""Amendment") is entered into by and between Aspen Technology, Inc. ("Aspen") and Sanwa Business Credit Corporation ("SBCC") effective as of the 3rd day of March, 1994.

WHEREAS, Aspen and SBCC are parties to that certain letter agreement dated as of March 25, 1992, (the "Letter Agreement"); and

WHEREAS, Aspen and SBCC wish to amend the Letter Agreement as hereinafter provided;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration the receipt of which is hereby acknowledged, Aspen and SBCC hereby agree as follows:

A. Amendment. The Letter Agreement shall be amended as follows:

1. Paragraph 1 is amended by the deletion of clause (ii) from subparagraph (1(k) and the insertion of the following terms in replacement of the deleted terms:

"(ii) the failure of an Obligor under any International Contract to make a Payment within twenty-five (25) days of the due date of that Payment;"

2. Paragraph 1 is further amended by the addition of the following terms:

"(q) 'Loss' means, in relation to any Contract, the difference between (i) the Repurchase Price of the Contract repurchased by you from us, and (ii) any Payments received or recoveries made by you with respect to the Contract or the Software license covered by the Contract after your repurchase of the Contract from us."

3. Paragraph 8 is amended by the insertion of the following immediately after the first sentence and immediately before the second sentence:

"You will, or will cause one or more of your subsidiaries or affiliates to, timely prepare and deliver invoices for all Payments under ./International Contracts to the Obligor(s) under such Contracts. Such invoices shall Specify the date for payment, the amount due, and shall , instruct the Obligor to remit Payments to us at Harris Trust and Savings Bank, ABA Number 071000288, for the Account of Sanwa Business Credit Corporation, Account Number 4016895."

4. Paragraph 11 of the Letter Agreement is deleted in its entirety and replaced by the following:

"11. Repurchase of Contracts (Obligor Default).

(a) In the event of an Obligor Default under any Contract purchased by us, and upon our request in writing that you repurchase the defaulted Contract, you will, for Domestic Contracts, within ten (10) days after receipt of our request, and for International Contracts, within five (5) days after receipt of our request, pay to us an amount equal to the Repurchase Price of the defaulted Contract, computed as of the time of your payment. Requests for repurchase under this paragraph may be given to you from us by telecopy to you at Aspen Technology Inc., to the attention of Mary A. Dean, and shall be deemed given upon the sending thereof, if followed by letter confirmation given in the manner provided for notices under this Agreement. After we receive the Repurchase Price for any repurchased Contract we will reassign to you all of our right, title and interest in the repurchased Contract and any Payments due thereunder without recourse to, and without representations or warranties by, us of any kind whatsoever.

(b) The maximum amount of Loss which you will be required to bear on account of repurchases under paragraph 11(a) in any "fiscal year" (i.e. any twelve month period month period ending on June 30th) shall be equal to twenty-five percent {25%) percent of the aggregate Balance of Payments (determined as of the first day of such fiscal year for Contracts owned by us as of the first day of such fiscal year, and determined as of the date of our purchase for Contracts purchased by us during such fiscal year); provided, however, that if an Obligor Default occurs with respect to one or more of the three (3) largest Contracts, the maximum amount of Loss for any fiscal year shall be equal to the greater of (i) the amount determined under the formula above, or (ii) a sum equal to the aggregate Balance of Payment of the three (3) largest Contracts (determined as of the first day of such fiscal year for Contracts owned by us as of the first day of such fiscal year, and determined as of the date of our purchase for Contracts purchased by us during such fiscal year). In making the foregoing computations, all Contracts in a Group that have a common Obligor or Obligors owned, controlling, controlled by or under common control with substantially the same person(s), firm(s) or other entity, shall be treated as a single Contract for purposes of determining the three (3) largest Contracts.

(c) The limitation on Losses which you will be required to bear under the provisions of paragraph 11(b) pertains solely to Losses occasioned by reason of your obligations under paragraph 11(a) to repurchase Contracts due to an Obligor Default. Any loss

or losses incurred by you by reason of your obligations to repurchase Contracts because of matters other than those provided in paragraph 11(a) will not be considered in determining whether the amount of Loss you have borne or will bear is more or less than the applicable maximum amount of Loss computed under paragraph 11(b). After your repurchasing a Contract from us due to an Obligor Default under paragraph 11(a), you agree to follow your ordinary practices and procedures to recover any unpaid Payments under such Contract. You agree to notify us of any such recovery.

(d) In the event that the performance of your obligations to repurchase Contracts under paragraph 11(a) causes your aggregate loss for any fiscal year to exceed the maximum amount of Loss which has been computed in accordance with paragraph 11(b) for that fiscal year, we will refund the excess amount within ten (10) days after receipt of your invoice for the amount of excess loss (provided that the Loss for such Contract has been calculated and the invoice shows the calculations of the excess Loss). Nothing in this paragraph 11(d) shall be construed to relieve you of your obligation to repurchase Contracts pursuant to the provisions of this paragraph 11, regardless of whether your aggregate Loss for any fiscal year exceeds the maximum amount of loss for that fiscal year.

5. The letter Agreement is amended by the addition of the following terms immediately following Paragraph 11:

"11A. Extension of Repurchase Period; Nullification of Repurchase Requests .

(a) In the event that (i) you are required to repurchase a Contract pursuant to paragraph 10 of this Agreement due to the Obligor's assertion of an offset, counterclaim or defense based solely upon an alleged failure of the Software covered by the Contract to perform acceptably or to comply with related documentation or warranties, or (ii) you are required to repurchase a Contract pursuant to paragraph 11 of this Agreement because the Obligor has failed to make any Payment under the Contract within twenty—five days (in the case of an International Contract) or within thirty days (in the case of a Domestic Contract), and provided that, in case of either (i) or (ii) , you are not in default of any of your covenants or agreements under this Agreement or any Assignment, then you may elect to extend the period for your repurchase of such Contract.

(b) If you elect to so extend your period for the repurchase of a Contract, you must notify us of your intent to do so prior to the latest date for your repurchase of the Contract and make payment to us of all amounts which are due and/or past due under or with respect to the Contract (excepting those which are due solely by reason of an acceleration of such Contract) and, during the extended repurchase period, you make prompt and full payment to us of all amounts which become due under the terms of the Contract, which payments shall not constitute a credit against the amount of Loss to be borne by you under this Agreement. Thereafter, your period for the repurchase of such Contract under paragraph 10 shall be extended for ninety (90) additional days, and your period for the repurchase of such Contract under paragraph 11 shall be extended for sixty (60) additional days, provided that the following conditions are satisfied at all times during such extended repurchase period:

(i) you are not in default of your covenants or agreements under this Agreement or any Assignment at any time during such extended repurchase period; and

(ii) no event or condition shall have occurred and be continuing or shall occur which, in our sole determination, causes us to believe that the continued passage of time may lead to an impairment or compromise of, or increase in risk associated with (a) the security or value of the Contract, (b) the enforceability of rights and or remedies under the Contract, any related Obligor Guaranty, any other related document or agreement, or (c) the creditworthiness of or collectability of claims against any Obligor or other source of payment under the Contract.

In the event that any of the foregoing conditions cease to be satisfied at any time during the extended repurchase period, or if the extended repurchase period shall lapse or expire, you will immediately pay to us the then-remaining unpaid Repurchase Price for the affected Contract(s).

(c) if you have elected to extend the repurchase period for any Contract pursuant to this paragraph 11A, and during the extended period for repurchase either (i) in the case of a repurchase under paragraph 11, we receive full payment from the Obligor under the Contract of the amount of all unpaid Payments upon which the repurchase request is based, or (ii) in the case of a repurchase under paragraph 10, we receive evidence satisfactory to us in our sole discretion, that the Obligor has withdrawn the defense(s), offset(s) and counterclaim(s) upon which the

repurchase request was based, then the request for repurchase of the contract shall automatically be deemed null and of no further effect. We will refund to you the amount of Payments made by to us by Obligors which you have previously paid us in connection with the extension of the time for repurchase."

B. Severability.

Any provision of this Amendment which is prohibited by or is unlawful or unenforceable under any applicable law of any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof; provided, however, that any such prohibition in any jurisdiction shall not invalidate such provision in any other jurisdiction; provided, further, that where the provisions of any such applicable law may be waived, they hereby are waived by Aspen and SBCC to the full extent permitted by applicable law to the end and that this Amendment shall be deemed to be a valid and binding agreement in accordance with its terms.

C. Counterparts.

This Amendment may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts together shall constitute one and the same Amendment.

D. Governing Law.

This Amendment shall be construed and governed according to the laws of (but not the choice of law rules of) the State of Illinois.

E. Binding Effect.

This Amendment shall be binding upon and inure to the benefit of Aspen and SBCC and their respective successors and assigns. Except as hereby amended, the Letter Agreement shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute this Amendment, effective as of the 3rd day of March.

ASPEN TECHNOLOGY, INC

By: */s/*
Title: Sr. V.P., Finance & Administration

SANWA BUSINESS CREDIT CORPORATION

By: */s/*
Title: Vice President

Exhibit 10.14(b)

SECOND AMENDMENT TO LETTER AGREEMENT

This Second Amendment ("Amendment") is entered into by and between Aspen Technology, Inc. ("Aspen") and Sanwa Business Credit Corporation ("SBCC") effective as of the 1st day of January, 1997.

WHEREAS, Aspen and SBCC are parties to that certain letter agreement dated as of March 25, 1992, as amended by a First Amendment dated as of March 3, 1994, (the "Letter Agreement"); and

WHEREAS, Aspen and SBCC wish to amend the Letter Agreement as hereinafter provided;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration the receipt of which is hereby acknowledged, Aspen and SBCC hereby agree as follows:

A. Amendment. The Letter Agreement is hereby amended as follows:

1. Paragraphs 1(n) and 1(o) are deleted in their entireties and replaced by the following:

" (n) '**Net Contract Balance**' of a Domestic Contract purchased by us means, at any time, the sum of (i) the present value of the Balance of Payment of the Contract at that time, calculated using the Discount Rate for such Contract, plus (ii) an Adjustment Amount for such Contract equal to one percent (1.0%) of the amount determined under clause (i) of this sentence.

(o) '**Net Contract Balance**' of an International Contract means the sum of (i) the greater of (A) the present value, calculated using the Discount Rate for such Contract of the dollar payments due under the Contract or due to us under any Currency Exchange Agreement existing with respect to such Contract plus, if any Currency Exchange Agreement which has been entered into with respect to the Contract is terminated or canceled in connection with any indemnification, repurchase or our inability to transfer the Payments due under the Contract to our counterparty under the Currency Exchange Agreement, the amount payable to our counterparty under such Currency Exchange Agreement on account of the termination or breakage of the Currency Exchange Agreement or (B) the amount of lump sum dollar payment quoted or contracted for by us under a Currency Exchange Agreement to acquire the amount(s) of International Currency Payments due from us to our counterparty under a Currency Exchange Agreement entered into with respect to the Contract, plus (ii) an Adjustment Amount equal to one percent (1%) of the greater of items (A) or (B) in clause (i) of this sentence plus (iii) the amount if any of costs, fees or expenses incurred by us in connection with the Contract which have not been reimbursed by the Obligor thereunder, plus (iv) interest at the rate of twelve percent (12%)

per annum on any expense, fee, cost or expenditure made or incurred by us with respect to the Contract from the date of incurrence through the date of your payment thereof."

2. Paragraph 1(q) is deleted in its entirety.

3. Paragraph 9 is deleted in its entirety and replaced by the following:

"9. Contract Prepayments.

If a Contract purchased by us is prepaid in full for any reason, we shall be entitled to receive, in connection with the prepayment, an amount equal to the Net Contract Balance of the Contract plus, if provided for in Schedule A to this Agreement, a prepayment fee calculated in accordance with Schedule A (as the same may be revised by us from time to time by written revisions). This paragraph 9 shall not apply to any payment required to be made under paragraph 10 or 11."

4. Paragraph 10 is deleted in its entirety and replaced by the following:

"10. Ineligible Contracts.

In the event any Contract shall not be an Eligible Contract at the time of our purchase or shall thereafter cease to be an Eligible Contract you agree, upon demand by us, to repurchase the Contract for cash for a price equal to the Net Contract Balance of the Contract. After we receive the Net Contract Balance for any such Contract, we will reassign to you all of our right, title and interest in the Contract and any Payments due thereunder, without recourse to, and without representations or warranties by, us of any kind whatsoever."

5. Paragraphs 11 and 11A of the Letter Agreement are deleted in their entireties and replaced by the following:

"11. Obligor Default Indemnities.

(a) In the event of an Obligor Default under any Contract purchased by us, and upon our request in writing that you indemnify us with respect to such Contract, you will, for Domestic Contracts, within ten (10) days after receipt of our request and for International Contracts, within five (5) days after receipt of our request, pay to us an indemnity amount equal to the Net Contract Balance of the defaulted Contract, computed as of the time of your payment. Requests for indemnification under this paragraph may be given to you from us by telecopy to you at 10 Canal Park, Cambridge, Massachusetts 02141 to the attention of Chief Financial Officer, and shall be deemed given upon the sending thereof, if followed by letter confirmation given in the manner provided for notices under this Agreement.

(b) The maximum amount of indemnity payments which you will be required to pay on account of indemnity requests made under paragraph 11(a) in any "fiscal year" (i.e. any twelve month period month period ending on June 30th) shall be equal to ten percent (10%) percent of the aggregate Balance of Payments (determined as of the first day of such fiscal year for Contracts owned by us as of the first day of such fiscal year, and determined as of the date of our purchase for Contracts purchased by us during such fiscal year); provided; however, that if an Obligor Default occurs with respect to one or more of the three (3) largest Contracts, the maximum amount of such indemnity payments required for any fiscal year shall be equal to the greater of (i) the amount determined under the formula above, or (ii) a sum equal to the aggregate Balance of Payment of the three (3) largest Contracts (determined as of the first day of such fiscal year for Contracts owned by us as of the first day of such fiscal year, and determined as of the date of our purchase for Contracts purchased by us during such fiscal year). In making the foregoing computations, all Contracts in a Group that have a common Obligor or Obligors owned, controlling, controlled by or under common control with substantially the same person(s), firm(s) or other entity, shall be treated as a single Contract for purposes of determining the three (3) largest Contracts.

(c) The limitation on indemnity payments under the provisions of paragraph 11(b) pertains solely to your indemnity obligations under paragraph 11(a). Any payments other than paragraph 11(a) indemnities will not be considered in determining whether the amount of your indemnity payments are more or less than the applicable maximum amount allowed under paragraph 11(b).

(d) After we receive an indemnity payment from you under paragraph 11(a) with respect to a Contract, we will be relieved from any obligation (express or implied) to pursue or attempt to receive any payments or recoveries, or enforce any remedies, under or with respect to the Contract. You will, upon notice to us, have the right to pursue or attempt to receive payments or recoveries, and/or enforce remedies under such Contract, provided that after giving credit to your indemnity payment, the Net Contract Balance for such Contract is zero and further provided that no such action will be commenced or maintained in our name."

6. The Letter Agreement is amended by the addition of the following terms immediately following Paragraph 11:

"11A. Extension of Indemnity/Repurchase Periods. Nullification of Indemnity/Repurchase Requests .

(a) In the event that (i) you are required to repurchase a Contract pursuant to paragraph 10 of this Agreement due to the Obligor's assertion of an offset, counterclaim or defense based solely upon an alleged failure of the Software covered by the Contract to perform acceptably or to comply with related documentation or warranties, or (ii) you are required to indemnify us pursuant to paragraph 11 of this Agreement because the Obligor has failed to make any Payment under the Contract within twenty-five days (in the case of an International Contract) or within thirty days (in the case of a Domestic Contract) and provided that, in case of either (i) or (ii), you are not in default of any of

your covenants or agreements under this Agreement or any Assignment, then you may elect to extend the period for your repurchase of, or indemnification with respect to, such Contract.

(b) If you elect to so extend the period for the repurchase of or indemnification with respect to a Contract, you must notify us of your intent to do so prior to the latest date for indemnification or repurchase and make payment to us of all amounts which are due and/or past due under or with respect to the Contract (excepting those which are due solely by reason of an acceleration of such Contract) and, during the extended period, you make prompt and full payment to us of all amounts which become due under the terms of the Contract, which payments shall not constitute a credit against the amount of your maximum indemnity liability under this Agreement. Thereafter, your period for the repurchase of such Contract under paragraph 10 shall be extended for ninety (90) additional days, and your period for indemnification with respect to the Contract under paragraph 11 shall be extended for sixty (60) additional days, provided that the following conditions are satisfied at all times during such extended period:

(i) you are not in default of your covenants or agreements under this Agreement or any Assignment at any time during such extended period; and

(ii) no event or condition shall have occurred and be continuing or shall occur which, in our sole determination, causes us to believe that the continued passage of time may lead to an impairment or compromise of, or increase in risk associated with (a) the security or value of the Contract, (b) the enforceability of rights and or remedies under the Contract, any related Obligor Guaranty, any other related document or agreement, or (c) the creditworthiness of or collectability of claims against any Obligor or other source of payment under the Contract.

In the event that any of the foregoing conditions cease to be satisfied at any time during the extended repurchase/indemnity period, or if the extended period shall lapse or expire, you will immediately pay to us the then-remaining unpaid Net Contract Balance for the affected Contract(s), subject only to the limitations of paragraph 11(b), if applicable.

(c) If you have elected to extend the repurchase/indemnity period for any Contract pursuant to this paragraph 11A, and during the extended period either (i) in the case of an indemnity under paragraph 11, we receive full payment from the Obligor under the Contract of the amount of all unpaid Payments upon which the indemnity request is based, or (ii) in the case of a repurchase under paragraph 10, we receive evidence satisfactory to us in our sole discretion, that the Obligor has withdrawn the defense(s), offset(s) and counterclaim(s) upon which the purchase request was based, then the request for repurchase or indemnification with respect to the Contract shall automatically be deemed null and of no further effect. We will refund to you the amount of Payments made to us by Obligors which you have previously paid us in connection with the extension of the time for repurchase or indemnification."

B. Severability.

Any provision of this Amendment which is prohibited by or is unlawful or unenforceable under any applicable law of any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof; provided, however, that any such prohibition in any jurisdiction shall not invalidate such provision in any other jurisdiction; provided, further, that where the provisions of any such applicable law may be waived, they hereby are waived by Aspen and SBCC to the full extent permitted by applicable law to the end and that this Amendment shall be deemed to be a valid and binding agreement in accordance with its terms.

C. Counterparts.

This Amendment may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts together shall constitute one and the same Amendment.

D. Governing Law.

This Amendment shall be construed and governed according to the laws of (but not the choice of law rules of) the State of Illinois.

E. Binding Effect.

This Amendment shall be binding upon and inure to the benefit of Aspen and SBCC and their respective successors and assigns. Except as hereby amended, the Letter Agreement shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute this Amendment, effective as of the 1st day of January, 1997.

ASPEN TECHNOLOGY, INC.

By: _____

Title: _____

SANWA BUSINESS CREDIT CORPORATION

Exhibit 10.15(a)

FIRST AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This First Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as of June 30, 2004, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462, doing business under the name "Silicon Valley East" ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT. Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003 (as amended from time to time, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement. The Purchase Agreement shall be amended by deleting Section 2.1 thereof and inserting in lieu thereof the following Section 2.1:

"2.1 **Sale and Purchase**. Subject to the terms and conditions of this Agreement, with respect to each Purchase, effective on each applicable Purchase Date, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all right, title, and interest (but none of the obligations with respect to) of the Seller to the payment of all sums owing or to be owing from the Account Debtors under each Purchased Receivable to the extent of the Purchased Receivable Amount for such Purchased Receivable.

Each purchase and sale hereunder shall be in the sole discretion of Buyer and Seller. In any event, Buyer will not (i) purchase any Receivables in excess of an aggregate outstanding amount exceeding Thirty-Five Million Dollars ($35,000,000.00), or (ii) purchase any Receivables under this Agreement after January 1, 2005. The purchase of each Purchased Receivable may be evidenced by an assignment or bill of sale in a form acceptable to Buyer."

3. FEES. Seller shall pay to Buyer a modification fee of Twelve Thousand Five Hundred Dollars ($12,500.00), which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Seller shall also reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment.

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect the changes described above.

5. RATIFICATION OF LOAN DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement.

6. CONTINUING VALIDITY. Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement.

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets, defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:	**BUYER:**
ASPEN TECHNOLOGY, INC.	**SILICON VALLEY BANK,** doing business as **SILICON VALLEY EAST**
By: /s/ Charles Kane	By: /s/ D. Rench
Name: Charles Kano	Name: D. Rench
Title: SUP–Chief Financial Officer	Title: SUP

840584.1

FIRST AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This First Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as of June 30, 2004, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462, doing business under the name "Silicon Valley East" ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT. Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003 (as amended from time to time, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement. The Purchase Agreement shall be amended by deleting Section 2.1 thereof and inserting in lieu thereof the following Section 2.1:

"2.1 **Sale and Purchase**. Subject to the terms and conditions of this Agreement, with respect to each Purchase, effective on each applicable Purchase Date, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all right, title, and interest (but none of the obligations with respect to) of the Seller to the payment of all sums owing or to be owing from the Account Debtors under each Purchased Receivable to the extent of the Purchased Receivable Amount for such Purchased Receivable.

Each purchase and sale hereunder shall be in the sole discretion of Buyer and Seller. In any event, Buyer will not (i) purchase any Receivables in excess of an aggregate outstanding amount exceeding Thirty-Five Million Dollars ($35,000,000.00), or (ii) purchase any Receivables under this Agreement after January 1, 2005. The purchase of each Purchased Receivable may be evidenced by an assignment or bill of sale in a form acceptable to Buyer."

3. FEES. Seller shall pay to Buyer a modification fee of Twelve Thousand Five Hundred Dollars ($12,500.00), which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Seller shall also reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment.

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect the changes described above.

5. RATIFICATION OF LOAN DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement.

6. CONTINUING VALIDITY. Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement. Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement.

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets, defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:	**BUYER:**
ASPEN TECHNOLOGY, INC.	**SILICON VALLEY BANK,** doing business as **SILICON VALLEY EAST**
By: /s/ Charles Kane	By: /s/ D. Rench
Name: Charles Kano	Name: D. Rench
Title: SUP–Chief Financial Officer	Title: SUP

840584.1

FIRST AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This First Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as of June 30, 2004, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462, doing business under the name "Silicon Valley East" ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT. Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003 (as amended from time to time, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement. The Purchase Agreement shall be amended by deleting Section 2.1 thereof and inserting in lieu thereof the following Section 2.1:

"2.1 **Sale and Purchase**. Subject to the terms and conditions of this Agreement, with respect to each Purchase, effective on each applicable Purchase Date, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all right, title, and interest (but none of the obligations with respect to) of the Seller to the payment of all sums owing or to be owing from the Account Debtors under each Purchased Receivable to the extent of the Purchased Receivable Amount for such Purchased Receivable.

Each purchase and sale hereunder shall be in the sole discretion of Buyer and Seller. In any event, Buyer will not (i) purchase any Receivables in excess of an aggregate outstanding amount exceeding Thirty-Five Million Dollars ($35,000,000.00), or (ii) purchase any Receivables under this Agreement after January 1, 2005. The purchase of each Purchased Receivable may be evidenced by an assignment or bill of sale in a form acceptable to Buyer."

3. FEES. Seller shall pay to Buyer a modification fee of Twelve Thousand Five Hundred Dollars ($12,500.00), which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Seller shall also reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment.

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect the changes described above.

5. RATIFICATION OF LOAN DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement.

6. CONTINUING VALIDITY. Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement. Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement.

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets, defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:	**BUYER:**
ASPEN TECHNOLOGY, INC.	**SILICON VALLEY BANK,** doing business as **SILICON VALLEY EAST**
By: /s/ Charles Kane	By:
Name: Charles Kano	Name:
Title: SUP–Chief Financial Officer	Title:

840584.1

Exhibit 10.45

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement (this "Agreement") is entered into as a condition of employment with Aspen Technology, Inc. ("AspenTech") by ("Employee") effective as of the first day of Employee's employment by AspenTech.

Employee acknowledges that AspenTech's business depends on the marketing, license and sale of its proprietary products, know-how, services, and information. Employee will be using this information and, in the course of Employee's work, Employee may develop further information which is important to AspenTech's business. In working with AspenTech's customers, Employee will also have access to their information which AspenTech is obligated to keep confidential. AspenTech desires to be able to impart confidential information to Employee with the knowledge that the information will be used solely for AspenTech's benefit and not in competition with, or to the detriment of AspenTech.

This Agreement sets forth the terms of Employee's agreement with respect to the handling of proprietary and confidential information and with respect to non-competition. In consideration of and as part of the terms of Employee's employment with AspenTech, Employee agrees as follows:

1. Confidential Information. Employee recognizes and acknowledges that Employee will have access to certain confidential information and/or trade secrets during employment with AspenTech, and agrees that, except as required as part of Employee's work with AspenTech, Employee will maintain confidential all data, trade secrets, processes, formulae, inventions, specifications, techniques, methods, designs, working papers, notes, computer programs, software packages, test results, technical know-how, technical data, methods and procedures of operation, customer lists, business or marketing plans, customer lists, proposals, and all other information concerning customers, personnel and financial data, plans, contracts, and proprietary information of AspenTech or of another person or entity and in AspenTech's possession in connection with its business ("Proprietary Information"). This obligation will continue both during and after Employee's employment with AspenTech, but does not apply to information which is or becomes public knowledge through no act or omission of Employee.

2. Proprietary Rights. All Proprietary Information in any form, whether patentable or copyrightable or not, which Employee generates either solely or jointly during Employee's employment by AspenTech, excluding information developed outside the scope of employ as approved in writing by Employee's manager, (the "Developments") will be the sole and exclusive property of AspenTech (and in the case of copyrightable material, will be a "WORK MADE FOR HIRE" by the Employee for AspenTech). Employee will promptly and fully disclose all Developments to AspenTech and, if deemed necessary by AspenTech and at AspenTech's expense, will execute and deliver such instruments as AspenTech may request to protect its right, title, and interest in and to any of the Developments.

3. Records and Equipment. Immediately upon the termination of Employee's employment, or otherwise on demand by AspenTech, Employee will deliver to AspenTech all Proprietary Information, including without limitation, papers, photographs, drawings, notes, plans, computer programs, tapes, listings, copies of correspondence, memoranda, reports, customer lists, addresses, computers and other materials or equipment made or compiled by Employee or made available to Employee during the course of employment. Employee may not retain any copies without AspenTech's express written permission.

4. Non-Competition and Non-Solicitation. In exchange for AspenTech's disclosing Proprietary Information to Employee, Employee agrees that during the term of Employee's employment and for a period of twelve (12) months following the termination thereof for any reason, Employee will

not compete with AspenTech without AspenTech's written permission, which shall not be unreasonably withheld. For the purposes of this Agreement, "Competing with AspenTech" means

4.1. during the term of employment (i) soliciting any employee of AspenTech to leave his or her employment with AspenTech or to breach his or her employment obligations with AspenTech, or (ii) working for Employee's own account or that of any firm, partnership, or entity, on any project competitive with AspenTech business;

4.2. with respect to the period before and after termination of employment, (i) directly or through another party soliciting any employee of AspenTech to leave his or her employment with AspenTech or to breach his or her employment obligations with AspenTech, or (ii) working for Employee's own account or that of any firm, partnership, or entity, on any project substantially similar to or competitive with a project on which Employee worked while at AspenTech, or (iii) soliciting AspenTech's customers with whom Employee has dealt during the last twelve months of Employee's employment with AspenTech, either (a) to cease to do business with AspenTech, or (b) to do business with any other firm, partnership, or entity, in actual or proposed competition with AspenTech.

It is understood that, except as specifically set forth herein, this Agreement does not restrict Employee in the exercise of his or her technical skill subsequent to his or her employment with AspenTech, provided that the exercise of such skill does not involve the disclosure to others of Proprietary Information or the use by the Employee of such Proprietary Information for Employee's benefit, or on behalf of others.

5. Term. This Agreement will take effect on the first day of Employee's employment by AspenTech and will continue in full force and effect if Employee's relationship becomes that of a consultant rather than an employee, and shall continue, with respect to Employee's obligations of confidentiality hereunder and Employee's obligations set forth in paragraph 4.2 on Non-Competition and Non-Solicitation, after termination of employment and termination of any consulting relationship. In the event Employee is retained as a consultant, all reference in this Agreement to termination of employment will be construed to mean termination of the consulting relationship.

6. Severability; Breach. If any provision of this Agreement is found to be void or is so declared by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. For violations of this Agreement, Employee understands and agrees that AspenTech shall be entitled to injunctive or other equitable relief as well as the right to recover any damages incurred as a result of such violations.

Please sign where indicated below, upon which this Agreement will be a binding agreement under seal, governed by Massachusetts law.

EMPLOYEE:

Signature: _____

Printed name: _____

Date: _____

QuickLinks

Exhibit 10.45

Exhibit 10.15(f)

SIXTH AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This Sixth Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as of December 29, 2005, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT. Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003, as amended by a certain First Amendment to Non-Recourse Receivables Purchase Agreement dated June 30, 2004, as further amended by a certain Second Amendment to Non-Recourse Receivables Purchase Agreement dated September 30, 2004, as further amended by a certain Third Amendment to Non-Recourse Receivables Purchase Agreement dated December 31, 2004, as further amended by a certain Fourth Amendment to Non-Recourse Receivables Purchase Agreement dated March 8, 2005, and as further amended by a certain Fifth Amendment to Non-Recourse Receivables Purchase Agreement dated March 31, 2005 (as further amended from time to time, the "Purchase Agreement"'). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement. The Purchase Agreement shall be amended by deleting Section 2.1 thereof and inserting in lieu thereof the following Section 2.l:

> "2.1 **Sale and Purchase**. Subject to the terms and conditions of this Agreement, with respect to each Purchase, effective on each applicable Purchase Date, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all right, title, and interest (but none of the obligations with respect to) of the Seller to the payment of all sums owing or to be owing from the Account Debtors under each Purchased Receivable to the extent of the Purchased Receivable Amount for such Purchased Receivable.
>
> Each purchase and sale hereunder shall be in the sole discretion of Buyer and Seller. In any event, Buyer will not (i) purchase any Receivables in excess of an aggregate outstanding amount exceeding Forty-Five Million Dollars ($45,000,000.00), or (ii) purchase any Receivables under this Agreement after July 15, 2006. The purchase of each Purchased Receivable may be evidenced by an assignment or bill of sale in a form acceptable to Buyer."

3. FEES. Seller shall pay to Buyer a modification fee of $5,000.00, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Seller shall

also reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment.

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect me changes described above.

5. RATIFICATION OF DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement

6. CONTINUING VALIDITY. Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets, defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

[remainder of page intentionally left blank]

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:	**BUYER:**
ASPEN TECHNOLOGY, INC.	**SILICON VALLEY BANK**
By: /s/ Leo S. Vannoni	By: /s/ John K. Peck
Name: Leo Vannoni	Name: John K. Peck
Title: VP Treasurer	Title: Vice President

Exhibit 10.15(g)

SEVENTH AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This Seventh Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as of July 17, 2006, and is effective as of July 15, 2006, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT. Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003, as amended by a certain First Amendment to Non-Recourse Receivables Purchase Agreement dated June 30, 2004, as further amended by a certain Second Amendment to Non-Recourse Receivables Purchase Agreement dated September 30, 2004, as further amended by a certain Third Amendment to Non-Recourse Receivables Purchase Agreement dated December 31, 2004, as further amended by a certain Fourth Amendment to Non-Recourse Receivables Purchase Agreement dated March 8, 2005, as further amended by a certain Fifth Amendment to Non-Recourse Receivables Purchase Agreement dated March 31, 2005, and as further amended by a certain Sixth Amendment to Non-Recourse Receivables Purchase Agreement dated December 29, 2005 (as further amended from time to time, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement. The Purchase Agreement shall be amended by deleting Section 2.1 thereof and inserting in lieu thereof the following Section 2.1:

"2.1 **Sale and Purchase**. Subject to the terms and conditions of this Agreement, with respect to each Purchase, effective on each applicable Purchase Date, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all right, title, and interest (but none of the obligations with respect to) of the Seller to the payment of all sums owing or to be owing from the Account Debtors under each Purchased Receivable to the extent of the Purchased Receivable Amount for such Purchased Receivable.

Each purchase and sale hereunder shall be in the sole discretion of Buyer and Seller. In any event, Buyer will not (i) purchase any Receivables in excess of an aggregate outstanding amount exceeding Forty-Five Million Dollars ($45,000,000.00), or (ii) purchase any Receivables under this Agreement after September 13, 2006. The purchase of each Purchased Receivable may be evidenced by an assignment or bill of sale in a form acceptable to Buyer."

3. FEES. Seller shall pay to Buyer a modification fee of $10,000.00, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Seller shall also reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment.

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect the changes described above.

5. RATIFICATION OF DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement.

6. CONTINUING VALIDITY. Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement. Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement.

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets, defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

[remainder of page intentionally left blank]

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:	**BUYER:**
ASPEN TECHNOLOGY, INC.	**SILICON VALLEY BANK**
By: /s/ Leo S. Vannoni	By:
Name: Leo Vannoni	Name:
Title: VP Treasurer	Title:

Exhibit 10.15(h)

EIGHTH AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This Eighth Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as of September 15, 2006, and is effective as of September 13, 2006, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT. Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003, as amended by a certain First Amendment to Non-Recourse Receivables Purchase Agreement dated June 30, 3004, as further amended by a certain Second Amendment to Non-Recourse Receivables Purchase Agreement dated September 30, 2004, as further amended by a certain Third Amendment to Non-Recourse Receivables Purchase Agreement dated December 31, 2004, as further amended by a certain Fourth Amendment to Non-Recourse Receivables Purchase Agreement dated March 8, 2005, as further amended by a certain Fifth Amendment to Non-Recourse Receivables Purchase Agreement dated March 31, 2005, as further amended by a certain Sixth Amendment to Non-Recourse Receivables Purchase Agreement dated December 29, 2005, and as further amended by a certain Seventh Amendment to Non-Recourse Receivables Purchase Agreement dated as of July 17, 2006 (as further amended from time to time, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement.

A. The Purchase Agreement shall be amended by deleting Section 2.1 thereof and inserting in lieu thereof the following Section 2.1:

"2.1 **Sale and Purchase**. Subject to the terms and conditions of this Agreement, with respect to each Purchase, effective on each applicable Purchase Date, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all right, title, and interest (but none of the obligations with respect to) of the Seller to the payment of all sums owing or to be owing from the Account Debtors under each Purchased Receivable to the extent of the Purchased Receivable Amount for such Purchased Receivable.

Each purchase and sale hereunder shall be in the sole discretion of Buyer and Seller. In any event, Buyer will not (i) purchase any Receivables in excess of an aggregate outstanding amount exceeding Forty-Five Million Dollars ($45,000,000.00), or (ii) purchase any Receivables under this Agreement after January 15, 2007. The purchase of each Purchased Receivable may be evidenced by an assignment or bill of sale in a form acceptable to Buyer."

B. The Purchase Agreement shall be amended by inserting the following text appearing at the end of Section 3.2 thereof:

"Notwithstanding the foregoing, upon Buyer's request, Seller will notify each Account Debtor of Buyer's purchase and will direct each such Account Debtor to begin making all payments with respect to such Purchased Receivables directly to Buyer, pursuant to instructions provided to Seller by Buyer. Seller authorizes Buyer to endorse, in Seller's name or otherwise, any checks and items representing payments on any such Purchased Receivables. Any payment that Seller receives on account of such Purchased Receivable will be

immediately forwarded to Buyer in the form received, but held in trust for Buyer until such forwarding occurs."

3. FEES. Seller shall pay to Buyer a modification fee of $37,500.00, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Seller shall also reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment.

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect the changes described above.

5. RATIFICATION OF DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement.

6. CONTINUING VALIDITY Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement. Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement.

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets, defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

[remainder of page intentionally left blank]

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:	**BUYER:**
ASPEN TECHNOLOGY, INC.	**SILICON VALLEY BANK**
By: /s/ Leo S. Vannoni	By: /s/ Laura M. Scott
Name: Leo Vannoni	Name: Laura M. Scott
Title: VP Treasurer	Title: SVP

Exhibit 10.15(j)

TENTH AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This Tenth Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as of April 13, 2007, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02452 ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT. Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003, as amended by a certain First Amendment to Non-Recourse Receivables Purchase Agreement dated June 30, 2004, as further amended by a certain Second Amendment to Non-Recourse Receivables Purchase Agreement dated September 30, 2004, as further amended by a certain Third Amendment to Non-Recourse Receivables Purchase Agreement dated December 31, 2004, as further amended by a certain Fourth Amendment to Non-Recourse Receivables Purchase Agreement dated March 8, 2005, as further amended by a certain Fifth Amendment to Non-Recourse Receivables Purchase Agreement dated March 31, 2005, as further amended by a certain Sixth Amendment to Non-Recourse Receivables Purchase Agreement dated December 29, 2005, as further amended by a certain Seventh Amendment to Non-Recourse Receivables Purchase Agreement dated as of July 17, 2006, as further amended by a certain Eighth Amendment to Non-Recourse Receivables Purchase Agreement dated as of September 15, 2006, and as further amended by a certain Ninth Amendment to Non-Recourse Receivables Purchase Agreement dated as of January 12, 2007 (as further amended from time to time, the "Purchase Agreement") Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement.

A. The Purchase Agreement shall be amended by deleting Section 2.1 thereof and inserting in lieu thereof the following Section 2.1:

"2.1. **Sale and Purchase**. Subject to the terms and conditions of this Agreement, with respect to each Purchase, effective on each applicable Purchase Date, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all right, title, and interest (but none of the obligations with respect to) of the Seller to the payment of all sums owing or to be owing from the Account Debtors under each Purchased Receivable to the extent of the Purchased Receivable Amount for such Purchased Receivable.

Each purchase and sale hereunder shall be in the sole discretion of Buyer and Seller. In any event, Buyer will not (i) purchase any Receivables in excess of an aggregate outstanding amount exceeding Forty-Five Million Dollars ($45,000,000.00), or (ii) purchase any Receivables under this Agreement after July 16, 2007. The purchase of each Purchased Receivable may be evidenced by an assignment or bill of sale in a form acceptable to Buyer."

3. FEES. Seller shall pay to Buyer a modification fee of $27,250.00; which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Seller shall also reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment.

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect the changes described above.

5. RATIFICATION OF DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement.

6. CONTINUING VALIDITY. Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement. Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement.

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets, defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

[remainder of page is intentionally left blank]

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:	**BUYER:**
ASPEN TECHNOLOGY, INC.	**SILICON VALLEY BANK**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Exhibit 10.15(k)

ELEVENTH AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This Eleventh Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as of June 28, 2007, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT . Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003, as amended by a certain First Amendment to Non-Recourse Receivables Purchase Agreement dated June 30, 3004, as further amended by a certain Second Amendment to Non-Recourse Receivables Purchase Agreement dated September 30, 2004, as further amended by a certain Third Amendment to Non-Recourse Receivables Purchase Agreement dated December 31, 2004, as further amended by a certain Fourth Amendment to Non-Recourse Receivables Purchase Agreement dated March 8, 2005, as further amended by a certain Fifth Amendment to Non-Recourse Receivables Purchase Agreement dated March 31, 2005, as further amended by a certain Sixth Amendment to Non-Recourse-Receivables Purchase Agreement dated December 29, 2005, as further amended by a certain Seventh Amendment to Non-Recourse Receivables Purchase Agreement dated as of July 17, 2006, as further amended by a certain Eighth Amendment to Non- Recourse Receivables Purchase Agreement dated as of September 15, 2006, as further amended by a certain Ninth Amendment to Non-Recourse Receivables Purchase Agreement dated as of January 12, 2007, and as further amended by a certain Tenth Amendment to Non-Recourse Receivables Purchase Agreement dated as of April 13, 2007 (as further amended from time to time, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement.

A. The Purchase Agreement shall be amended by inserting the following new definitions, appearing alphabetically in Section 1 thereto (and thereby amending the existing numbering in Section 1):

" "**Deficiency**" has the meaning set forth in Section 8(b) hereof."

" "**OFAC**" has the meaning set forth in Section 6.1(h)."

B. The Purchase Agreement shall be amended by deleting Section 2.1 thereof and inserting in lieu thereof the following Section 2.1:

"2.1 **Sale and Purchase**. Subject to the terms and conditions of this Agreement, with respect to each Purchase, effective on each applicable Purchase Date, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all right, title, and interest (but none of the obligations with respect to) of the Seller to the payment of all sums owing or to be owing from the Account Debtors under each Purchased Receivable to the extent of the Purchased Receivable Amount for such Purchased Receivable.

Each purchase and sale hereunder shall be in the sole discretion of Buyer and Seller. In any event, Buyer will not (i) purchase any Receivables in excess of an aggregate outstanding amount exceeding Sixty-Five Million Dollars ($65,000,000.00), or (ii) purchase any Receivables under this Agreement after October 16, 2007. The purchase of each Purchased Receivable may be evidenced by an assignment or bill of sale in a form acceptable to Buyer."

C. The Purchase Agreement shall be amended by deleting the following text appearing in Section 6.1 thereof:

" (g) No Account Debtor set forth on the applicable Schedule with respect to such Purchased Receivable has objected to the payment for, or the quality or the quantity of the subject matter of, the Purchased Receivable, each such Account Debtor is liable for the amount set forth on such Schedule."

and inserting in lieu thereof the following:

" (g) Seller and each Account Debtor set forth on the applicable Schedule with respect to such Purchased Receivable each comply in all material respects with all applicable laws, regulations and governmental rules, and that each Purchased Receivable is legally enforceable in accordance with its terms;

(h) Seller is in compliance with all applicable laws, regulations and governmental requirements and guidance with respect to anti-money laundering and anti-terrorist financing and all applicable regulations issued or enforced by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"). Seller specifically represents and warrants that, as of the date the Purchased Receivable is purchased by Buyer, no party to any Purchased Receivable is listed on the Specially Designated Nationals (as defined in any OFAC regulations) list or any similar

list maintained by OFAC, and that the Purchased Receivable does not involve or relate to a country subject to United States sanctions and embargoes; and

(i) No Account Debtor set forth on the applicable Schedule with respect to such Purchased Receivable has objected to the payment for, or the quality or the quantity of the subject matter of, the Purchased Receivable, each such Account Debtor is liable for the amount set forth on such Schedule."

D. The Purchase Agreement shall be amended by inserting the following text appearing at the end of Section 8(b) thereof:

"In addition, in the event that the Buyer receives payment of a Purchased Receivable in an amount less than the United States dollar value of the Total Purchased Receivables Amount for such Purchased Receivable as set forth on the Schedule solely and directly due to fluctuations in foreign exchange rates (the "Deficiency"), then the Seller shall immediately indemnify Buyer for the Deficiency in an amount equal to the Deficiency. This provision shall survive the termination of this Agreement."

3. FEES. Seller shall pay to Buyer a modification fee of $40,625.00, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Seller shall also reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment.

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect the changes described above.

5. RATIFICATION OF DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement.

6. CONTINUING VALIDITY. Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement. Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement.

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets, defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

[remainder of page is intentionally left blank]

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:		**BUYER:**	
ASPEN TECHNOLOGY, INC.		**SILICON VALLEY BANK**	
By:	/s/ Leo S. Vannoni	By:	/s/ Michael Tramack
Name:	Leo S. Vannoni	Name:	Michael Tramack
Title:	Treasurer	Title:	Senior Vice President

Exhibit 10.15(l)

TWELFTH AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This Twelfth Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as of October 16, 2007, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT. Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003, as amended by a certain First Amendment to Non-Recourse Receivables Purchase Agreement dated June 30, 3004, as further amended by a certain Second Amendment to Non-Recourse Receivables Purchase Agreement dated September 30, 2004, as further amended by a certain Third Amendment to Non-Recourse Receivables Purchase Agreement dated December 31, 2004, as further amended by a certain Fourth Amendment to Non-Recourse Receivables Purchase Agreement dated March 8, 2005, as further amended by a certain Fifth Amendment to Non-Recourse Receivables Purchase Agreement dated March 31, 2005, as further amended by a certain Sixth Amendment to Non-Recourse Receivables Purchase Agreement dated December 29, 2005, as further amended by a certain Seventh Amendment to Non-Recourse Receivables Purchase Agreement dated as of July 17, 2006, as further amended by a certain Eighth Amendment to Non-Recourse Receivables Purchase Agreement dated as of September 15, 2006, as further amended by a certain Ninth Amendment to Non-Recourse Receivables Purchase Agreement dated as of January 12, 2007, as further amended by a certain Tenth Amendment to Non-Recourse Receivables Purchase Agreement dated as of April 13, 2007, and as further amended by a certain Eleventh Amendment to Non-Recourse Receivables Purchase Agreement dated as of June 28, 2007 (as further amended from time to time, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement.

A. The Purchase Agreement shall be amended by deleting Section 2.1 thereof and inserting in lieu thereof the following Section 2.1:

"2.1 **Sale and Purchase**. Subject to the terms and conditions of this Agreement, with respect to each Purchase, effective on each applicable Purchase Date, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller all right, title, and interest (but none of the obligations with respect to) of the Seller to the payment of all sums owing or to be owing from the Account Debtors under each

Purchased Receivable to the extent of the Purchased Receivable Amount for such Purchased Receivable.

Each purchase and sale hereunder shall be in the sole discretion of Buyer and Seller. In any event, Buyer will not (i) purchase any Receivables in excess of an aggregate outstanding amount exceeding Sixty-Five Million Dollars ($65,000,000.00), or (ii) purchase any Receivables under this Agreement after February 15, 2008. The purchase of each Purchased Receivable may be evidenced by an assignment or bill of sale in a form acceptable to Buyer."

3. FEES. Seller shall pay to Buyer a modification fee of $54, 200.00, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Seller shall also reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment.

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect the changes described above.

5. RATIFICATION OF DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement.

6. CONTINUING VALIDITY. Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement. Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement.

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets, defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

[remainder of page is intentionally left blank]

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:	**BUYER:**
ASPEN TECHNOLOGY, INC.	**SILICON VALLEY BANK**
By: /s/ Bradley Miller	By: /s/ Michael Tramack
Name: Bradley Miller	Name: Michael Tramack
Title: CFO	Title: SVP

Exhibit 10.15(m)

THIRTEENTH AMENDMENT TO NON-RECOURSE RECEIVABLES PURCHASE AGREEMENT

This Thirteenth Amendment to Non-Recourse Receivables Purchase Agreement (this "Amendment") is entered into as December 12, 2007, by and between **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Buyer") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Seller").

1. DESCRIPTION OF EXISTING AGREEMENT. Reference is made to a certain Non-Recourse Receivables Purchase Agreement by and between Buyer and Seller dated as of December 31, 2003, as amended by a certain First Amendment to Non-Recourse Receivables Purchase Agreement dated June 30, 3004, as further amended by a certain Second Amendment to Non-Recourse Receivables Purchase Agreement dated September 30, 2004, as further amended by a certain Third Amendment to Non-Recourse Receivables Purchase Agreement dated December 31, 2004, as further amended by a certain Fourth Amendment to Non-Recourse Receivables Purchase Agreement dated March 8, 2005, as further amended by a certain Fifth Amendment to Non-Recourse Receivables Purchase Agreement dated March 31, 2005, as further amended by a certain Sixth Amendment to Non-Recourse Receivables Purchase Agreement dated December 29, 2005, as further amended by a certain Seventh Amendment to Non-Recourse Receivables Purchase Agreement dated as of July 17, 2006, as further amended by a certain Eighth Amendment to Non-Recourse Receivables Purchase Agreement dated as of September 15, 2006, as further amended by a certain Ninth Amendment to Non-Recourse Receivables Purchase Agreement dated as of January 12, 2007, as further amended by a certain Tenth Amendment to Non-Recourse Receivables Purchase Agreement dated as of April 13, 2007, as further amended by a certain Eleventh Amendment to "Non-Recourse Receivables Purchase Agreement dated as of June 28, 2007, and as further amended by a certain Twelfth Amendment to Non-Recourse Receivables Purchase Agreement dated as of October 16, 2007 (as further amended from time to time, the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

2. DESCRIPTION OF CHANGE IN TERMS.

Modification to Purchase Agreement

A. The Purchase Agreement shall be amended by inserting the following new definition, appearing alphabetically in Section 1 thereto (and thereby amending the existing numbering in Section 1):

" "**Surplus**" has the meaning set forth in Section 8(b) hereof."

B. The Purchase Agreement shall be amended by deleting the following text appearing in Section 8(b) hereof:

> "In addition, in the event that the Buyer receives payment of a Purchased Receivable in an amount less than the United States dollar value of the Total Purchased Receivables Amount for such Purchased Receivable as set forth on the Schedule solely and directly due to fluctuations in foreign exchange rates (the "Deficiency"), then the Seller shall immediately indemnify Buyer for the Deficiency in an amount equal to the Deficiency."

and inserting in lieu thereof the following:

> "In addition, in the event that the Buyer receives payment of a Purchased Receivable in an amount less than the United States dollar value of the Total Purchased Receivables Amount for such Purchased Receivable as set forth on the Schedule solely and directly due to fluctuations in foreign exchange rates (the "Deficiency"), then the Seller shall immediately indemnify Buyer for the Deficiency in an amount equal to the Deficiency in an amount equal to the Deficiency. In the event that the Buyer receives payment of a Purchased Receivable in an amount greater than the United States dollar value of the Total Purchased Receivables Amount for such Purchased Receivable as set forth on the Schedule solely and directly due to fluctuations in foreign exchange rates (the "Surplus"), then the Buyer shall immediately turn over to the Seller an amount equal to the Surplus."

3. FEES. Seller shall reimburse Buyer for all legal fees and expenses incurred in connection with this Amendment

4. CONSISTENT CHANGES. The Purchase Agreement is hereby amended wherever necessary to reflect the changes described above.

5. RATIFICATION OF DOCUMENTS. Seller hereby ratifies, confirms, and reaffirms all terms and conditions of the Purchase Agreement.

6. CONTINUING VALIDITY. Seller understands and agrees that in modifying the Purchase Agreement, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Purchase Agreement. Except as expressly modified pursuant to this Amendment, the terms of the Purchase Agreement remain unchanged and in full force and effect. Buyer's agreement to modifications to the Purchase Agreement pursuant to this Amendment in no way shall obligate Buyer to make any future modifications to the Purchase Agreement.

7. NO DEFENSES OF SELLER. Seller hereby acknowledges and agrees that Seller has no offsets, defenses, claims, or counterclaims against Buyer with respect to the Purchase Agreement or otherwise, and that if Seller now has, or ever did have, any offsets,

defenses, claims, or counterclaims against Buyer, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Seller hereby RELEASES Buyer from any liability thereunder.

8. COUNTERSIGNATURE. This Amendment shall become effective only when it shall have been executed by Seller and Buyer.

[remainder of page is intentionally left blank]

This Amendment is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

SELLER:	**BUYER:**
ASPEN TECHNOLOGY, INC.	**SILICON VALLEY BANK**
By: /s/ Brad Miller	By: /s/ John K. Peck
Name: Brad Miller	Name: John K. Peck
Title: SUP-CFO	Title: SVP

Exhibit 10.22(a)

February 14, 2003

Silicon Valley Bank
3003 Tasman Drive
Santa Clara, CA 95054
Attn: Commercial Finance Division, Division Credit Manager

Silicon Valley Bank
One Newton Executive Park, Suite 200
2221 Washington Street
Newton, MA 02462
Attn: John V. Atanasoff

Re: Aspen Technology — Schedule to Loan and Security Agreement

Reference is made in this letter agreement to the Loan and Security Agreement, dated as of January 30, 2003 (the "Loan Agreement"), by and among Aspen Technology, Inc., AspenTech, Inc. and Hyprotech Company (each, a "Borrower," and collectively, the "Borrowers") and Silicon Valley Bank ("SVB"). Terms used and not otherwise defined in this letter agreement have the meanings given them in the Loan Agreement.

Pursuant to Section 9.10 (Amendment) of the Loan Agreement, the Borrowers and SVB hereby amend the Loan Agreement, effective as of January 30, 2003, by amending and restating the Schedule to Loan and Security Agreement in the form attached hereto as Exhibit A (the "Restated Schedule"). Each of the Borrowers and SVB acknowledge and agree that the Restated Schedule shall supersede and replace the original Schedule to Loan and Security Agreement in its entirety. Except as otherwise expressly provided in this letter agreement, all of the terms, conditions and provisions of the Loan Agreement shall remain in full force and effect.

Each of the Borrowers and SVB acknowledge and agree that all references to the Loan Agreement shall be references to the Loan Agreement as amended hereby.

The Borrowers hereby request that you acknowledge your agreement with the terms of this letter agreement by signing below and returning a copy of this letter to Christine Duffy, Treasurer of Aspen Technology, Inc., by February 14, 2003.

Very truly yours,

ASPEN TECHNOLOGY, INC.

By: _____
Lisa W. Zappala
Senior Vice President and
Chief Financial Officer

ASPENTECH, INC.

By: _____
Lisa W. Zappala
Treasurer

HYPROTECH COMPANY

By: _____
D.E. Moult
Chief Financial Officer

Agreed and acknowledged:

SILICON VALLEY BANK

By: _____
John V. Atanasoff
Vice President

EXHIBIT A

Schedule to Loan and Security Agreement

Exhibit 10.22(d)

THIRD LOAN MODIFICATION AGREEMENT

This Third Loan Modification Agreement (this "Loan Modification Agreement") is entered into as of January 28, 2005, by and among (i) **SILICON VALLEY BANK**, a California chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462, doing business under the name "Silicon Valley East" ("Bank") and (ii) **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 and **ASPENTECH, INC.**, a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 (jointly and severally, individually and collectively, "Borrower").

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND QBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of January 30, 2003, evidenced by, among other documents, a certain Loan and Security Agreement dated as of January 30, 2003 between Borrower and Bank, as amended by a certain letter agreement dated February 14, 2003, a certain First Loan Modification Agreement dated June 27, 2003, and a certain Second Loan Modification Agreement dated September , 2004 (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the "Existing Loan Documents."

3. DESCRIPTION OF CHANGE IN TERMS.

Modifications to Loan Agreement.

(i) The Loan Agreement shall be amended by deleting the following text appearing in Section 4 of the Schedule to the Loan Agreement:

"MATURITY DATE

(Section 6.1): January 29, 2005"

and inserting in lieu thereof the following:

"MATURITY DATE

(Section 6.1): April 1, 2005"

(ii) The Loan Agreement shall be amended by deleting Section 5(a)(i) and (ii) of the Schedule thereto in their entirety and inserting in lieu thereof the

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following:

"**a. Minimum Tangible Net Worth:**

Borrower shall maintain, as of the last day of each month, to be tested monthly, a Tangible Net Worth of not less than the sum of (i) plus (ii) below:

(i)

(a) from August 1, 2004 through and including August 31, 2004 - $116,000,000

(b) from September 1, 2004 through and including September 30, 2004 - $140,000,000

(c) from October 1, 2004 through and including October 31, 2004 - $128,000,000

(d) from November 1, 2004 through and including November 30, 2004 - $116,000,000

(e) from December 1, 2004 through and including December 31, 2004 - $140,000,000

(f) from January 1, 2005 through and including January 31, 2005 - $110,000,000

(g) from February 1, 2005 through and including February 28, 2005 - $100,000,000

(h) from March 1, 2005 and thereafter - $120,000,000.

(ii) 75% of all consideration received after August 1, 2004 from proceeds from the issuance of any equity securities of the Borrower (other than (i) the issuance of stock options, restricted stock or other stock-based awards under the Borrower's director or employee stock incentive plans, or (ii) stock purchases under the Borrower's employee stock purchase plan) and/or subordinated debt incurred by the Borrower (net of refinanced amounts of existing subordinated debt)."

4. FEES. Borrower shall pay to Bank a modification fee equal to Twenty-Five Thousand Dollars ($25,000.00), which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. The Borrower shall also reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. WAIVER. Bank hereby waives Borrower's failure to comply with the Minimum Tangible Net Worth requirement set forth in Section 5(a) of the Schedule to the Loan Agreement as of December 31, 2004. The Bank's waiver of Borrower's compliance with said foregoing affirmative covenant shall apply only to the foregoing specific period.

6. RATIFICATION OF NEGATIVE PLEDGE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreements each dated as of January 30, 2003 between Borrower and Bank, and acknowledges, confirms and agrees that said Negative Pledge Agreement shall remain in full force and effect.

7. RATIFICATION OF PERFECTION CERTIFICATE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in certain Perfection Certificates each dated as of January 30, 2003 and acknowledges, confirms and agrees the disclosures and information therein has not changed as of the date hereof, except as set forth on Schedule 1 annexed hereto.

8. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

9. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

10. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

11. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing.

12. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[*Remainder of page intentionally left blank.*]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

ASPEN TECHNOLOGY, INC.

By: _____
Name: _____
Title: _____

ASPENTECH, INC.

By: _____
Name: _____
Title: _____

BANK:

SILICON VALLEY BANK, d/b/a
SILICON VALLEY EAST

By: _____
Name: _____
Title: _____

The undersigned, ASPENTECH SECURITIES CORP., a Massachusetts corporation, ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Unlimited Guaranty dated January 30, 2003 (the "Guaranty") and a certain Security Agreement dated as of January 30, 2003 (the "Security Agreement") and acknowledges, confirms and agrees that the Guaranty and Security Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Loan Modification Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith.

ASPENTECH SECURITIES CORP.

By: _____
Name: _____
Title: _____

PROMISSORY NOTE
(Exim)

$10,000,000.00 January 28, 2005

FOR VALUE RECEIVED, the undersigned (jointly and severally, individually and collectively, the "Borrower"), jointly and severally promises to pay to the order of Silicon Valley Bank ("Bank"), at such place as the holder hereof may designate, in lawful money of the United States of America, the aggregate unpaid principal amount of all advances ("Advances") made by Bank to Borrower, up to a maximum principal amount of Ten Million Dollars ($10,000,000.00), plus interest on the aggregate unpaid principal amount of such Advances, at the rates and in accordance with the terms of the Export-Import Bank Loan and Security Agreement between Borrower and Bank dated as of January 30, 2003, as amended from time to time (the "Loan Agreement") on the first calendar day of each month after an Advance has been made. The entire principal amount and all accrued interest shall be due and payable on April 1, 2005, or on such earlier date, as provided for in the Loan Agreement.

Borrower irrevocably waives the right to direct the application of any and all payments at any time hereafter received by Bank from or on behalf of Borrower, and Borrower irrevocably agrees that Bank shall have the continuing exclusive right to apply any and all such payments against the then due and owing obligations of Borrower as Bank may deem advisable. In the absence of a specific determination by Bank with respect thereto, all payments shall be applied in the following order: (a) then due and payable fees and expenses; (b) then due and payable interest payments and mandatory prepayments; and (c) then due and payable principal payments and optional prepayments.

Bank is hereby authorized by Borrower to endorse on Bank's books and records each Advance made by Bank under this Note and the amount of each payment or prepayment of principal of each such Advance received by Bank; it being understood, however, that failure to make any such endorsement (or any errors in notation) shall not affect the obligations of Borrower with respect to Advances made hereunder, and payments of principal by Borrower shall be credited to Borrower notwithstanding the failure to make a notation (or any errors in notation) thereof on such books and records.

Borrower promises to pay Bank all reasonable costs and reasonable expenses including all reasonable attorneys' fees, incurred in such collection or in any suit or action to collect this Note or in any appeal thereof, unless a final court of competent jurisdiction finds that the Bank acted with gross negligence or willful misconduct. Borrower waives presentment, demand, protest, notice of protest, notice of dishonor, notice of nonpayment, and any and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, as well as any applicable statute of limitations. No delay by Bank in exercising any power or right hereunder shall operate as a waiver of any power or right. Time is of the essence as to all obligations hereunder.

This Note is issued pursuant to the Loan Agreement, which shall govern the rights and obligations of Borrower with respect to all obligations hereunder.

The law of the Commonwealth of Massachusetts shall apply to this Agreement. BORROWER AND BANK EACH ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE COMMONWEALTH OF MASSACHUSETTS IN ANY ACTION, SUIT, OR PROCEEDING OF ANY KIND, AGAINST IT WHICH ARISES OUT OF OR BY REASON OF THIS NOTE OR THE LOAN AGREEMENT; PROVIDED, HOWEVER, THAT IF FOR ANY REASON BANK CANNOT AVAIL ITSELF OF THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS, BORROWER ACCEPTS JURISDICTION OF THE COURTS AND VENUE IN SANTA CLARA COUNTY, CALIFORNIA.

BORROWER WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE EXIM LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. BORROWER RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. BORROWER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

ASPEN TECHNOLOGY, INC.

By: _____
Name: _____
Title: _____

ASPENTECH, INC.

By: _____
Name: _____
Title: _____

Exhibit 10.22(f)

FIFTH LOAN MODIFICATION AGREEMENT

This Fifth Loan Modification Agreement (the "Loan Modification Agreement") is entered into as of May 6, 2005, by and among (i) **SILICON VALLEY BANK**, a California chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Bank") and (ii) **ASPEN TECHNOLOGY, INC.,** a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 and **ASPENTECH, INC.**, a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 (jointly and severally, individually and collectively, "Borrower").

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of January 30, 2003, evidenced by, among other documents, a certain Loan and Security Agreement dated as of January 30, 2003 between Borrower and Bank, as amended by a certain letter agreement dated February 14, 2003, a certain First Loan Modification Agreement dated June 27, 2003, a certain Second Loan Modification Agreement dated September 10, 2004, a certain Third Loan Modification Agreement dated January 28, 2005, and as further amended by a certain Fourth Loan Modification Agreement (the "Fourth Amendment") dated April 1, 2005 (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations including the Export-Import Bank Loan and Security Agreement dated as of January 30, 2003, as amended, shall be referred to as the "Existing Loan Documents".

3. DESCRIPTION OF CHANGE IN TERMS.

Modifications to Loan Agreement.

(i) The Loan Agreement shall be amended by deleting the following text appearing in Section 3 of the Schedule thereto:

"Collateral Handling Fee: $2,000.00 ($1,000.00 when not borrowing and Borrower has advised Silicon that it has elected to be on "non-borrowing reporting status" pursuant to Section 6, below) per month, payable in arrears. Notwithstanding the foregoing, if Borrower maintains at least $4,000,000.00 on deposit with Silicon during such period in a non-interest bearing account, no Collateral Handling Fee shall be due hereunder."

and inserting in lieu thereof the following:

"Collateral Handling Fee: $2,000.00 ($1,000.00 when not borrowing and Borrower has advised Silicon that it has elected to be on "non-borrowing reporting status" pursuant to Section 6, below) per month, payable in arrears."

(ii) The Loan Agreement shall be amended by deleting the following text appearing in Section 3 of the Schedule thereto:

"Unused Line Fee: In the event, in any calendar month (or portion thereof at the beginning and end of the term hereof), the average daily principal balance of the Loans outstanding (including Letters of Credit, Cash Management Services and the FX Reserve) during the month is less than the amount of the Maximum Credit Limit, Borrower shall pay Silicon an unused line fee in an amount equal to 0.25% per annum on the difference between the amount of the Maximum Credit Limit and the average daily principal balance of the Loans outstanding (including Letters of Credit, Cash Management Services and the FX Reserve) during the month, which unused line fee shall be computed and paid monthly, in arrears, on the first day of the following month. Notwithstanding the foregoing, if Borrower maintains at least $4,000,000.00 on deposit with Silicon during such month in a non-interest bearing account, no Unused Line Fee shall be due hereunder."

and inserting in lieu thereof the following:

"Unused Line Fee: In the event, in any calendar month (or portion thereof at the beginning and end of the term hereof), the average daily principal balance of the Loans outstanding (including Letters of Credit, Cash Management Services and the FX Reserve) during the month is les than the amount of the Maximum Credit Limit, Borrower shall pay Silicon and unused line fee in an amount equal to 0.25% per annum on the difference between the amount of the Maximum Credit Limit and the average daily principal balance of the Loans outstanding (including Letters of Credit, Cash Management Services and the FX Reserve) during the month, which unused line fee shall be computed and paid monthly, in arrears, on the first day of the following month."

(iii) The Loan Agreement shall be amended by deleting Section 5(a) of the Schedule thereto in its entirety and inserting in lieu thereof the following:

"a. Minimum Tangible Net Worth:

Borrower shall at all times maintain, to be tested monthly, as of the last day of each month, a Tangible Net Worth of not less than the sum of (i) plus (ii) below:

(i)

(a) from April 1, 2005 through and including April 30, 2005 - $35,000,000;

(b) from May 1, 2005 through and including May 31, 2005 - $25,000,000;

(c) from June 1, 2005 through and including June 30, 2005 - $40,000,000;

(d) from July 1, 2005 through and including July 31, 2005 - $30,000,000;

(e) from August 1, 2005 through and including August 31, 2005 - $20,000,000;

(f) from September 1, 2005 through and including September 30, 2005 - $40,000,000;

(g) from October 1, 2005 through and including October 31, 2005 - $30,000,000;

(h) from November 1, 2005 through and including November 30, 2005 - $20,000,000;

(i) from December 1, 2005 through and including December 31, 2005 - $45,000,000;

(j) from January 1, 2006 through and including January 31, 2006 - $35,000,000;

(k) from February 1, 2006 through and including February 28, 2006 - $25,000,000;

(l) from March 1, 2006 through and including March 31, 2006 - $50,000,000;

(m) from April 1, 2006 through and including April 30, 2006 - $40,000,000;

(n) from May 1, 2006 through and including May 31, 2006 - $30,000,000; and

(o) from June 1, 2006 through and including June 30, 2006 - $55,000,000.

(ii) 75% of all consideration received after March 1, 2005 from proceeds from the issuance of any equity securities of the Borrower (other than (i) the issuance of stock options, restricted stock or other stock-based awards under the Borrower's director or employee stock incentive plans, or (ii) stock purchases under the Borrower's employee stock purchase plan)."

(iv) The Loan Agreement shall be amended by deleting Section 5(c) of the Schedule thereto in its entirety and inserting in lieu thereof the following:

“c. Adjusted Quick Ratio:

Borrower shall maintain, at all times, to be tested monthly, an Adjusted Quick Ratio of at least:

(a) from April 1, 2005 through and including April 30, 2005 – 1.35 to 1.0;

(b) from May 1, 2005 through and including May 31, 2005 – 1.20 to 1.0;

(c) from June 1, 2005 through and including June 30, 2005 – 1.30 to 1.0;

(d) from July 1, 2005 through and including July 31, 2005 – 1.15 to 1.0;

(e) from August 1, 2005 through and including August 31, 2005 – 1.0 to 1.0;

(f) from September 1, 2005 through and including September 30, 2005 – 1.25 to 1.0;

(g) from October 1, 2005 through and including October 31, 2005 – 1.10 to 1.0;

(h) from November 1, 2005 through and including November 30, 2005 – 0.95 to 1.0;

(i) from December 1, 2005 through and including December 31, 2005 – 1.30 to 1.0;

(j) from January 1, 2006 through and including January 31, 2006 – 1.15 to 1.0;

(k) from February 1, 2006 through and including February 28, 2006 – 1.0 to 1.0;

(l) from March 1, 2006 through and including March 31, 2006 – 1.35 to 1.0;

(m) from April 1, 2006 through and including April 30, 2006 – 1.20 to 1.0;

(n) from May 1, 2006 through and including May 31, 2006 – 1.05 to 1.0; and

(o) from June 1, 2006 through and including June 30, 2006 – 1.40 to 1.0.

4. REVOCATION OF CONSENT IN FOURTH AMENDMENT; REVISED CONSENT TO PAYMENT OF SUBORDINATED DEBT.

(a) Paragraph No 4 of the Fourth Amendment is hereby deleted in its entirety.

(b) Notwithstanding the terms of the Existing Loan Documents to the contrary, including, without limitation, Section 5.5 of the Loan Agreement, Borrower may not redeem, retire, purchase or otherwise acquire, directly or indirectly, any of Borrower's stock, and/or any of Borrower's 5 ¼% Convertible Subordinated Debentures or other subordinated debt instruments; provided, however, Bank hereby consents to Borrower's proposed repayment on or before June 15, 2005 of Borrower's 5 ¼% Convertible Subordinated Debentures, provided that, at the time of such payment: (i) no Borrower is then in Default or would be in Default after giving effect to such payment, (ii) Borrower will be in pro-forma compliance with each of the financial covenants set forth in Section 5 of the Schedule to the Loan Agreement after giving effect to the making of such payment, (iii) Borrower will have, after giving effect to such payment, at least $40,000,000.00 in Cash/Excess Availability, (iv) such payment does not exceed $56,745,000 (plus accrued interest), and (v) Borrower delivers to Bank a written notice at least two (2) business days prior to making such payment, which notice contains the appropriate reports and calculation evidencing Borrower's pro-forma compliance with each of the financial covenants set forth in Section 5 of the Schedule to the Loan Agreement after giving effect to the making of such payment as well as evidence that Borrower will have Cash/Excess Availability of at least $40,000,000.00 after giving effect to the making of such payment. As used herein, "Cash/Excess Availability" shall mean (i) Borrower's cash deposits maintained with Bank, plus (ii) Borrower's excess "availability" under the Loan Agreement (net of Loans, Letters of Credit or other indebtedness due and owing by Borrower to Bank), as determined by Silicon based upon the Credit Limit restrictions set forth in Section 1 of the Schedule to the Loan Agreement).

5. WAIVER. Bank hereby waives Borrower's existing defaults under the Existing Loan Documents by virtue of Borrower's failure to comply with the Tangible Net Worth covenant set forth in Section 5(a) of the Schedule to the Loan Agreement (in effect prior to the date of this Loan Modification Agreement) as of the months of March 2005 and April 2005. Bank's waiver of Borrower's compliance with said covenant shall apply only to the foregoing specific periods and shall apply only to the requirements in effect prior to the date of this Loan Modification Agreement and, accordingly, shall not apply to the revised requirement for April 2005 set forth in this Loan Modification Agreement.

6. FEES. Borrower shall pay to Bank a modification fee of $75,000.00 which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. The Borrower shall also reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

7. RATIFICATION OF NEGATIVE PLEDGE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreements each dated as of January 30, 2003 between Borrower and Bank, and acknowledges, confirms and agrees that said Negative Pledge Agreement shall remain in full force and effect.

8. RATIFICATION OF PERFECTION CERTIFICATES. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in certain Perfection Certificates each dated as of January 30, 2003, as amended and affected by Schedule 1 to the Fourth Amendment and Exhibit A to the Fourth Amendment and acknowledges, confirms and agrees the disclosures and information therein has not changed as of the date hereof.

9. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

10. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

11. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

12. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Document. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing.

13. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[Remainder of page intentionally left blank.]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

ASPEN TECHNOLOGY, INC.

By: _____
Name: _____
Title: _____

ASPENTECH, INC.

By: _____
Name: _____
Title: _____

BANK:

SILICON VALLEY BANK

By: _____
Name: _____
Title: _____

The undersigned, ASPENTECH SECURITIES CORP., a Massachusetts corporation, ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Unlimited Guaranty dated January 30, 2003 (the "Guaranty") and a certain Security Agreement dated as of January 30, 2003 (the "Security Agreement") and acknowledges, confirms and agrees that the Guaranty and Security Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Loan Modification Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith.

ASPENTECH SECURITIES CORP.

By: _____
Name: _____
Title: _____

Exhibit 10.22(i)

EIGHTH AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

THIS **EIGHTH AMENDMENT** to Loan and Security Agreement (this "Amendment") is entered into this 30th day of December, 2005, by and among Silicon Valley Bank ("Bank"), Aspen Technology, Inc., a Delaware corporation and AspenTech, Inc., a Texas corporation (jointly and severally, "Borrower") whose address is Ten Canal Park, Cambridge, Massachusetts 02141.

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of January 30, 2003, as amended by that certain First Loan Modification Agreement by and between Bank and Borrower dated as of June 27, 2003, that certain Second Loan Modification Agreement by and between Bank and Borrower dated as of September 10, 2004, that certain Third Loan Modification Agreement by and between Bank and Borrower dated as of January 28, 2005, that certain Fourth Loan Modification Agreement by and between Bank and Borrower dated as of April 1, 2005, that certain Fifth Loan Modification Agreement by and between Bank and Borrower dated as of May 6, 2005, that certain Sixth Loan Modification Agreement by and between Bank and Borrower dated as of June 15, 2005, and that certain Seventh Loan Modification Agreement by and between Bank and Borrower dated as of September, 2005 (as the same may from time to time be further amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to increase the amount available to be borrowed under the borrowing base.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendment to Loan Agreement.

2.1 Section 1. (Credit Limit). Borrower hereby reaffirms that Bank has an existing security interest in all assets of the Borrower (except for Intellectual Property, pursuant

to the Loan Agreement), including, without limitation, Borrower's certificate of deposit account #8800061180 and all other deposit accounts. In consideration of Bank entering into this Amendment and allowing Loans under the Loan Agreement to exceed the amounts stated in item "(B)" of Section 1 entitled Credit Limit of the Schedule to Loan and Security Agreement (but at no time exceeding the Maximum Credit Limit) (the "Overadvance Amount"), Borrower will establish a certificate of deposit in a minimum amount equal to 100% of the Overadvance Amount (and shall be in excess of the cash required under the "Minimum Cash or Excess Availability" covenant) (the "Additional CD") which Additional CD balance shall be increased, released and decreased proportionately, monthly with the outstanding balances of Overadvance Amount. Borrower acknowledges that Bank will place a hold on the Additional CD. Borrower understands that in addition to all of the rights and. remedies that may be available by law to Bank upon an Event of Default, Bank may liquidate and obtain all funds in and from the any certificates of deposit or other deposit accounts to pay any and all obligations owing to Bank.

3. Limitation of Amendment.

3.1 The amendment set forth in **Section 2**, above, is effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the date of the Loan Agreement remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, and (b) Bank's receipt of the Acknowledgment of Amendment and Reaffirmation of Guaranty substantially in the form attached hereto as Schedule 1, duly executed and delivered by each Guarantor.

[Signature page follows.]

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

BANK

Silicon Valley Bank

By: _____
Name: _____
Title: _____

BORROWER

Aspen Technology, Inc.

By: */s/*
Name: Leo S. Vannoni
Title: VP/Treasurer

AspenTech, Inc.

By: */s/*
Name: Leo S. Vannoni
Title: VP/Treasurer

Schedule 1

ACKNOWLEDGMENT OF AMENDMENT
AND REAFFIRMATION OF GUARANTY

Section 1. Guarantor hereby acknowledges and confirms that it has reviewed and approved the terms and conditions of the Eighth Amendment to Loan and Security Agreement dated as of even date herewith (the "Amendment").

Section 2. Guarantor hereby consents to the Amendment and agrees that the Guaranty relating to the Obligations of Borrower under the Loan Agreement shall continue in full force and effect, shall be valid and enforceable and shall not be impaired or otherwise affected by the execution of the Amendment or any other document or instrument delivered in connection herewith.

Section 3. Guarantor represents and warrants that, after giving effect to the Amendment, all representations and warranties contained in the Guaranty are true, accurate and complete as if made the date hereof.

Dated as of December 30, 2005

GUARANTOR

AspenTech Securities Corp.

By: */s/*
Name Charles Kano
Title: CFO

Exhibit 10.22(j)

NINTH LOAN MODIFICATION AGREEMENT

This Ninth Loan Modification Agreement (this "Loan Modification Agreement") is entered into as of July , 2006, by and between **SILICON VALLEY BANK**, a California chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Bank") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 for itself and as successor by merger with **ASPENTECH, INC.**, a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Borrower").

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of January 30, 2003, evidenced by, among other documents, a certain Loan and Security Agreement dated as of January 30, 2003 between Borrower, Aspentech, Inc. and Bank, as amended by a certain letter agreement dated February 14, 2003, a certain First Loan Modification Agreement dated June 27, 2003, a certain Second Loan Modification Agreement dated September 10, 2004, a certain Third Loan Modification Agreement dated January 28, 2005, a certain Fourth Loan Modification Agreement dated April 1, 2005, a certain Fifth Loan Modification Agreement dated May 6, 2005, a certain Sixth Loan Modification Agreement dated June 15, 2005, a certain Seventh Loan Modification Agreement dated September, 2005, and as further amended by a certain Eighth Amendment to Loan and Security Agreement dated November 22, 2005 (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations including the Export-Import Bank Loan and Security Agreement dated as of January 30, 2003, as amended, shall be referred to as the "Existing Loan Documents".

3. DESCRIPTION OF CHANGE IN TERMS.

Modifications to Loan Agreement.

(i) The Loan Agreement shall be amended by deleting the following text appearing in Section 4 of the Schedule to the Loan Agreement:

"MATURITY DATE

(Section 6.1): July 15, 2006"

and inserting in lieu thereof the following:

"MATURITY DATE

(Section 6.1): September 13, 2006"

(ii) The Loan Agreement shall be amended by deleting Section 5(a) of the Schedule thereto in its entirety and inserting in lieu thereof the following:

“a. Minimum Tangible Net Worth:

Borrower shall at all times maintain, to be tested monthly, as of the last day of each month, a Tangible Net Worth of not less than the sum of (i) plus (ii) below:

(i)

(a) from April 1, 2005 through and including April 30, 2005 - $35,000,000;

(b) from May 1, 2005 through and including May 31, 2005 - $25,000,000;

(c) from June 1, 2005 through and including June 30, 2005 - $21,000,000;

(d) from July 1, 2005 through and including July 31, 2005 - $14,000,000;

(e) from August 1, 2005 through and including August 31, 2005 - $7,000,000;

(f) from September 1, 2005 through and including September 30, 2005 - $21,000,000;

(g) from October 1, 2005 through and including October 31, 2005 - $14,000,000;

(h) from November 1, 2005 through and including November 30, 2005 - $7,000,000;

(i) from December 1, 2005 through and including December 31, 2005 - $26,000,000;

(j) from January 1, 2006 through and including January 31, 2006 - $19,000,000;

(k) from February 1, 2006 through and including February 28, 2006 - $12,000,000;

(l) from March 1, 2006 through and including March 31, 2006 - $31,000,000;

(m) from April 1, 2006 through and including April 30, 2006 - $24,000,000;

(n) from May 1, 2006 through and including May 31, 2006 - $17,000,000;

(o) from June 1, 2006 through and including June 30, 2006 - $36,000,000;

(p) from July 1, 2006 through and including July 31, 2006 - $29,000,000; and

(q) from August 1, 2006 through and including August 31, 2006 - $22,000,000.

(ii) 75% of all consideration received after July 1, 2005 from proceeds from the issuance of any equity securities of the Borrower (other than (i) the issuance of stock options, restricted stock or other stock-based awards under the Borrower’s director or employee stock incentive plans, or (ii) stock purchases under the Borrower’s employee stock purchase plan).”

(iii) The Loan Agreement shall be amended by deleting Section 5(c) of the Schedule thereto in its entirety and inserting in lieu thereof the following:

"**c. Adjusted Quick Ratio:**

Borrower shall maintain, at all times, to be tested monthly, an Adjusted Quick Ratio of at least:

(a) from April 1, 2005 through and including April 30, 2005 - 1.35 to 1.0;

(b) from May 1, 2005 through and including May 31, 2005 - 1.20 to 1.0;

(c) from June 1, 2005 through and including June 30, 2005 - 1.15 to 1.0;

(d) from July 1, 2005 through and including July 31, 2005 - 1.05 to 1.0;

(e) from August 1, 2005 through and including August 31, 2005 - 0.95 to 1.0;

(f) from September 1, 2005 through and including September 30, 2005 - 1.15 to 1.0;

(g) from October 1, 2005 through and including October 31, 2005 - 1.05 to 1.0;

(h) from November 1, 2005 through and including November 30, 2005 - 0.95 to 1.0;

(i) from December 1, 2005 through and including December 31, 2005 - 1.20 to 1.0

(j) from January 1, 2006 through and including January 31, 2006 - 1.10 to 1.0;

(k) from February 1, 2006 through and including February 28, 2006 - 1.00 to 1.0;

(l) from March 1, 2006 through and including March 31, 2006 - 1.25 to 1.0;

(m) from April 1, 2006 through and including April 30, 2006 - 1.15 to 1.0;

(n) from May 1, 2006 through and including May 31, 2006 - 1.05 to 1.0;

(o) from June 1, 2006 through and including June 30, 2006 - 1.30 to 1.0;"

(p) from July 1, 2006 through and including July 31, 2006 - 1.25 to 1.0; and

(q) from August 1, 2006 through and including August 31, 2006 - 1.25 to 1.0.

4. FEES. Borrower shall pay to Bank a modification fee of $4,166.67, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Borrower shall also reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. RATIFICATION OF NEGATIVE PLEDGE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreements each dated as of January 30, 2003 between Borrower and Bank, and acknowledges, confirms and agrees that said Negative Pledge Agreement shall remain in full force and effect.

6. RATIFICATION OF PERFECTION CERTIFICATES. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in certain Perfection Certificates each dated as of January 30, 2003, as amended and affected by Schedule 1 to the Fourth Amendment and Exhibit A to the Fourth Amendment and acknowledges, confirms and agrees the disclosures and information therein has not changed as of the date hereof.

7. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

8. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

9. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

10. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing.

11. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[Remainder of page intentionally left blank.]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

ASPEN TECHNOLOGY, INC.

By: _____
Name: _____
Title: _____

BANK:

SILICON VALLEY BANK

By: _____
Name: _____
Title: _____

The undersigned, ASPENTECH SECURITIES CORP., a Massachusetts corporation, ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Unlimited Guaranty dated January 30, 2003 (the "Guaranty") and a certain Security Agreement dated as of January 30, 2003 (the "Security Agreement") and acknowledges, confirms and agrees that the Guaranty and Security Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Loan Modification Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith.

ASPENTECH SECURITIES CORP.

By: _____
Name: _____
Title: _____

Exhibit 10.22(n)

THIRTEENTH LOAN MODIFICATION AGREEMENT

This Thirteenth Loan Modification Agreement (this "Loan Modification Agreement") is entered into on April 13, 2007 by and between **SILICON VALLEY BANK**, a California chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Bank") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 for itself and as successor by merger with **ASPENTECH, INC.**, a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Borrower").

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of January 30, 2003, evidenced by, among other documents, a certain Loan and Security Agreement dated as of January 30, 2003 between Borrower, Aspentech, Inc. and Bank, as amended by a certain letter agreement dated February 14, 2003, a certain First Loan Modification Agreement dated June 27, 2003, a certain Second Loan Modification Agreement dated September 10, 2004, a certain Third Loan Modification Agreement dated January 28, 2005, a certain Fourth Loan Modification Agreement dated April 1, 2005, a certain Fifth Loan Modification Agreement dated May 6, 2005, a certain Sixth Loan Modification Agreement dated June 15, 2005, a certain Seventh Loan Modification Agreement dated September, 2005, a certain Eighth Amendment to Loan and Security Agreement dated November 22, 2005, a certain Ninth Loan Modification Agreement, dated July 17, 2006, a certain Tenth Loan Modification Agreement dated September 15, 2006, a certain Eleventh Loan Modification Agreement dated September 27, 2006, and a certain Twelfth Loan Modification Agreement dated January 12, 2007 (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations including the Export-Import Bank Loan and Security Agreement dated as of January 30, 2003, as amended (the "Exim Agreement"), shall be referred to as the "Existing Loan Documents".

3. DESCRIPTION OF CHANGE IN TERMS.

Modifications to Loan Agreement.

(i) Borrower and Bank agree that the Exim Agreement is hereby terminated and that Borrower shall have no right to request that Bank make any Advance or other extension of credit pursuant to the Exim Agreement.

(ii) The Loan Agreement shall be amended by deleting the following text appearing in the definition of "Eligible Receivables" in Section 8 of the Loan Agreement:

(viii) the Receivable must not be owing from an Account Debtor located outside the United States or Canada (unless pre-approved by Silicon in its discretion in writing, or backed by a letter of credit satisfactory to Silicon, or FCIA insured satisfactory to Silicon);

and inserting in lieu thereof the following:

(viii) the Receivable must not be owing from an Account Debtor located outside of the United States or Canada that is deemed unacceptable by Silicon in its discretion;

(iii) The Loan Agreement shall be amended by deleting the following text appearing in Section 1 of the Schedule to the Loan Agreement;

(i) **$15,000,000** (the "Maximum Credit Limit"); minus

and inserting in lieu thereof the following:

(i) **$25,000,000** (the "Maximum Credit Limit"); minus

(iv) The Loan Agreement shall be amended by deleting the following text appearing in Section 1 of the Schedule to the Loan Agreement:

(i) 70% (which percentage may increase pursuant to the results of Silicon's field audit of Borrower's Receivables in accordance with the Advance Rate Chart) (the "Domestic Advance Rate") of the amount of the Borrower's Eligible Receivables (as defined in Section 8 above); plus

and inserting in lieu thereof the following:

(i) 80% of the amount of the Borrower's Eligible Receivables (as defined in Section 8 above); plus

(v) The Loan Agreement shall be amended by deleting the following text appearing in Section 1 of the Schedule to the Loan Agreement:

"Letter of Credit/FX Contract/Cash Management Services Sublimit

(Section 1.5, 1.6, 1.7): $15,000,000.00"

and inserting in lieu thereof the following:

"Letter of Credit/FX Contract/Cash Management Services Sublimit

(Section 1.5, 1.6, 1.7): $25,000,000.00"

(vi) The Loan Agreement shall be amended by deleting the following text appearing in Section 4 of the Schedule to the Loan Agreement:

"MATURITY DATE

(Section 6.1): April 16, 2007"

and inserting in lieu thereof the following:

"MATURITY DATE

(Section 6.1): July 16, 2007"

(vii) The Loan Agreement shall be amended by deleting Section 5(a) of the Schedule thereto in its entirety and inserting in lieu thereof the following:

"a. Minimum Tangible Net Worth:

Borrower shall at all times maintain, to be tested monthly, as of the last day of each month, a Tangible Net Worth of not less than the sum of (i) plus (ii) below:

(i)

(a) from April 1, 2005 through and including April 30, 2005 - $35,000,000;

(b) from May 1, 2005 through and including May 31, 2005 - $25,000,000;

(c) from June 1, 2005 through and including June 30, 2005 - $21,000,000;

(d) from July 1, 2005 through and including July 31, 2005 - $14,000,000;

(e) from August 1, 2005 through and including August 31, 2005 - $7,000,000;

(f) from September 1, 2005 through and including September 30, 2005 - $21,000,000;

(g) from October 1, 2005 through and including October 31, 2005 - $14,000,000;

(h) from November 1, 2005 through and including November 30, 2005 - $7,000,000;

(i) from December 1, 2005 through and including December 31, 2005 - $26,000,000;

(j) from January 1, 2006 through and including January 31, 2006 - $19,000,000;

(k) from February 1, 2006 through and including February 28, 2006 - $12,000,000;

(l) from March 1, 2006 through and including March 31, 2006 - $31,000,000;

(m) from April 1, 2006 through and including April 30, 2006 - $24,000,000;

(n) from May 1, 2006 through and including May 31, 2006 - $17,000,000;

(o) from June 1, 2006 through and including June 30, 2006 - $36,000,000;

(p) from July 1, 2006 through and including July 31, 2006 - $29,000,000;

(q) from August 1, 2006 through and including August 31, 2006 - $22,000,000;

(r) from September 1, 2006 through and including September 30, 2006 - $41,000,000;

(s) from October 1, 2006 through and including October 31, 2006 - $34,000,000;

(t) from November 1, 2006 through and including November 30, 2006 - $27,000,000;

(u) from December 1, 2006 through and including December 31, 2006 - $40,000,000;

(v) from January 1, 2007 through and including January 31, 2007 - $32,000,000;

(w) from February 1, 2007 through and including February 28, 2007 - $24,000,000;

(x) from March 1, 2007 through and including March 31, 2007 - $40,000,000;

(z) from April 1, 2007 through and including April 30, 2007 - $32,000,000;

(aa) from May 1, 2007 through and including May 31, 2007 - $24,000,000;

(bb) from June 1, 2007 through and including June 30, 2007 - $40,000,000;

(cc) from July 1, 2007 and thereafter - $32,000,000;

(ii) 75% of all consideration received after July 1, 2005 from proceeds from the issuance of any equity securities of the Borrower (other than (i) the issuance of stock options, restricted stock or other stock-based awards under the Borrower's

director or employee stock incentive plans, or (ii) stock purchases under the Borrower's employee stock purchase plan)."

(viii) The Loan Agreement shall be amended by deleting Section 5(c) of the Schedule thereto in its entirety and inserting in lieu thereof the following:

"c. Adjusted Quick Ratio:

Borrower shall maintain, at all times, to be tested monthly, an Adjusted Quick Ratio of at least:

(a) from April 1, 2005 through and including April 30, 2005 - 1.35 to 1.0;

(b) from May 1, 2005 through and including May 31, 2005 — 1.20 to 1.0;

(c) from June 1, 2005 through and including June 30, 2005 - 1.15 to 1.0;

(d) from July 1, 2005 through and including July 31, 2005 - 1.05 to 1.0;

(e) from August 1, 2005 through and including August 31, 2005 - 0.95 to 1.0;

(f) from September 1, 2005 through and including September 30, 2005 - 1.15 to 1.0;

(g) from October 1, 2005 through and including October 31, 2005 - 1.05 to 1.0;

(h) from November 1, 2005 through and including November 30, 2005 - 0.95 to 1.0;

(i) from December 1, 2005 through and including December 31, 2005 - 1.20 to 1.0;

(j) from January 1, 2006 through and including January 31, 2006 - 1.10 to 1.0;

(k) from February 1, 2006 through and including February 28, 2006 - 1.00 to 1.0;

(l) from March 1, 2006 through and including March 31, 2006 - 1.25 to 1.0;

(m) from April 1, 2006 through and including April 30, 2006 - 1.15 to 1.0;

(n) from May 1, 2006 through and including May 31, 2006 - 1.05 to 1.0;

(o) from June 1, 2006 through December 31, 2006 - 1.25 to 1.0;

(p) from January 1, 2007 through and including February 28, 2007 - 1.15 to 1.0;

(q) from March 1, 2007 through and including March 31, 2007 - 1.25 to 1.0;

(r) from April 1, 2007 through and including May 31, 2007 - 1.15 to 1.0;

(s) from June 1, 2007 through and including June 30, 2007 - 1.25 to 1.0; and

(t) from July 1, 2007 through and including July 31, 2007 - 1.15 to 1.0."

4. FEES. Borrower shall pay to Bank a modification fee of $22,500.00, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Borrower shall also reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. RATIFICATION OF NEGATIVE PLEDGE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreements each dated as of January 30, 2003 between Borrower and Bank, and acknowledges, confirms and agrees that said Negative Pledge Agreement shall remain in full force and effect.

6. RATIFICATION OF PERFECTION CERTIFICATES Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in certain Perfection Certificates each dated as of January 30, 2003, as amended and affected by Schedule 1 to the Fourth Amendment and Exhibit A to the Fourth Amendment and acknowledges, confirms and agrees the disclosures and information therein, in Schedule 3.10 to the Loan Agreement, in on Schedule 1 annexed to the Tenth Loan Modification Agreement, and/or in connection with the formation of subsidiaries as contemplated by the Guggenheim Transactions and the Key Transactions (as defined in the Sixth Loan Modification Agreement and the Eleventh Loan Modification Agreement, respectively), have not changed as of the date hereof.

7. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

8. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

9. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

10. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing.

11. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[Remainder of page intentionally left blank.]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

ASPEN TECHNOLOGY, INC.

By: /s/ Leo S. Vannoni
Name: LEO S. VANNONI
Title: TREASURER

BANK:

SILICON VALLEY BANK

By: /s/ Michael Tramank
Name: Michael Tramank
Title: Senior Vice President

The undersigned, ASPENTECH SECURITIES CORP., a Massachusetts corporation, ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Unlimited Guaranty dated January 30, 2003 (the "Guaranty") and a certain Security Agreement dated as of January 30, 2003 (the "Security Agreement") and acknowledges, confirms and agrees that the Guaranty and Security Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Loan Modification Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith.

ASPENTECH SECURITIES CORP.

By: /s/ Leo S. Vannoni
Name: LEO S. VANNONI
Title: TREASURER

Exhibit 10.22(o)

FOURTEENTH LOAN MODIFICATION AGREEMENT

This Fourteenth Loan Modification Agreement (this "Loan Modification Agreement") is entered into on June 28, 2007 by and between **SILICON VALLEY BANK**, a California chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Bank") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 for itself and as successor by merger with **ASPENTECH, INC.**, a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Borrower").

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of January 30, 2003, evidenced by, among other documents, a certain Loan and Security Agreement dated as of January 30, 2003 between Borrower, Aspentech, Inc. and Bank, as amended by a certain letter agreement dated February 14, 2003, a certain First Loan Modification Agreement dated June 27, 2003, a certain Second Loan Modification Agreement dated September 10, 2004, a certain Third Loan Modification Agreement dated January 28, 2005, a certain Fourth Loan Modification Agreement dated April 1, 2005, a certain Fifth Loan Modification Agreement dated May 6, 2005, a certain Sixth Loan Modification Agreement dated June 15, 2005, a certain Seventh Loan Modification Agreement dated September, 2005, a certain Eighth Amendment to Loan and Security Agreement dated November 22, 2005, a certain Ninth Loan Modification Agreement dated July 17, 2006, a certain Tenth Loan Modification Agreement dated September 15, 2006, a certain Eleventh Loan Modification Agreement dated September 27, 2006, a certain Twelfth Loan Modification Agreement dated January 12, 2007 and a certain Thirteenth Loan Modification Agreement dated April 13, 2007 (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement,

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the "Existing Loan Documents."

3. DESCRIPTION OF CHANGE IN TERMS.

Modifications to Loan Agreement.

(i) The Loan Agreement shall be amended by deleting the following text appearing in the definition of "Eligible Receivables" in Section 8 of the Loan Agreement:

"(viii) the Receivable must not be owing from an Account Debtor located outside of the United States or Canada that is deemed unacceptable by Silicon in its discretion;"

and inserting in lieu thereof the following:

"(viii) the Receivable must not be owing from an Account Debtor located outside of the United States or Canada that is deemed unacceptable by Silicon in its discretion; provided, further, that such Receivables shall in no event be deemed to be acceptable to Silicon to the extent the aggregate amount of advances and other financial accommodations based upon such Receivables exceeds $10,000,000 unless specifically approved by Silicon in writing in each instance;"

(ii) The Loan Agreement shall be amended by deleting the following text appearing in Section 1 of the Schedule to the Loan Agreement:

(i) $25,000,000 (the "Maximum Credit Limit;" minus

and inserting in lieu thereof the following:

(i) $25,000,000 (or such lesser amount necessary to ensure that the aggregate amount of the Obligations under this Agreement plus the aggregate amount of Purchased Receivables (as defined in the Non-Recourse Receivables Purchase Agreement between Silicon and Borrower dated December 31, 2003, as amended and as may be further amended and in effect from time to time) do not exceed $80,000,000) (the "Maximum Credit Limit"); minus

(iii) The Loan Agreement shall be amended by deleting the following text appearing in Section 4 of the Schedule to the Loan Agreement:

"MATURITY DATE

(Section 6.1): July 16, 2007"

and inserting in lieu thereof the following:

"MATURITY DATE

(Section 6.1): October 16, 2007"

(iv) The Loan Agreement shall be amended by deleting Section 5(a) of the Schedule thereto in its entirety and inserting in lieu thereof the following:

"a. Minimum Tangible Net Worth:

Borrower shall at all times maintain, to be tested monthly, as of the last day of each month, a Tangible Net Worth of not less than the sum of (i) plus (ii) below:

(i)

(a) from April 1, 2005 through and including April 30, 2005 - $35,000,000;

(b) from May 1, 2005 through and including May 31, 2005 - $25,000,000;

(c) from June 1, 2005 through and including June 30, 2005 - $21,000,000;

(d) from July 1, 2005 through and including July 31, 2005 - $14,000,000;

(e) from August 1, 2005 through and including August 31, 2005 - $7,000,000;

(f) from September 1, 2005 through and including September 30, 2005 - $21,000,000;

(g) from October 1, 2005 through and including October 31, 2005 - $14,000,000;

(h) from November 1, 2005 through and including November 30, 2005 - $7,000,000;

(i) from December 1, 2005 through and including December 31, 2005 - $26,000,000;

(j) from January 1, 2006 through and including January 31, 2006 - $19,000,000;

(k) from February 1, 2006 through and including February 28, 2006-$l2,000,000;

(l) from March 1, 2006 through and including March 31, 2006 - $31,000,000;

(m) from April 1, 2006 through and including April 30, 2006 -$24,000,000;

(n) from May 1, 2006 through and including May 31, 2006 - $17,000,000;

(o) from June 1, 2006 through and including June 30, 2006 - $36,000,000;

(p) from July 1, 2006 through and including July 31, 2006 - $29,000,000;

(q) from August 1, 2006 through and including August 31, 2006 - $22,000,000;

(r) from September 1, 2006 through and including September 30, 2006 - $41,000,000;

(s) from October 1, 2006 through and including October 31, 2006 - $34,000,000;

(t) from November 1, 2006 through and including November 30, 2006 - $27,000,000;

(u) from December 1, 2006 through and including December 31, 2006 - $40,000,000;

(v) from January 1, 2007 through and including January 31, 2007 - $32,000,000;

(w) from February 1, 2007 through and including February 28, 2007 - $24,000,000;

(x) from March 1, 2007 through and including March 31, 2007 - $40,000,000;

(z) from April 1, 2007 through and including April 30, 2007 - $32,000,000;

(aa) from May 1, 2007 through and including May 31, 2007 - $24,000,000;

(bb) from June 1, 2007 through and including June 30, 2007 - $60,000,000;

(cc) from July 1, 2007 through and including July 31, 2007 - $52,000,000;

(dd) from August 1, 2007 through and including August 31, 2007 - $54,000,000;

(ee) from September 1, 2007 and thereafter - $60,000,000;

(ii) 75% of all consideration received after July 1, 2005 from proceeds from the issuance of any equity securities of the Borrower (other than (i)

the issuance of stock options, restricted stock or other stock-based awards under the Borrower's director or employee stock incentive plans, or (ii) stock purchases under the Borrower's employee stock purchase plan)."

(v) The loan Agreement shall be amended by deleting Section 5(c) of the Schedule thereto in its entirety and inserting in lieu thereof the following:

"c. Adjusted Quick Ratio:

Borrower shall maintain, at all times, to be tested monthly, an Adjusted Quick Ratio of at least:

(a) from April 1, 2005 through and including April 30, 2005 - 1.35 to 1.0;

(b) from May 1, 2005 through and including May 31, 2005 - 1.20 to 1.0;

(c) from June 1,-2005 through and including June 30, 2005 - 1.15 to 1.0;

(d) from July 1, 2005 through and including July 31, 2005 - 1.05 to 1.0;

(e) from August 1, 2005 through and including August 31, 2005 - 0.95 to 1.0;

(f) from September 1, 2005 through and including September 30, 2005 - 1.1.5 to 1.0;

(g) from October 1, 2005 through and including October 31, 2005 - 1.05 to 1.0;

(h) from November 1, 2005 through and including November 30, 2005 - 0.95 to 1.0;

(i) from December 1, 2005 through and including December 31, 2005 — 1.20 to 1.0

(j) from January 1, 2006 through and including January 31, 2006 - 1.10 to 1.0;

(k) from February 1, 2006 through and including February 28, 2006 - 1.00 to 1.0;

(1) from March 1, 2006 through and including March 31, 2006 - 1.25 to 1.0;

(m) from April 1, 2006 through and including April 30, 2006 - 1.15 to 1.0;

(n) from May 1, 2006 through and including May 31, 2006 — 1.05 to 1.0;

(o) from June 1, 2006 through December 31, 2006 - 1.25 to 1.0;

(p) from January 1, 2007 through and including February 28, 2007 -1.15 to 1.0;

(q) from March 1, 2007 through and including March 31, 2007 - 1.25 to 1.0;

(r) from April 1, 2007 through and including May 31, 2007 - 1.15 to 1.0; and

(s) from June 1, 2007 and thereafter - 1.50 to 1.0."

4. FEES. Borrower shall pay to Bank a modification fee of $22,500.00, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Borrower shall also reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. RATIFICATION OF NEGATIVE PLEDGE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreements each dated as of January 30, 2003 between Borrower and Bank, and acknowledges, confirms and agrees that said Negative Pledge Agreement shall remain in full force and effect.

6. RATIFICATION OF PERFECTION CERTIFICATES Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in certain Perfection Certificates each dated as of January 30, 2003, as amended and affected by Schedule 1 to the Fourth Amendment and Exhibit A to the Fourth Amendment and acknowledges, confirms and agrees the disclosures and information therein, in Schedule 3.10 to the Loan Agreement, in on Schedule 1 annexed to the Tenth Loan Modification Agreement, and/or in connection with the formation of subsidiaries as contemplated by the Guggenheim Transactions and the Key Transactions (as defined in the Sixth Loan Modification Agreement and the Eleventh Loan Modification Agreement, respectively), have not changed as of the date hereof.

7. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

8. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

9. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

10. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents, after giving effect to this Loan Modification Agreement and the Waiver Agreement entered into between Borrower and Bank dated as of the date hereof. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing.

11. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[Remainder of page intentionally left blank.]

This Loan Modification Agreement "is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

ASPEN TECHNOLOGY, INC.

By: */s/*
Name: Leo S. Vannoni
Title: Treasurer

BANK:

SILICON VALLEY BANK

By: */s/*
Name: Michael Tramack
Title: Senior Vice President

The undersigned, ASPENTECH SECURITIES CORP., a Massachusetts corporation, ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Unlimited Guaranty dated January 30, 2003 (the "Guaranty") and a certain Security Agreement dated as of January 30, 2003 (the "Security Agreement") and acknowledges, confirms and agrees that the Guaranty and Security Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Loan Modification Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith.

ASPENTECH SECURITIES CORP.

By: */s/*
Name: Leo S. Vannoni
Title: Treasurer

Exhibit 10.22(p)

FIFTEENTH LOAN MODIFICATION AGREEMENT

This Fifteenth Loan Modification Agreement (this "Loan Modification Agreement") is entered into on August 30, 2007 by and between **SILICON VALLEY BANK**, a California chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Bank") and **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 for itself and as successor by merger with **ASPENTECH, INC.**, a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Borrower").

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of January 30, 2003, evidenced by, among other documents, a certain Loan and Security Agreement dated as of January 30, 2003 between Borrower, Aspentech, Inc. and Bank, as amended by a certain letter agreement dated February 14, 2003, a certain First Loan Modification Agreement dated June 27, 2003, a certain Second Loan Modification Agreement dated September 10, 2004, a certain Third Loan Modification Agreement dated January 28, 2005, a certain Fourth Loan Modification Agreement dated April 1, 2005, a certain Fifth Loan Modification Agreement dated May 6, 2005, a certain Sixth Loan Modification Agreement dated June 15, 2005, a certain Seventh Loan Modification Agreement dated September, 2005, a certain Eighth Amendment to Loan and Security Agreement dated November 22, 2005, a certain Ninth Loan Modification Agreement dated July 17, 2006, a certain Tenth Loan Modification Agreement dated September 15, 2006, a certain Eleventh Loan Modification Agreement dated September 27, 2006, a certain Twelfth Loan Modification Agreement dated January 12, 2007, a certain Thirteenth Loan Modification Agreement dated April 13, 2007, a certain Fourteenth Loan Modification Agreement dated June 28, 2007 and a certain Waiver Agreement dated June 28, 2007 (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the "Existing Loan Documents".

3. DESCRIPTION OF CHANGE IN TERMS.

Modifications to Loan Agreement.

(i) Section 6(4) of the Schedule to the Loan Agreement shall be amended by adding the following text at the end of the Section:

"; provided, however, Borrower may in lieu thereof deliver its monthly unaudited financial statements for periods ending on a date between

April 30, 2007 and August 31, 2007, inclusive, in draft form as soon as available, and in any event within thirty days after the end of each applicable month, with final forms to be delivered to Bank within three days of the filing of such financial statements with the SEC but in no event later than October 18, 2007."

(ii) Section 6(5) of the Schedule to the Loan Agreement shall be amended by adding the following text at the end of the Section:

"; provided, however, Borrower may in lieu thereof deliver its monthly Compliance Certificates for periods ending on a date between April 30, 2007 and August 31, 2007, inclusive, in draft form."

(iii) Section 6(7) of the Schedule to the Loan Agreement shall be amended by adding the following text at the end of the Section:

"; provided, however, Borrower may deliver its annual operating budgets (including income statements, balance sheets and cash flow statements, by quarter) for its fiscal year end 2008 on or before October 18, 2007."

4. WAIVERS. (i) Bank hereby waives any default or event of default arising out of Borrower's failure to timely deliver the operating budgets required to be delivered to Bank for the upcoming fiscal year within thirty days prior to Borrower's fiscal year end 2007. As provided above, Borrower shall be required to deliver such operating budgets to Bank on or before October 18, 2007.

(ii) Bank hereby waives any default or event of default arising out of Borrower's failure to timely deliver its monthly unaudited financial statements and compliance certificates for periods ending on a date between April 30, 2007 and June 30, 2007, inclusive, pursuant to Section 6(4) and Section 6(5) of the Schedule to the Loan Agreement provided that Borrower delivers such financial statements and compliance certificates to Bank in such form as required pursuant Section 6(4) and Section 6(5) of the Schedule to the Loan Agreement, as modified above, upon the execution of this Agreement but in no event later than August 31, 2007.

(iii) Bank hereby consents to, and waives any default or event of default arising solely and directly from, Borrower's transfer of funds internationally between Borrower and certain Affiliates of Borrower prior to June 30, 2007.

5. FEES. Borrower shall reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

6. RATIFICATION OF NEGATIVE PLEDGE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreements each dated as of January 30, 2003 between Borrower and Bank, and acknowledges, confirms and agrees that said Negative Pledge Agreement shall remain in full force and effect.

7. RATIFICATION OF PERFECTION CERTIFICATES Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in certain Perfection Certificates each dated as of January 30, 2003, as amended and affected by Schedule 1 to the Fourth Amendment and Exhibit A to the Fourth Amendment and acknowledges, confirms and agrees the disclosures and information therein, in Schedule 3.10 to the Loan Agreement, in on Schedule 1 annexed to the Tenth Loan Modification Agreement, and/or in connection with the formation of subsidiaries as contemplated by the Guggenheim Transactions and the Key Transactions (as defined in the Sixth Loan Modification Agreement and the Eleventh Loan Modification Agreement, respectively), have not changed as of the date hereof.

8. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

9. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

10. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

11. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents, after giving effect to this Loan Modification Agreement and the Waiver Agreement entered into between Borrower and Bank dated as of the date hereof. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing.

12. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[Remainder of page intentionally left blank.]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

ASPEN TECHNOLOGY, INC.

By: _____
Name: _____
Title: _____

BANK:

SILICON VALLEY BANK

By: _____
Name: _____
Title: _____

The undersigned, ASPENTECH SECURITIES CORP., a Massachusetts corporation, ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Unlimited Guaranty dated January 30, 2003 (the "Guaranty") and a certain Security Agreement dated as of January 30, 2003 (the "Security Agreement") and acknowledges, confirms and agrees that the Guaranty and Security Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Loan Modification Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith.

ASPENTECH SECURITIES CORP.

By: _____
Name: _____
Title: _____

Exhibit 10.22(q)

SIXTEENTH LOAN MODIFICATION AGREEMENT

This Sixteenth Loan Modification Agreement (this "Loan Modification Agreement") is entered into on October 16, 2007 by and between **SILICON VALLEY BANK**, a California chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Bank") and ASPEN TECHNOLOGY, INC., a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 for itself and as successor by merger with **ASPENTECH, INC.**, a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Borrower").

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of January 30, 2003, evidenced by, among other documents, a certain Loan and Security Agreement dated as of January 30, 2003 between Borrower, Aspentech, Inc. and Bank, as amended by a certain letter agreement dated February 14, 2003, a certain First Loan Modification Agreement dated June 27, 2003, a certain Second Loan Modification Agreement dated September 10, 2004, a certain Third Loan Modification Agreement dated January 28, 2005, a certain Fourth Loan Modification Agreement dated April 1, 2005, a certain Fifth Loan Modification Agreement dated May 6, 2005, a certain Sixth Loan Modification Agreement dated June 15, 2005, a certain Seventh Loan Modification Agreement dated September, 2005, a certain Eighth Amendment to Loan and Security Agreement dated November 22, 2005, a certain Ninth Loan Modification Agreement dated July 17, 2006, a certain Tenth Loan Modification Agreement dated September 15, 2006, a certain Eleventh Loan Modification Agreement dated September 27, 2006, a certain Twelfth Loan Modification Agreement dated January 12, 2007, a certain Thirteenth Loan Modification Agreement dated April 13, 2007, a certain Fourteenth Loan Modification Agreement dated June 28, 2007, a certain Waiver Agreement dated June 28, 2007 and a certain Fifteenth Loan Modification Agreement dated August 30, 2007 (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described to the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the "Existing Loan Documents".

3. DESCRIPTION OF CHANGE IN TERMS.

Modifications to Loan Agreement.

(i) The Loan Agreement shall be amended by deleting the following text appearing in Section 4 of the Schedule to the Loan Agreement:

"MATURITY DATE

(Section 6.1): October 16, 2007"

and inserting in lieu thereof the following:

"MATURITY DATE

(Section 6.1): February 15, 2008"

(ii) Section 5 of the Schedule to the Loan Agreement shall be amended by adding the following text at the end of the definition of "Current Liabilities" appearing therein:

"The foregoing definition of "Current Liabilities" may be modified by Silicon, in its sole discretion, after consultation with Borrower, to account for and/or address any recharacterization or reclassification of, or changes to, "Current Liabilities" pursuant to any restatement of Borrower's financial statements."

(iii) Section 5 of me Schedule to the Loan Agreement shall be amended by adding the following text at the end of the definition of "Quick Assets" appearing therein:

"The foregoing definition of "Quick Assets" may be modified by Silicon, in its sole discretion, after consultation with Borrower, to account for and/or address any recharacterization or reclassification of, or changes to, "Quick Assets" pursuant to any restatement of Borrower's financial statements."

(iv) Section 6(4) of the Schedule to the Loan Agreement shall be amended by deleting the following text appearing at the end of the Section:

"; provided, however, Borrower may in lieu thereof deliver its monthly unaudited financial statements for periods ending on a date between April 30, 2007 and August 31, 2007, inclusive, in draft form as soon as available, and in any event within thirty days after the end of each applicable month, with final forms to be delivered to Bank within three days of the filing of such financial statements with the SEC but in no event later than October 18, 2007."

and inserting in lieu thereof the following:

"; provided, however, Borrower may in lieu thereof deliver (i) its monthly unaudited financial statements for periods ending on a date between April 30, 2007 and July 31, 2007, inclusive, in draft form as soon as available, and in any event within thirty days after the end of each applicable month, with final forms to be delivered to Bank within three

days of the filing of such financial statements with the SEC but in no event later than December 31, 2007, (ii) its monthly unaudited financial statement for period ending on August 31, 2007, in draft form as soon as available, and in any event on or before November 15, 2007, with final form to be delivered to Bank within three days of the filing of such financial statements with the SEC but in no event later than December 31, 2007 and (iii) its monthly unaudited financial statements for periods ending on a date between September 30, 2007 and November 30, 2007, inclusive, in draft form as soon as available, and in any event within thirty days after the end of each applicable month, with final forms to be delivered to Bank within three days of the filing of such financial statements with the SEC but in no event later than December 31, 2007."

(v) Section 6(6) of the Schedule to the Loan Agreement shall be amended by adding the following text at the end of the Section:

"; provided, however, Borrower may in lieu thereof deliver its quarterly unaudited financial statements for the periods ending on June 30, 2007 and September 30, 2007 in draft form as soon as available, and in any event within forty-five days after the end of each applicable quarter, with final forms to be delivered to Bank within three days of the filing of such financial statements with the SEC but in no event later than December 31, 2007."

(vi) Section 6(7) of the Schedule to the Loan Agreement shall be amended by deleting the following text appearing at the end of the Section:

"; provided, however, Borrower may deliver its annual operating budgets (including income statements, balance sheets and cash flow statements, by quarter) for its fiscal year end 2008 on or before October 18, 2007."

and inserting in lieu thereof the following:

"; provided, however, Borrower may deliver its annual operating budgets (including income statements, balance sheets and cash flow statements, by quarter) for its fiscal year end 2008 on or before December 31, 2007."

(vii) Section 6(8) of the Schedule to the Loan Agreement shall be amended by adding the following text at the end of the Section:

"; provided, however, Borrower may in lieu thereof deliver its annual financial statements for the period ending on June 30, 2007 as soon as available, and in any event within three days of the filing of such financial statements with the SEC but in no event later than December 31, 2007."

4. FEES. Borrower shall pay to Bank a modification fee of $83,300.00, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Borrower

shall also reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. RATIFICATION OF NEGATIVE PLEDGE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreements each dated as of January 30, 2003 between Borrower and Bank, and acknowledges, confirms and agrees that said Negative Pledge Agreement shall remain in full force and effect.

6. RATIFICATION OF PERFECTION CERTIFICATES Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in certain Perfection Certificates each dated as of January 30, 2003, as amended and affected by Schedule 1 to the Fourth Amendment and Exhibit A to the Fourth Amendment and acknowledges, confirms and agrees the disclosures and information therein, in Schedule 3.10 to the Loan Agreement, in on Schedule 1 annexed to the Tenth Loan Modification Agreement, and/or in connection with the formation of subsidiaries as contemplated by the Guggenheim Transactions and the Key Transactions (as defined in the Sixth Loan Modification Agreement and the Eleventh Loan Modification Agreement, respectively), have not changed as of the date hereof.

7. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

8. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

9. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

10. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents, after giving effect to this Loan Modification Agreement and the Waiver Agreement entered into between Borrower and Bank dated as of the date hereof. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing.

11. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[Remainder of page intentionally left blank]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

ASPEN TECHNOLOGY, INC.

By: _____
Name: _____
Title: _____

BANK:

SILICON VALLEY BANK

By: _____
Name: _____
Title: _____

The undersigned, ASPENTECH SECURITIES CORP., a Massachusetts corporation, ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Unlimited Guaranty dated January 30, 2003 (the "Guaranty") and a certain Security Agreement dated as of January 30, 2003 (the "Security Agreement") and acknowledges, confirms and agrees that the Guaranty and Security Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Loan Modification Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith.

ASPENTECH SECURITIES CORP.

By: _____
Name: _____
Title: _____

Exhibit 10.29(b)

SECOND LOAN MODIFICATION AGREEMENT - EXIM

This Second Loan Modification Agreement (this "Loan Modification Agreement') is entered into as of January 28, 2005, by and among (i) **SILICON VALLEY BANK**, a California chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462, doing business under the name "Silicon Valley East" ("Bank") and (ii) **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 and **ASPENTECH, INC.**, a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 (jointly and severally, individually and collectively, "Borrower")

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of January 30, 2003, evidenced by, among other documents, a certain Export-Import Bank Loan and Security Agreement dated as of January 30, 2003 between Borrower and Bank, as amended (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the "Existing Loan Documents".

3. DESCRIPTION OF CHANGE IN TERMS.

Modifications to Loan Agreement.

(i) The Loan Agreement shall be amended by deleting the following text appearing in Section 13.1 of the Loan Agreement:

""Exim Maturity Date" is January 29, 2005."

and inserting in lieu thereof the following:

""Exim Maturity Date" is April 1, 2005."

4. FEES. Borrower shall reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. RATIFICATION OF NEGATIVE PLEDGE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreements each dated as of January 30, 2003 between Borrower and Bank, and acknowledges, confirms and agrees that said Negative Pledge Agreement shall remain in full force and effect.

6. RATIFICATION OF PERFECTION CERTIFICATE Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in certain Perfection Certificates each dated as of January 30, 2003 and acknowledges, confirms and agrees the disclosures and information therein has not changed, as of the date hereof.

7. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

8. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

9. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

10. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing.

11. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[Remainder of page intentionally left blank.]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

ASPEN TECHNOLOGY, INC.

By: /s/ Charles F. Kano
Name: Charles F. Kano
Title: SUP-CFO

ASPENTECH, INC.

By: /s/ Charles F. Kano
Name: Charles F. Kano
Title: SUP-CFO

SILICON VALLEY BANK, d/b/a
SILICON VALLEY EAST

By:
Name:
Title:

The undersigned, ASPENTECH SECURITIES CORP., a Massachusetts corporation, ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Unlimited Guaranty dated January 30, 2003 (the "Guaranty") and a certain Security Agreement dated as of January 30, 2003 (the "Security Agreement") and acknowledges, confirms and agrees that the Guaranty and Security Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Loan Modification Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith.

ASPENTECH SECURITIES CORP

By: /s/ Charles F. Kano
Name: Charles F. Kano
Title: SUP-CFO

PROMISSORY NOTE
(Exim)

$10,000,000.00 January 28, 2005

FOR VALUE RECEIVED, the undersigned (jointly and severally, individually and collectively, the "Borrower"), jointly and severally promises to pay to the order of Silicon Valley Bank ("Bank"), at such place as the holder hereof may designate, in lawful money of the United States of America, the aggregate unpaid principal amount of all advances ("Advances") made by Bank to Borrower, up to a maximum principal amount of Ten Million Dollars ($10,000,000.00), plus interest on the aggregate unpaid principal amount of such Advances, at the rates and in accordance with the terms of the Export-Import Bank Loan and Security Agreement between Borrower and Bank dated as of January 30, 2003, as amended from time to time (the "Loan Agreement") on the first calendar day of each month after an Advance has been made. The entire principal amount and all accrued interest shall be due and payable on April 1, 2005, or on such earlier date, as provided for in the Loan Agreement.

Borrower irrevocably waives the right to direct the application of any and all payments at any time hereafter received by Bank from or on behalf of Borrower, and Borrower irrevocably agrees that Bank shall have the continuing exclusive right to apply any and all such payments against the then due and owing obligations of Borrower as Bank may deem advisable. In the absence of a specific determination by Bank with respect thereto, all payments shall be applied in the following order: (a) then due and payable fees and expenses; (b) then due and payable interest payments and mandatory prepayments; and (c) then due and payable principal payments and optional prepayments.

Bank is hereby authorized by Borrower to endorse on Bank's books and records each Advance made by Bank under this Note and the amount of each payment or prepayment of principal of each such Advance received by Bank; it being understood, however, that failure to make any such endorsement (or any errors in notation) shall not affect the obligations of Borrower with respect to Advances made hereunder, and payments of principal by Borrower shall be credited to Borrower notwithstanding the failure to make a notation (or any errors in notation) thereof on such books and records.

Borrower promises to pay Bank all reasonable costs and reasonable expenses including all reasonable attorneys' fees, incurred in such collection or in any suit or action to collect this Note or in any appeal thereof, unless a final court of competent jurisdiction finds that the Bank acted with gross negligence or willful misconduct. Borrower waives presentment, demand, protest, notice of protest, notice of dishonor, notice of nonpayment, and any and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, as well as any applicable statute of limitations. No delay by Bank in exercising any power or right hereunder shall operate as a waiver of any power or right. Time is of the essence as to all obligations hereunder.

This Note is issued pursuant to the Loan Agreement, which shall govern the rights and obligations of Borrower with respect to all obligations hereunder.

The law of the Commonwealth of Massachusetts shall apply to this Agreement. BORROWER AND BANK EACH ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE COMMONWEALTH OF MASSACHUSETTS IN ANY ACTION, SUIT, OR PROCEEDING OF ANY KIND, AGAINST IT WHICH ARISES OUT OF OR BY REASON OF THIS NOTE OR THE LOAN AGREEMENT; PROVIDED, HOWEVER, THAT IF FOR ANY REASON BANK CANNOT AVAIL ITSELF OF THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS, BORROWER ACCEPTS JURISDICTION OF THE COURTS AND VENUE IN SANTA CLARA COUNTY, CALIFORNIA.

BORROWER WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE EXIM LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. BORROWER RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. BORROWER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

ASPEN TECHNOLOGY, INC.

By: /s/ Charles F. Kano
Name: Charles F. Kano
Title: SUP-CFO

ASPENTECH, INC.

By: /s/ Charles F. Kano
Name: Charles F. Kano
Title: SUP-CFO

Exhibit 10.29(e)

FIFTH LOAN MODIFICATION AGREEMENT - EXIM

This Fifth Loan Modification Agreement - Exim (this "Loan Modification Agreement') is entered into as of July 17, 2006, by and among (i) **SILICON VALLEY BANK**, a California chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462 ("Bank") and (ii) **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 for itself and as successor by merger with **ASPENTECH, INC.**, a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141 ("Borrower")

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of January 30,2003, evidenced by, among other documents, a certain Export-Import Bank Loan and Security Agreement dated as of January 30, 2003 between Borrower and Bank, as amended from time to time (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the "Existing Loan Documents".

3. DESCRIPTION OF CHANGE IN TERMS.

Modification to Loan Agreement.

(a) The Loan Agreement shall be amended by deleting the following text appearing in Section 13.1 of the Loan Agreement:

" "Exim Maturity Date" is July 15, 2006."

and inserting in lieu thereof the following:

" "Exim Maturity Date" is September 13, 2006."

4. FEES. Borrower shall pay to Bank a modification fee of $10,833.33, which fee shall be due on the date hereof and shall be deemed fully earned as of the date hereof. Borrower shall also reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. RATIFICATION OF NEGATIVE PLEDGE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreements each dated as of January 30, 2003 between Borrower and Bank, and

acknowledges, confirms and agrees that said Negative Pledge Agreement shall remain in full force and effect.

6. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

7. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

8. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

9. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing.

10. COUNTERSIGNATURE. This Loan Modification Agreement shall become effective only when it shall have been executed by Borrower and Bank.

[Remainder of page intentionally left blank.]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:

ASPEN TECHNOLOGY, INC.

By: /s/ Leo S. Vannoni
Name: Leo S. Vannoni
Title: Treasurer

BANK:

SILICON VALLEY BANK

By: /s/ Michael Tramack
Name: Michael Tramack
Title: Senior Vice President

The undersigned, ASPENTECH SECURITIES CORP., a Massachusetts corporation, ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Unlimited Guaranty dated January 30, 2003 (the "Guaranty") and a certain Security Agreement dated as of January 30, 2003 (the "Security Agreement") and acknowledges, confirms and agrees that the Guaranty and Security Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Loan Modification Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith.

ASPENTECH SECURITIES CORP.

By: /s/ Leo S. Vannoni
Name: Leo S. Vannoni
Title: Treasurer

Exhibit 10.37

ASPEN TECHNOLOGY, INC.

AMENDED AND RESTATED
1995 DIRECTORS STOCK OPTION PLAN

1. *Definitions.* As used in this 1995 Directors Stock Option Plan of Aspen Technology, Inc., the following terms shall have the following meanings:

1.1 *Change in Corporate Control* means the date on which any individual, corporation, partnership or other person or entity (together with its "Affiliates" and "Associates," as defined in Rule 12b-2 under the Securities Exchange Act of 1934) "beneficially owns" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) in the aggregate 20% or more of the outstanding shares of capital stock of the Company entitled to vote generally in the election of directors of the Company.

1.2 *Code* means the Internal Revenue Code of 1986, as amended.

1.3 *Company* means Aspen Technology, Inc.

1.4 *Fair Market Value* at any date means the closing price on the NASDAQ National Market on the last business day before that date.

1.5 *Grant Date* means the date on which an Option is granted, as specified in Sections 5 and 6.

1.6 *Option* means an option to purchase shares of the Stock granted under the Plan.

1.7 *Option Agreement* means an agreement between the Company and an Optionee, setting forth the terms and conditions of an Option.

1.8 *Option Price* means the price paid by an Optionee for an Option under this Plan.

1.9 *Option Share* means any share of Stock of the Company transferred to an Optionee upon exercise of an Option pursuant to this Plan.

1.10 *Optionee* means a person to whom an Option shall have been granted under the Plan.

1.11 *Plan* means this 1995 Directors Stock Option Plan of the Company.

1.12 *Stock* means common stock, $.10 par value, of the Company.

2. *Purpose.* This 1995 Directors Stock Option Plan is intended to encourage ownership of the Stock by non-employee directors of the Company and to provide additional incentive for them to promote the success of the Company's business.

3. *Term of the Plan.* Options under the Plan may be granted not later than November 30, 2005.

4. *Stock Subject to the Plan.* At no time shall the number of shares of the Stock then outstanding which are attributable to the exercise of Options granted under the Plan plus the number of shares then issuable upon exercise of outstanding options granted under the Plan exceed 440,000 shares, subject, however, to the provisions of Section 11 of the Plan. Shares to be issued upon the exercise of Options granted under the Plan may be either authorized but unissued shares or shares held by the Company in its treasury. If any Option expires or terminates for any reason without having been exercised in full, the shares not purchased thereunder shall again be available for Options thereafter to be granted.

5. *First Grants to Certain Directors.* Each individual who was not, within the 12 months preceding his or her first election to the Board of Directors, either an officer or employee of the Company or any subsidiary of the Company and who is serving as a director immediately after the 1995 Annual Meeting of Stockholders or who is first elected to the Board of Directors during the term of the Plan (whether elected at an annual or special stockholders' meeting or by action of the Board of Directors) shall be granted an Option to purchase 24,000 shares of Stock. Each Option shall (i) have an exercise price equal to 100% of the Fair Market Value of the Stock on the Grant Date, and (ii) become exercisable in 12 quarterly installments, beginning with the last day of the calendar quarter following the Grant Date, but only if the Optionee remains a director of the Company on the respective dates. The Option Period shall be ten years from the Grant Date.

6. *Subsequent Grants to Certain Directors.* Each individual who continues as a non-employee director following any Annual Meeting of Stockholders of the Company shall be granted, on the date of that Annual Meeting of Stockholders, an Option to purchase 8,000 shares of Stock. Each Option shall (i) have an Exercise Price equal to 100% of the Fair Market Value of the Stock on the Grant Date and (ii) become exercisable in four quarterly installments, beginning with the third anniversary of the Grant Date, but only if the Optionee remains a director of the Company on the respective dates. The Option Period shall be ten years from the Grant Date.

7. *Exercise of Option.* An Option may be exercised only by giving written notice, in the manner provided in Section 15 hereof, specifying the number of shares as to which the Option is being exercised, accompanied by (a) full payment for such shares in the form of check or bank draft payable to the order of the Company, or (b) certificates representing shares of the Stock with a current Fair Market Value equal to the Option Price of the shares to be purchased, or (c) irrevocable instructions to a brokerage firm to sell a sufficient number of the Option Shares to generate the full exercise price and to pay over to the Company such proceeds of sale. Receipt by the Company of such notice and payment shall constitute the exercise of the Option or a part thereof. The Company shall thereafter deliver or cause to be delivered to the Optionee a certificate or certificates for the number of shares then being purchased by the Optionee. Such shares shall be fully paid and nonassessable. If any law or applicable regulation of the Securities and Exchange Commission or other body having jurisdiction in the premises shall require the Company or the Optionee to take any action in connection with shares being purchased upon exercise of the option, exercise of the option and delivery of the certificate or certificates for such shares shall be postponed until completion of the necessary action, which shall be taken at the Company's expense. Upon a Change in Corporate Control, each outstanding Option shall immediately become fully exercisable.

8. *Transferability of Options.* Options shall not be transferable, otherwise than by will or the laws of descent and distribution, and may be exercised during the life of the Optionee only by the Optionee.

9. *Stock Purchase Agreement.* Each Optionee exercising an option, at the request of the Company, will be required to sign a Stock Purchase Agreement representing in form satisfactory to counsel for the Company that he or she will not transfer, sell or otherwise dispose of the Option Shares at any time purchased by him or her, upon the exercise of any portion of the Option, in a manner which would violate the Securities Act of 1933, as amended, and the regulations of the Securities and Exchange Commission thereunder; and the Company may, at its discretion, make a notation on any certificates issued upon exercise of options to the effect that such certificate may not be transferred except after receipt by the Company of an opinion of counsel satisfactory to it to the effect that such transfer will not violate such Act and such regulations, and may issue "stop transfer" instructions to its transfer agent, if any, and make a "stop transfer" notation on its books as appropriate. Such Stock Purchase Agreement shall include such other provisions as the Committee may determine are appropriate.

10. *Termination of Service.* In the event that the Optionee's service as a director ends for any reason other than death, the Option, to the extent exercisable at termination, may be exercised by the Optionee at any time within 30 days after termination unless terminated earlier by its terms. If termination of service results from the death of the Optionee, the Option, to the extent exercisable at the date of death, may be exercised by the person to whom the Option is transferred by will or the applicable laws of descent and distribution, at any time within 12 months after the date of death, unless terminated earlier by its terms.

11. *Adjustment of Number of Shares.* Each Option Agreement shall provide that in the event of any capital adjustments including stock splits, stock contractions, stock dividends, reclassifications, exchanges and substitutions, occurring after the date of the option and prior to the exercise in full of the option, the number of shares for which the option may be exercised and the price per share shall be proportionately adjusted. In the event of any such change in the outstanding Stock, the Stock available for the purpose of the Plan, as stated in Section 4 hereof, and the grants provided by Sections 5 and 6 shall be correspondingly adjusted.

12. *Stock Reserved.* The Company shall at all times during the term of the Option reserve and keep available such number of shares of the Stock as will be sufficient to satisfy the requirements of this Plan and shall pay all fees and expenses necessarily incurred by the Company in connection therewith.

13. *Limitation of Rights in the Option Shares.* An Optionee shall not be deemed for any purpose to be a stockholder of the Company with respect to any of the Option Shares except to the extent that the Option shall have been exercised with respect thereto and, in addition, a certificate shall have been issued therefor and delivered to the Optionee.

14. *Termination and Amendment of the Plan.* The Board of Directors of the Company may at any time terminate the Plan or make such amendment to the Plan as it shall deem

advisable, provided that, except as provided in Section 11, it may not, without the approval by the holders of a majority of the Stock, change the classes of persons eligible to receive Options, increase the maximum number of shares available for option under the Plan or extend the period during which Options may be granted or exercised and it may not amend the Plan more than once in any six-month period except to the extent necessary to comply with applicable Federal income tax laws and regulations. No termination or amendment of the Plan may, without the consent of the Optionee to whom any Option shall theretofore have been granted, adversely affect the rights of such Optionee under such Option. The Company may also, in its discretion, permit any option to be exercised prior to the date on which it vests.

15. *Notices.* Any communication or notice required or permitted to be given under the Plan shall be in writing, and mailed by registered or certified mail or delivered in hand, if to the Company, to its Chief Financial Officer at Ten Canal Park, Cambridge, MA 02141 and, if to the Optionee, to the address as the Optionee shall last have furnished to the Company.

* * * * *

AMENDMENT TO
AMENDED AND RESTATED
1995 DIRECTORS STOCK OPTION PLAN

Section 4 of the Aspen Technologies, Inc. Amended and Restated 1995 Directors Stock Option Plan is hereby amended, subject to stockholder approval, by deleting the first sentence thereof and replacing it with the following sentence:

"At no time shall the number of shares of the Stock then outstanding which are attributable to the exercise of Options granted under the Plan plus the number of shares then issuable upon exercise of outstanding options granted under the Plan exceed 800,000 shares, *subject, however,* to the provisions of Section 11 of the Plan."

Approved by the Board of Directors,
May 29, 2003
Approved by the Stockholders, August
13, 2003

Exhibit 10.45

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement (this "Agreement") is entered into as a condition of employment with Aspen Technology, Inc. ("AspenTech") by ("Employee") effective as of the first day of Employee's employment by AspenTech.

Employee acknowledges that AspenTech's business depends on the marketing, license and sale of its proprietary products, know-how, services, and information. Employee will be using this information and, in the course of Employee's work, Employee may develop further information which is important to AspenTech's business. In working with AspenTech's customers, Employee will also have access to their information which AspenTech is obligated to keep confidential. AspenTech desires to be able to impart confidential information to Employee with the knowledge that the information will be used solely for AspenTech's benefit and not in competition with, or to the detriment of AspenTech.

This Agreement sets forth the terms of Employee's agreement with respect to the handling of proprietary and confidential information and with respect to non-competition. In consideration of and as part of the terms of Employee's employment with AspenTech, Employee agrees as follows:

1. Confidential Information. Employee recognizes and acknowledges that Employee will have access to certain confidential information and/or trade secrets during employment with AspenTech, and agrees that, except as required as part of Employee's work with AspenTech, Employee will maintain confidential all data, trade secrets, processes, formulae, inventions, specifications, techniques, methods, designs, working papers, notes, computer programs, software packages, test results, technical know-how, technical data, methods and procedures of operation, customer lists, business or marketing plans, customer lists, proposals, and all other information concerning customers, personnel and financial data, plans, contracts, and proprietary information of AspenTech or of another person or entity and in AspenTech's possession in connection with its business ("Proprietary Information"). This obligation will continue both during and after Employee's employment with AspenTech, but does not apply to information which is or becomes public knowledge through no act or omission of Employee.

2. Proprietary Rights. All Proprietary Information in any form, whether patentable or copyrightable or not, which Employee generates either solely or jointly during Employee's employment by AspenTech, excluding information developed outside the scope of employ as approved in writing by Employee's manager, (the "Developments") will be the sole and exclusive property of AspenTech (and in the case of copyrightable material, will be a "WORK MADE FOR HIRE" by the Employee for AspenTech). Employee will promptly and fully disclose all Developments to AspenTech and, if deemed necessary by AspenTech and at AspenTech's expense, will execute and deliver such instruments as AspenTech may request to protect its right, title, and interest in and to any of the Developments.

3. Records and Equipment. Immediately upon the termination of Employee's employment, or otherwise on demand by AspenTech, Employee will deliver to AspenTech all Proprietary Information, including without limitation, papers, photographs, drawings, notes, plans, computer programs, tapes, listings, copies of correspondence, memoranda, reports, customer lists, addresses, computers and other materials or equipment made or compiled by Employee or made available to Employee during the course of employment. Employee may not retain any copies without AspenTech's express written permission.

4. Non-Competition and Non-Solicitation. In exchange for AspenTech's disclosing Proprietary Information to Employee, Employee agrees that during the term of Employee's employment and for a period of twelve (12) months following the termination thereof for any reason, Employee will

not compete with AspenTech without AspenTech's written permission, which shall not be unreasonably withheld. For the purposes of this Agreement, "Competing with AspenTech" means

4.1. during the term of employment (i) soliciting any employee of AspenTech to leave his or her employment with AspenTech or to breach his or her employment obligations with AspenTech, or (ii) working for Employee's own account or that of any firm, partnership, or entity, on any project competitive with AspenTech business;

4.2. with respect to the period before and after termination of employment, (i) directly or through another party soliciting any employee of AspenTech to leave his or her employment with AspenTech or to breach his or her employment obligations with AspenTech, or (ii) working for Employee's own account or that of any firm, partnership, or entity, on any project substantially similar to or competitive with a project on which Employee worked while at AspenTech, or (iii) soliciting AspenTech's customers with whom Employee has dealt during the last twelve months of Employee's employment with AspenTech, either (a) to cease to do business with AspenTech, or (b) to do business with any other firm, partnership, or entity, in actual or proposed competition with AspenTech.

It is understood that, except as specifically set forth herein, this Agreement does not restrict Employee in the exercise of his or her technical skill subsequent to his or her employment with AspenTech, provided that the exercise of such skill does not involve the disclosure to others of Proprietary Information or the use by the Employee of such Proprietary Information for Employee's benefit, or on behalf of others.

5. Term. This Agreement will take effect on the first day of Employee's employment by AspenTech and will continue in full force and effect if Employee's relationship becomes that of a consultant rather than an employee, and shall continue, with respect to Employee's obligations of confidentiality hereunder and Employee's obligations set forth in paragraph 4.2 on Non-Competition and Non-Solicitation, after termination of employment and termination of any consulting relationship. In the event Employee is retained as a consultant, all reference in this Agreement to termination of employment will be construed to mean termination of the consulting relationship.

6. Severability; Breach. If any provision of this Agreement is found to be void or is so declared by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. For violations of this Agreement, Employee understands and agrees that AspenTech shall be entitled to injunctive or other equitable relief as well as the right to recover any damages incurred as a result of such violations.

Please sign where indicated below, upon which this Agreement will be a binding agreement under seal, governed by Massachusetts law.

EMPLOYEE:

Signature: _____

Printed name: _____

Date: _____

QuickLinks

Exhibit 10.45

Exhibit 10.50

AMENDED AND RESTATED
EMPLOYMENT AND CHANGE OF CONTROL AGREEMENT
Mark Fusco

Aspen Technology, Inc., a Delaware corporation ("AspenTech"), and Mark Fusco (the "Executive") entered into an Employment and Change in Control Agreement (the "Agreement") dated December 7, 2004, which Agreement was amended on October 28, 2005. The Agreement is hereby amended and restated, effective October , 2007, so as to comply with the applicable provisions of Section 409A of the Internal Revenue Code of 1986, as amended, and the final Treasury regulations and guidance issued thereunder ("Section 409A"). The Agreement is not otherwise being revised and the rights and obligations of AspenTech and the Executive remain in full force and effect as set forth below.

AspenTech considers it essential to the best interests of its stockholders to retain the services of the Executive, and that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of the Executive to his assigned duties.

In consideration of the premises and the mutual covenants herein contained, and for other valuable consideration, AspenTech and the Executive hereby agree as follows:

1. Defined Terms.

The definitions of capitalized terms used in this Agreement are provided in the last section hereof.

2. Term of Agreement.

This Agreement shall commence on the date hereof and shall continue in effect until the Termination Date.

3. Employment.

AspenTech agrees to continue to employ the Executive in the position of President and Chief Executive Officer. The Executive agrees, while employed hereunder, to perform his duties faithfully on a full-time basis and to the best of his ability. The Executive will report to the Board of Directors and will remain a member of the Board of Directors.

It is also understood and agreed that the Executive may serve on civic, charity or corporate boards during his employment with AspenTech so long as it does not interfere with his duties as Director, President and Chief Executive Officer of AspenTech.

4. Compensation.

As compensation for the Executive's services during the Term, AspenTech shall pay the Executive an annual base salary, initially at the rate of $500,000 per year, subject to merit increases on an annual basis.

The Executive will have an annual bonus potential equal to $600,000. The bonus will be payable based on the Compensation Committee's review of the Executive's performance during the year of service to which the bonus relates against established targets and at such time as other Executive bonuses are paid. Payment of the Executive's bonus shall be made by the 15th day of the third month following the later of the end of the Executive's taxable year or the end of AspenTech's taxable year to which the bonus relates.

5. Stock Options.

The Executive will be eligible to receive future grants of options, or if available, restricted stock or other equity awards, at the discretion of the Compensation Committee which, considering the Executive's performance, will seek to provide the Executive with a level of equity participation comparable to other chief executive officers of comparable companies.

6. Employee Benefits

The Executive will also be eligible to receive AspenTech's standard Executive benefits including paid vacation (minimum 5 weeks), paid holidays, life, AD&D, long-term disability insurance, PPO medical and dental plans, 401K plan, and Executive Stock Purchase Plan. Additional information regarding these plans is contained in plan documents and summaries that the Executive will be provided. All benefits under these and any other company compensation or benefit plans are subject to the terms and conditions stated in the plan documents and summaries. AspenTech reserves the right to modify, amend, or terminate any compensation or benefit plan at any time in its sole discretion.

7. Corollary Agreements

AspenTech agrees to reimburse the Executive for reasonable legal fees incurred in connection with the review of this Amended and Restated Employment and Change of Control Agreement, payable within thirty business days after delivery of the Executive's written requests for payment accompanied with such evidence of fees incurred as AspenTech reasonably may require. Notwithstanding the foregoing, (i) the expenses eligible for reimbursement may not affect the expenses eligible for reimbursement in any other taxable year, (ii) such reimbursement must be made on or before the last day of the year following the year in which the expenses were incurred, and (iii) the right to reimbursement is not subject to liquidation or exchange for another benefit.

8. Payments After Termination or Change in Control.

8.1 If the Executive's employment shall be terminated for any reason during the term of this Agreement, AspenTech shall pay the Executive's full salary to the Executive through the Date of Termination at the rate in effect at the time the Notice of Termination is given, together with all compensation and benefits payable to the Executive through the Date of Termination under the terms of any compensation or benefit plan, program or arrangement maintained by AspenTech during such period.

8.2 Subject to Section 8.3, AspenTech shall pay to the Executive the payments described in this Section 8.2 (the "Severance Payments") upon the termination of the Executive's employment during the term of this Agreement, whether prior to or following a

Change in Control, in addition to the payments and benefits described in Section 8.1, unless such termination is (i) by AspenTech for Cause, (ii) by reason of death or disability, (iii) by the Executive without Good Reason, unless such resignation occurs within 180 days following a Change in Control, or (iv) after the Executive shall have attained age 70. For the avoidance of doubt, in the event that either (A) AspenTech terminates the employment of the Executive without Cause, whether prior to or following a Change in Control, (B) the Executive resigns for any reason, or for no reason, within 180 days following a Change in Control, or (C) if the Executive resigns for Good Reason, the Executive shall be entitled to the Severance Payments as defined below and the other payments provided for in this Agreement. In lieu of any further salary payments to the Executive for periods subsequent to the Date of Termination and in lieu of any severance benefits otherwise payable to the Executive under any then existing broad-based executive severance plan, AspenTech shall pay to the Executive a lump sum Severance Payment within 30 days following the Date of Termination, in cash, equal to two times the sum of (x) the higher of the Executive's annual base salary in effect immediately prior to giving of Notice of Termination by AspenTech or the Executive, or in effect immediately prior to the occurrence of a Change in Control, as the case may be, and (y) the higher of the average of the annual bonuses paid to the Executive for the three years (or the number of years employed, if less) immediately preceding the giving of Notice of Termination by AspenTech or the Executive, or the occurrence of a Change in Control, as the case may be. In lieu of any further life, disability, and accident insurance (not including health insurance) benefits otherwise due to the Executive, AspenTech shall pay to the Executive a lump sum amount within 30 days following the Date of Termination, in cash, equal to the estimated cost to the Executive (as determined by AspenTech in good faith with reference to its most recent actual experience) of providing such benefits, to the extent that the Executive is eligible to receive such benefits immediately prior to the Notice of Termination, for a period of two years commencing on the Date of Termination. AspenTech shall pay all of Executive's health insurance premiums for a period of two years commencing on the Date of Termination with such payments to be made on a monthly basis.

8.3 The following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided to the Executive under Sections 8.1 and 8.2.

(i) It is intended that each installment of the payments and benefits provided under Sections 8.1 and 8.2 shall be treated as a separate "payment" for purposes of Section 409A. Neither AspenTech nor the Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A;

(ii) If, as of the date of the "separation from service" of the Executive from AspenTech, the Executive is not a "specified employee" (each within the meaning of Section 409A), then each installment of the payments and benefits shall be made on the dates and terms set forth in Sections 8.1 and 8.2; and

(iii) If, as of the date of the "separation from service" of the Executive from AspenTech, the Executive is a "specified employee" (each, for purposes of this Agreement, within the meaning of Section 409A), then each installment of the payments and benefits due under Sections 8.1 and 8.2 that would, absent this subsection, be paid within the six-month period following the "separation from service" of the Executive from AspenTech

shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the death of the Executive), with any such installments that are required to be delayed being accumulated during the six-month period plus interest at an annual rate equal to the prime rate as set forth in the Eastern edition of the Wall Street Journal on the date of "separation from service", from such date of "separation from service" until the date of payment, and paid in a lump sum on the date that is six months and one day following the Executive's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein.

8.4 AspenTech also shall pay to the Executive reasonable legal fees and expenses incurred by the Executive to obtain or enforce any benefit or right provided by this Agreement, payable within thirty business days after delivery of the Executive's written requests for payment accompanied with such evidence of fees and expenses incurred as AspenTech reasonably may require. Notwithstanding the foregoing, (i) the expenses eligible for reimbursement may not affect the expenses eligible for reimbursement in any other taxable year, (ii) such reimbursement must be made on or before the last day of the year following the year in which the expenses were incurred, and (iii) the right to reimbursement is not subject to liquidation or exchange for another benefit.

9. Certain Additional Payments by AspenTech.

9.1 Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Executive in connection with the termination of the Executive's employment hereunder or pursuant to Section 13.1 hereof in the event that the Executive's employment is not terminated (all such payments and benefits, including without limitation, the Severance Payments and acceleration of stock options following Change in Control, the "Total Payments") is determined to be subject (in whole or part) to the Excise Tax and/or the 409A Penalty, then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including without limitation any income taxes, the Excise Tax and/or the 409A Penalty, imposed upon the Gross-Up Payment, the Executive retains an amount equal to the Total Payments. Notwithstanding the foregoing provisions of this Section 9.1, if it shall be determined that the Executive is entitled to a Gross-Up Payment with respect to Excise Tax, but that the Total Payments do not exceed 110% of the greatest amount (the "Reduced Amount") that could be paid to the Executive such that the receipt thereof would not give rise to any Excise Tax, then no Gross-Up Payment with respect to the Excise Tax shall be made to the Executive and the Total Payments shall be reduced to the Reduced Amount. Notwithstanding the foregoing, any Gross-Up Payment will be made by the end of the Executive's taxable year following the year in which the Executive remits the related taxes.

9.2 All determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by AspenTech's accountants or such other certified public accounting firm reasonably acceptable to AspenTech as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to AspenTech and the Executive.

10. Termination Procedures.

10.1 Notice of Termination. Any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 14. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth in the definition of Cause. If the finding of Cause is capable of being cured, then the Executive shall have thirty (30) days to cure such finding after hearing with the Board. The Executive may be terminated immediately upon a finding of Cause under 19.4 (ii) and (iii).

10.2 Date of Termination. "Date of Termination", with respect to any purported termination of the Executive's employment during the term of this Agreement, whether prior to or following a Change in Control, shall mean the date specified in the Notice of Termination (which, in the case of a termination by AspenTech otherwise than for Cause, shall not be less than thirty days and, in the case of a termination by the Executive, shall not be less than fifteen days nor more than sixty days, respectively, from the date such Notice of Termination is given).

11. No Mitigation.

If the Executive's employment by AspenTech is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by AspenTech pursuant to Sections 8 and 9. Further, the amount of any payment or benefit provided for in Sections 8 and 9 shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to AspenTech, or otherwise.

12. Executive's Covenants.

The Executive agrees that, subject to the terms and conditions of this Agreement, in the event of a Potential Change in Control during the term of this Agreement, the Executive will remain in the employ of AspenTech until the earliest of (i) a date which is three months from the date of such Potential Change of Control, (ii) the date of a Change in Control, (iii) the date of termination by the Executive of the Executive's employment for Good Reason, by reason of death or Retirement; or (iv) the termination by AspenTech of the Executive's employment for any reason.

13. Successors; Binding Agreement.

13.1 Upon a Change in Control which is also a Section 409A Change in Control (as defined below), unless the successor expressly assumes and agrees to perform this Agreement in the same manner and to the same extent that AspenTech would be required to perform it if no such succession had taken place, the Executive shall be entitled to the

compensation from AspenTech in the same amount and on the same terms as is payable under Section 8.2 upon certain terminations, except that, for purposes of implementing the foregoing, the date of the Section 409A Change in Control shall be deemed the Date of Termination. Such amounts shall be payable without regard to whether the Executive is terminated. For purposes of this paragraph, a Section 409A Change in Control is (i) a change in the ownership of AspenTech (as defined in Treasury Regulation Section 1.409A-3(i)(5)(v)), (ii) a change in effective control of AspenTech (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vi)), or a change in the ownership of a substantial portion of the assets of AspenTech (as defined in Treasury Regulation Section 1.409A-3(i)(5)(vii)).

13.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's representatives.

14. Notices.

For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To AspenTech:	AspenTechnology,Inc. Attention: Lead Director 200 Wheeler Road Burlington MA 01803 Facsimile: 617.577.0722
With a copy to:	General Counsel AspenTechnology,Inc. 200 Wheeler Road Burlington MA 01803 Facsimile: 617.949.1717
To the Executive:	Mr. Mark Fusco 155 Grove Street Westwood, MA 02090
With a copy to:	Lea B. Pendleton, Esq. Morse, Barnes-Brown & Pendleton, P.C. 1601 Trapelo Road Waltham, MA 02541

Facsimile: 781-622-5933

15. Miscellaneous.

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. Except as expressly provided herein, no waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts, and this Agreement shall be an instrument under seal. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed.

16. Entire Agreement; Amendment.

This Agreement constitutes the entire agreement of the parties and supersedes any and all prior agreements, understandings, promises or representations made by either party concerning the subject matter of this Agreement. This Agreement may be altered or amended or any provision hereof waived only by an agreement in writing signed by the party against whom enforcement of any alteration, amendment, or waiver is sought. No waiver by any party of any breach of this Agreement shall be considered as a waiver of any subsequent breach.

17. Settlement of Disputes; Arbitration.

All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. Any and all disputes or controversies arising under or in connection with this Agreement or in connection with Executive's employment with AspenTech shall be settled exclusively by arbitration in Boston, Massachusetts, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. The Executive shall, however, be entitled to seek specific performance of the Executive's right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

18. Governing Law.

This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of laws of any jurisdictions other than those of the Commonwealth of Massachusetts.

19. Definitions.

For purposes of this Agreement, the following terms shall have the-meanings indicated below:

19.1 "409A Penalty" shall mean the interest and additional 20% tax imposed by Section 409A of the Code.

19.2 "AspenTech" shall mean Aspen Technology, Inc. and any successor to its business and/or assets which assumes or agrees to perform this Agreement, by operation of law or otherwise.

19.3 "Beneficial owner" shall have the meaning defined in Rule 13d-3 under the Exchange Act.

19.4 "Board" shall mean the Board of Directors of AspenTech.

19.5 "Cause" for termination by AspenTech of the Executive's employment, shall mean (i) the willful and continued failure by the Executive to substantially perform the Executive's duties with AspenTech (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Executive) after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties, or (ii) the willful engaging by the Executive in gross misconduct which is demonstrably and materially injurious to AspenTech or any of its subsidiaries, monetarily or otherwise, or (iii) the entry of a plea of guilty or *nolo contendere* by the Executive to any felony. No act, or failure to act, on the Executive's part shall be deemed "willful" unless intentionally done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's act, or failure to act, was in the best interest of AspenTech.

19.6 A "Change in Control" shall be deemed to have occurred if the conditions set forth in any one of the following paragraphs shall have been satisfied:

(a) Continuing Directors constitute two-thirds or less of the membership of the Board, whether as the result of a proxy contest or for any other reason or reasons; or

(b) Any Person is or becomes the Beneficial owner, directly or indirectly, of securities of AspenTech representing fifty percent or more of the combined voting power of AspenTech's then outstanding voting securities; or

(c) There is a change in control of AspenTech of a nature that would be required to be reported on Form 8-K or item 6(e) of Schedule 14A of Regulation 14A or any similar item, schedule or form under the Exchange Act, as in effect at the time of the change, whether or not AspenTech is then subject to such reporting requirement, including without limitation any merger or consolidation of AspenTech with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of AspenTech outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) fifty-one percent or more of the combined voting power of the voting securities (entitled to vote generally for the election of directors) of AspenTech or such surviving or parent entity outstanding immediately after such merger or consolidation and which would result in those persons who are Continuing Directors immediately prior to such merger or consolidation constituting more than two-thirds of the membership of the Board or the board of such surviving or parent entity immediately after, or subsequently at any time as contemplated by or as a result of, such merger or consolidation or (ii) a merger or consolidation effected to implement a recapitalization of AspenTech (or similar transaction) in which no Person acquired twenty-five percent or more of the combined voting power of AspenTech's then outstanding securities; or

(d) the stockholders of AspenTech approve a plan of complete liquidation of AspenTech or an agreement for the sale or disposition by AspenTech of all or substantially all of AspenTech's assets (or any transaction having a similar effect).

19.7 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

19.8 "Compensation Committee" shall mean the Compensation Committee of the Board.

19.9 "Continuing Director" shall mean any director (i) who has continuously been a member of the Board since not later than the date of a Potential Change in Control or (ii) who is a successor of a director described in clause (i), if such successor (and any intervening successor) shall have been recommended or elected to succeed a Continuing Director by a majority of the then Continuing Directors.

19.10 "Date of Termination" shall have the meaning stated in Section 10.2 hereof.

19.11 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

19.12 "Excise Tax" shall mean the tax imposed by Section 4999 of the Code.

19.13 "Executive" shall mean the individual named in the first paragraph of this Agreement.

19.14 "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) of any one of the following acts or failures to act by AspenTech unless, in the case of any act or failure to act described in paragraph (a), (e), (f) or (g) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof or, in the case of paragraph (c) below, such act is not objected to in writing by the Executive within four months after notification by AspenTech to the Executive of AspenTech's intention to take the action contemplated by such paragraph (c):

(a) the assignment to the Executive of duties inconsistent with the Executive's status as chief executive officer of AspenTech after the Executive has notified the Board of his objection to such assignments and the Board has refused or fails without substantial reason to withdraw the assignment(s) within thirty days after such notification, or a substantial alteration, adverse to the Executive, in the nature or status of the Executive's responsibilities (other than reporting responsibilities) from those in effect immediately prior to the Change in Control;

(b) a reduction by AspenTech in the Executive's annual base salary as in effect on the date hereof or as the same may be increased from time to time except for across-the-board salary reductions similarly affecting all senior executives of AspenTech and all senior executives of any Person in control of AspenTech;

(c) AspenTech's requiring the Executive to be based anywhere other than the Boston Metropolitan Area (or, if different, the metropolitan area in which AspenTech's principal executive offices are located) except for required travel on AspenTech business to an extent substantially consistent with the Executive's present business travel obligations;

(d) the failure by AspenTech, without the Executive's consent, to pay to the Executive any portion of the Executive's current compensation, or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of AspenTech, within fourteen days of the date such compensation is due;

(e) the failure by AspenTech to continue in effect any compensation plan in which the Executive participates which is material to the Executive's total compensation, or the failure by AspenTech to continue the Executive's participation therein on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants;

(f) the failure by AspenTech to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of AspenTech' s pension, life insurance, medical, health and accident, or disability plans in which the Executive was participating, the taking of any action by AspenTech which would directly or indirectly materially reduce any of such benefits or deprive the Executive of any material fringe benefit enjoyed by the Executive, or the failure by AspenTech to provide the Executive with the number of paid vacation days to which the Executive is entitled on the basis of years of service with AspenTech in accordance with AspenTech's normal vacation policy in effect, or pursuant to this Agreement; or

(g) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 10.1.

19.15 "Notice of Termination" shall have the meaning stated in Section 10.1.

19.16 "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d). thereof; however, a Person shall not include (i) AspenTech or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an executive benefit plan of AspenTech or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to a registered offering of such securities in accordance with an agreement with AspenTech, or (iv) a corporation owned, directly or indirectly, by the stockholders of AspenTech in substantially the same proportions as their ownership of stock of AspenTech.

19.17 "Potential Change in Control" shall be deemed to have occurred if the conditions set forth in any one of the following paragraphs shall have been satisfied:

(a) AspenTech enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(b) AspenTech or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(c) any Person becomes the Beneficial Owner, directly or indirectly, of securities of AspenTech representing fifteen percent or more of the combined voting power of AspenTech's then outstanding securities (entitled to vote generally for the election of directors); or

(d) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

19.18 "Severance Payments" shall mean those payments described in Section 8.2 hereof.

19.19 "Total Payments" shall mean those payments described in Section 9.1 hereof.

20. Section 409A. This Agreement is intended to comply with the provisions of Section 409A and the Agreement shall, to the extent practicable, be construed in accordance therewith. Terms defined in the Agreement shall have the meanings given such terms under Section 409A if and to the extent required in order to comply with Section 409A.

IN WITNESS WHEREOF, AspenTech and the Executive have executed and delivered this Agreement as of the effective date first written above.

ASPEN TECHNOLOGY, INC. **MARK FUSCO**

By: /s/ Stephen Jennings /s/ Mark Fusco

Stephen Jennings
Director

Exhibit 21.1

List of subsidiaries of Aspen Technology, Inc.

	Name of Subsidiary	State or Country of Incorporation
1.	Aspen Technology (Asia), Inc.	Delaware
2.	AspenTech EMEA, Inc.	Delaware
3.	AspenTech Securities Corporation	Massachusetts
4.	Aspen Technology Receivables I LLC	Delaware
5.	Aspen Technology Receivables II LLC	Delaware
6.	Aspen Technology Funding I 2006 LLC	Delaware
7.	Aspen Technology Funding II 2006 LLC	Delaware
8.	Aspen Technology International, Inc.	Delaware
9.	EA Systems, Inc.	Delaware
10.	Coppermine LLC	Delaware
11.	Houston Consulting Group	Delaware
12.	ICARUS Corporation	Maryland
13.	Petrolsoft Corporation	California
14.	ProcessCity, Inc.	Delaware
15.	S.A.S.T., Inc.	Texas
16.	Aspen Technology S.r.l.	Italy
17.	AspenTech Asia, Ltd.	Hong Kong
18.	Aspen Technology Australia Pty. Ltd.	Australia
19.	AspenTech Canada Ltd.	Canada
20.	Aspen Technology S.L.	Spain
21.	AspenTech Europe B.V.	Netherlands
22.	AspenTech Europe S.A./N.V.	Belgium
23.	Aspen Tech India Private, L.T.D	India

24.	AspenTech Japan Co. Ltd.	Japan
25.	AspenTech, Ltd.	United Kingdom
26.	Aspentech Pte. Ltd.	Singapore
27.	Aspentech Africa (Proprietary) Limited	South Africa
28.	Advanced Systems Consultants Limited	UK
29.	Hyprotech India Pte. Ltd	India
30.	Richardson Engineering Services, Inc.	Arizona

31.	Boulder Holding, Inc	Delaware
32.	Boulder, LLC	Delaware
33.	Boulder Canada L.P.	Canada
34.	Hyprotech Inc.	Nova Scotia
35.	AspenTech Solutions Sdn Bhd	Malaysia
36.	Hyprotech UK Limited	UK
37.	AspenTech Argentina S.R.L.	Argentina
38.	AspenTech Software Brasil Ltda.	Brazil
39.	AspenTech de Mexico, S. de R.L. de C.V.	Mexico
40.	AspenTech Venezuela, C.A.	Venezuela
41.	AspenTech (Beijing) Ltd.	PRC
42.	AspenTech (Shanghai) Ltd.	PRC
43.	AspenTech (Thailand) Ltd.	Thailand
44.	AspenTech Software Corporation	Delaware
45.	AspenTech Software LLC	Russia

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-11651, 333-21593, 333-42536, 333-42538, 333-42540, 333-71872, 333-80225, 333-117637, 333-117638, 333-118952 and 333-128423 on Form S-8 and Registration Statement Nos. 333-90066 and 333-109807 on Form S-3 of our report dated April 11, 2008 related to the consolidated financial statements of Aspen Technology, Inc. (which report expresses an unqualified opinion and includes explanatory paragraphs relating to the restatement of the Company's financial statements described in Note 17 and the adoption of Statement of Financial Accounting Standards No. 123(R), "Share-Based Payment," described in Note 9) and of our report dated April 11, 2008 relating to internal control over financial reporting (which report expresses an adverse opinion on the effectiveness of the Company's internal control over financial reporting because of material weaknesses) appearing in this Annual Report on Form 10-K of Aspen Technology, Inc. for the year ended June 30, 2007.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
April 11, 2008

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Exhibit 31.1

CERTIFICATIONS

I, Mark E. Fusco, certify that:

1. I have reviewed this annual report on Form 10-K of Aspen Technology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 11, 2008

/s/ MARK E. FUSCO

Mark E. Fusco
President and Chief Executive Officer

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Exhibit 31.2

CERTIFICATIONS

I, Bradley T. Miller, certify that:

1. I have reviewed this annual report on Form 10-K of Aspen Technology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 11, 2008

/s/ BRADLEY T. MILLER

Bradley T. Miller
Senior Vice President and Chief Financial Officer

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Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Aspen Technology, Inc. (the "Company") for the period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Mark E. Fusco, President and Chief Executive Officer of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 11, 2008

/s/ MARK E. FUSCO

Mark E. Fusco
President and Chief Executive Officer

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Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Aspen Technology, Inc. (the "Company") for the period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Bradley T. Miller, Senior Vice President and Chief Financial Officer of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 11, 2008

/s/ BRADLEY T. MILLER

Bradley T. Miller
Senior Vice President and Chief Financial Officer

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