UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2006

OR

o 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: 000-24786

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 No.)
Ten Canal Park **Cambridge, Massachusetts**	**02141**
(Address of Principal Executive Offices)	(Zip Code)

(617) 949-1000

(Registrant's telephone number, including area code)

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 twelve 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 x No o

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

Large Accelerated Filer o Accelerated Filer x Non-Accelerated Filer o

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

As of November 10, 2006, there were 53,519,072 shares of the registrant's common stock (par value $0.10 per share) outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

ASPEN TECHNOLOGY, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited and dollars in thousands)

	September 30, 2006	June 30, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	$ 88,866	$ 86,272
Accounts receivable, net	50,576	55,654
Unbilled services	8,544	8,518
Current portion of long-term installments receivable, net	5,699	12,123
Prepaid expenses and other current assets	8,439	8,813
Total current assets	162,124	171,380
Long-term installments receivable, net	10,447	35,681
Retained interest in sold receivables.	28,067	19,010
Property and leasehold improvements, at cost	44,491	43,895
Accumulated depreciation and amortization	(36,398)	(35,544)
Property and leaseholds, net.	8,093	8,351
Computer software development costs, net	16,242	15,456
Purchased intellectual property, net	24	165
Other intangible assets, net	3,658	5,131
Goodwill, net	14,901	14,917
Deferred tax asset	1,595	1,595
Other assets	2,466	2,552
	$ 247,617	$ 274,238
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Current portion of long-term debt	$ 249	$ 247
Accounts payable and accrued expenses	70,104	81,646
Deferred revenue	52,824	63,988
Total current liabilities	123,177	145,881
Long-term debt and obligations, less current maturities	97	149
Deferred revenue, less current portion	2,851	2,609
Deferred tax liability	1,309	1,309
Other liabilities	19,080	20,446
Redeemable Preferred Stock:		
Outstanding—333,364 shares as of September 30, 2006 and June 30, 2006	129,211	125,475
Stockholders' equity (deficit):		
Common stock:		
Outstanding—53,461,512 as of September 30, 2006 and 48,857,035 as of June 30, 2006	5,370	4,909
Additional paid-in capital	433,120	430,811
Accumulated deficit	(466,032)	(456,508)
Accumulated other comprehensive income (loss)	(53)	(330)
Treasury stock, at cost	(513)	(513)
Total stockholders' equity (deficit)	(28,108)	(21,631)
	$ 247,617	$ 274,238

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

ASPEN TECHNOLOGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited and in thousands, except per share data)

	Three Months Ended September 30,	
	2006	2005 (As restated see Note 12)
Software licenses	$ 28,076	$ 24,037
Service and other	35,878	35,797
Total revenues	63,954	59,834
Cost of software licenses	3,149	3,875
Cost of service and other	17,481	17,343
Amortization of technology related intangible assets	1,472	1,782
Total cost of revenues	22,102	23,000
Gross profit	41,852	36,834

Operating costs:		
Selling and marketing	21,210	18,758
Research and development	8,490	10,183
General and administrative	10,145	10,459
Restructuring charges	1,446	2,199
Loss on sale of assets	5,769	61
Total operating costs	47,060	41,660
Income (loss) from operations	(5,208)	(4,826)
Other income (expense), net	(415)	(204)
Interest income, net	767	816
Income (loss) before provision for income taxes	(4,856)	(4,214)
Provision for income taxes	(932)	(650)
Net income (loss)	(5,788)	(4,864)
Accretion of preferred stock discount and dividend	(3,736)	(3,778)
Income (loss) applicable to common shareholders	$ (9,524)	$ (8,642)
Basic and diluted income (loss) per share applicable to common shareholders	$ (0.18)	$ (0.20)
Weighted average shares outstanding—basic and diluted	52,801	43,237

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

ASPEN TECHNOLOGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited and in thousands)

	Three Months Ended September 30,	
	2006	2005 (As restated see Note 12)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (5,788)	$ (4,864)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,841	6,013
Stock-based compensation.	1,741	1,808
Loss on securitization of installments receivable	5,672	—
Loss on sales and disposals of assets	97	61
Accretion of discount on retained interest in sold receivables	(766)	(757)
Changes in assets and liabilities:		
Decrease in accounts receivable	4,050	7,421
Decrease (increase) in unbilled services	10	(1,479)
Decrease (increase) in installments receivable	17,754	(3,382)
Decrease (increase) in prepaid expenses and other current assets	404	(1,078)
Decrease in accounts payable and accrued expenses	(16,573)	(18,708)
Decrease in deferred revenue	(4,751)	(4,345)
Increase (decrease) in other liabilities	(1,366)	24
Net cash provided by (used in) operating activities	5,325	(19,286)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and leasehold improvements	(957)	(395)
Decrease in other long-term assets	86	55
Capitalized computer software development costs	(2,744)	(2,105)
Net cash used in investing activities	(3,615)	(2,445)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock under employee stock purchase plans	423	445
Exercise of stock options	551	1,194
Payments of long-term debt	(50)	(311)
Net cash provided by financing activities	924	1,328
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	(40)	(46)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,594	(20,449)
CASH AND CASH EQUIVALENTS, beginning of period	86,272	68,149
CASH AND CASH EQUIVALENTS, end of period	$ 88,866	$ 47,700

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

1. Interim Condensed and Consolidated Financial Statements

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the SEC) for reporting on Form 10-Q. Accordingly, certain information and footnote disclosures required for complete financial statements are not included herein. It is suggested that these unaudited interim condensed consolidated financial statements be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2006, which are contained in the Annual Report on Form 10-K, as amended, of Aspen Technology, Inc. (the Company), as previously filed with the SEC. In the opinion of management, all adjustments, consisting of normal and recurring adjustments, considered necessary for a fair presentation of the financial position, results of operations, and cash flows at the dates and for the periods presented have been included. The condensed consolidated balance sheet presented as of June 30, 2006 has been derived from the consolidated financial statements that have been audited by the Company's independent auditors. The results of operations for the three-month period ended September 30, 2006 are not necessarily indicative of the results to be expected for the full fiscal year.

2. Sale of Installments Receivable

(a) Traditional Activities

Installments receivable represent the present value of future payments related to the financing by the Company of noncancelable term and perpetual license agreements with its customers which provide for payment in installments over a one to five-year period. A portion of each installment agreement is recognized as interest income in the accompanying consolidated condensed statements of operations. The interest rate utilized for the three months ended September 30, 2006 and 2005 was 8.0%.

The Company has arrangements to sell certain of its installments receivable to three financial institutions. The Company sold, with limited recourse, certain of its installment contracts for aggregate proceeds of approximately $9.0 million and $8.5 million during the three months ended September 30, 2006 and 2005, respectively. The financial institutions have certain recourse to the Company upon nonpayment by the customer under the installments receivable. The amount of recourse is determined pursuant to the provisions of the Company's contracts with the financial institutions. Collections of these receivables reduce the Company's recourse obligations, as defined. Generally, no gain or loss is recognized on the sale of the receivables due to the consistency of the discount rates used by the Company and the financial institutions.

At September 30, 2006, there was approximately $72 million of additional availability under the arrangements. The Company expects that there will be continued ability to sell installments receivable, as the collection of the sold receivables will reduce the outstanding balance and the availability under the arrangements can be increased. The Company's potential recourse obligation related to these contracts is within the range of $0.1 million to $1.2 million. In addition, the Company is obligated to pay additional costs to the financial institutions in the event of default by the customer.

(b) Securitization of Installments Receivable

On September 29, 2006, the Company entered into a $75.0 million three year revolving securitization facility and securitized certain outstanding installment software license receivables (which receivables were not sold in the traditional sales described above) with a net carrying value of $32.1 million. The structure of the facility was such that the securitization qualified as a sale. The Company received $19.4 million of cash and retained an interest in the sold receivables valued at $8.3 million. It also retained certain limited recourse obligations relative to the receivables valued at approximately $0.5 million. Overall, the transaction resulted in a loss of $5.7 million in the quarter ended September 30, 2006 and was recorded as a loss on sales and disposals of assets in the accompanying consolidated statement of operations.

The amount of the loss was based on the previous carrying amount of the financial assets involved in the transfer, allocated between the assets sold and the retained interests based on their relative fair value at the date of transfer, as well as transaction costs.

As noted above, the retained interest in the sold receivables was recorded at its fair value of $8.3 million at the time of the transaction and is classified as a long-term asset on the Company's consolidated balance sheet. The Company estimates fair value based on the present value of future expected cash flows based on using management's best estimates of key assumptions, principally credit losses, and discount rates commensurate with the risks involved.

The Company retained the servicing rights relative to the receivables and receives annual servicing fees of $0.3 million per year. The benefits of the servicing rights approximate the costs estimated to be incurred by the Company, and thus no servicing asset or liability has been recorded.

In connection with the above transaction, the Company incurred an obligation to guarantee that the proceeds from all installments receivable denominated in currencies other than the U.S. dollar included in the securitized pool will be equal to the U.S. dollar value on the initial contract date. The Company has entered into forward foreign exchange contracts intended to mitigate the financial exposure due to changes in currency exchange rates which are further described below. The fair value of this obligation was not material and has thus been accorded no value.

3. Derivative Instruments and Hedging

The Company follows the provisions of Statement of Financial Accounting Standards (SFAS), No. 133 "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, as amended by SFAS No. 138, requires that all derivatives, including foreign currency exchange contracts, be recognized on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through earnings. If a derivative is a hedge, depending on the nature of the 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 recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value is to be immediately recognized in earnings.

Forward foreign exchange contracts are used primarily by the Company to hedge certain balance sheet exposures resulting from changes in foreign currency exchange rates. Such exposures primarily result from portions of the Company's installment receivables that are denominated in currencies other than the U.S. dollar, primarily the Euro, the Japanese Yen, Canadian dollar and the British Pound Sterling. In addition, the Company incurred exposures as

part of the June 2005 and September 2006 securitizations of installments receivable, in that the Company is obligated, in the form of a guarantee, to cover the exposure in the installments receivable that were transferred to its subsidiaries, resulting from changes in foreign currency exchange rates.

The foreign exchange contracts are entered into to hedge recorded installments receivable, both held and securitized, made in the normal course of business, and accordingly, are not speculative in nature. As part of its overall strategy to manage the level of exposure to the risk of foreign currency exchange rate fluctuations, the Company hedges the majority of its installments receivable denominated in foreign currencies.

The Company's guarantee to cover the exposure in the securitized installments receivable represents an embedded derivative. The Company calculates the value of this guarantee at each balance sheet date, and if the value of the guarantee represents an obligation, the fair value is recorded as a liability. As of September 30, 2006, the value of this embedded derivative represented an asset to the Company, and as such, no entry was recorded.

At September 30, 2006, the Company had effectively hedged $29.3 million of installments receivable, either held or securitized, and accounts receivable denominated in foreign currency. The Company does not hold or transact in financial instruments for purposes other than to hedge foreign currency risk. The gross value of the installments receivable that were denominated in foreign currency was $33.3 million and $40.3 million at September 30, 2006 and June 30, 2006, respectively. The installments receivable held as of September 30, 2006 mature at various times through September 2011. There have been no material gains or losses recorded relating to hedge contracts for the periods presented.

The Company records its foreign currency exchange contracts at fair value in its consolidated balance sheet and the related gains or losses on these hedge contracts are recognized in earnings. During the three months ended September 30, 2006 and 2005 the net gain 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 September 30, 2006. The information is provided in U.S. dollar amounts (in thousands), as presented in the Company's consolidated financial statements. The table presents the notional amount (at contract exchange rates) and the weighted average contractual foreign currency rates:

	Notional Amount	Estimated Fair Value(1)	Average Contract Rate
Euro	$ 19,329	$ 19,676	1.26
British Pound Sterling	4,987	5,118	1.83
Canadian Dollar	2,434	2,483	1.14
Japanese Yen	2,154	2,004	112.38
Swiss Franc	394	388	1.21
	$ 29,298	$ 29,669	

(1) The estimated fair value is based on the estimated amount at which the contracts could be settled based on the spot rates as of September 30, 2006. The market risk associated with these instruments resulting from currency exchange rate movements is expected to offset the market risk of the underlying installments being hedged. The credit risk is that the Company's banking counterparties may be unable to meet the terms of the agreements. The Company minimizes such risk by limiting its counterparties to major financial institutions. In addition, the potential risk of loss with any one party resulting from this type of credit risk is monitored. 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 market and credit risks described above.

4. Stock-Based Compensation Plans

The Company issues stock options to its employees and outside directors 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 the grant; those options generally vest over four years and have 7 and 10-year contractual terms.

Effective July 1, 2005, the Company adopted the provisions of SFAS No. 123 (revised 2004), "*Share-Based Payment*" (SFAS No. 123R), using the Statement's modified prospective application method. Prior to July 1, 2005, the Company followed Accounting Principles Board Opinion 25, "*Accounting for Stock Issued to Employees*," and related interpretations in accounting for its stock-based compensation. Under the provisions of SFAS No. 123R, the Company recognizes the fair value of stock-based compensation in net income, over the requisite service period of the individual grantees, which generally equals the vesting period. All of the Company's stock-based compensation is accounted for as equity instruments and there have been no liability awards granted.

The Company elected the modified prospective transition method for adopting SFAS 123R, and consequently prior periods have not been modified. Under this method, the provisions of SFAS 123R apply to all awards granted or modified after the date of adoption. The unrecognized expense of awards not yet vested at the date of adoption shall be 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 123, "*Accounting for Stock-Based Compensation,*" (SFAS 123) as disclosed in previous filings. Under the provisions of SFAS 123R, the Company recorded $1.8 million of stock-based compensation for the three months ended September 30, 2006 and 2005, included in the following categories (in thousands):

	Three Months Ended September 30,	
	2006	2005
Recorded as expense:		
Cost of service and other	$ 310	$ 299
Selling and marketing	621	509
Research and development	199	208

General and administrative	611	792
	1,741	1,808
Capitalized computer software development costs	55	39
Total stock-based compensation.	$1,796	$ 1,847

The Company utilized the Black-Scholes valuation model for estimating the fair value of the stock compensation granted after the adoption of SFAS 123R. The weighted-average fair values of the options granted under the stock option plans were $8.91 and $3.88 and of the shares subject to purchase under the employee stock purchase plan were $2.60 and $1.99 for the three months ended September 30, 2006 and 2005, respectively, using the following assumptions:

	Three Months Ended September 30, 2006		Three Months Ended September 30, 2005	
	Stock Option Plans	Purchase Plan	Stock Option Plans	Purchase Plan
Average risk-free interest rate	4.84%	5.10%	4.06%	3.79%
Expected dividend yield	None	None	None	None
Expected life	6.0 Years	0.5 Years	6.0 Years	0.5 Years
Expected volatility	85%	53%	85%	42%

The dividend yield of zero is based on the Company's history of not having paid cash dividends and on its present intention not to pay cash dividends. Expected volatility is based on the historical volatility of the Company's common stock over the period commensurate with or longer than the expected life of the

options. The risk-free interest rate is the U.S. Treasury STRIPS rate 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*," as the Company's historical experience does not provide a reasonable basis for the expected term of the option.

5. Net Income (Loss) Per Common 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, preferred stock, based on the if-converted method, and other commitments to be settled in common stock. The calculations of basic and diluted income (loss) attributable to common shareholders per share and basic and diluted weighted average shares outstanding are as follows (in thousands, except per share data):

	Three Months Ended September 30,	
	2006	2005
Income (loss) applicable to common shareholders	$ (9,524)	$ (8,642)
Basic weighted average common shares outstanding	52,801	43,237
Weighted average potential common shares	—	—
Diluted weighted average shares outstanding	52,801	43,237
Basic and diluted income (loss) per share applicable to common shareholders	$ (0.18)	$ (0.20)

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

	Three Months Ended September 30,	
	2006	2005
Convertible preferred stock	33,336	36,336
Preferred stock dividend, to be settled in common stock	2,864	3,554
Options and warrants	12,213	21,911
Total	48,413	61,801

6. 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. The components of comprehensive income (loss) for the three months ended September 30, 2006 and 2005 are as follows (in thousands):

	Three Months Ended September 30,	
	2006	2005
Net income (loss)	$ (5,788)	$ (4,864)
Foreign currency adjustment	277	(518)
Comprehensive income (loss)	$ (5,511)	$ (5,382)

7. Restructuring Charges

During the three months ended September 30, 2006, the Company recorded $1.4 million in restructuring charges primarily related to severance and relocation expenses under the May 2005 restructuring plan which are recognized in the period in which the affected employees were notified or the relocation expenses were incurred.

(a) Restructuring charges originally arising in Q4 FY05.

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 year ended June 30, 2006, the Company recorded an additional $1.8 million related to headcount reductions, relocation costs and facility consolidations associated with the May 2005 plan that are recognized in the period in which the affected employees were notified, the relocation expenses were incurred, or the Company ceased use of the affected facilities. During the quarter ended September 30, 2006, the Company recorded an additional $1.4 million in severance and relocation expenses for employees that were notified or relocation expenses that were incurred during the period.

As of September 30, 2006, there was $1.3 million remaining in accrued expenses relating to the remaining severance obligations and lease payments. During the three months ended September 30, 2006, the following activity was recorded (in thousands):

Fiscal 2005 Restructuring Plan	Closure/ Consolidation of Facilities	Employee Severance, Benefits, and Related Costs	Total
Accrued expenses, June 30, 2006	$ 99	$ 513	$ 612
Restructuring charge	26	1,369	1,395
Restructuring charge—Accretion	1	—	1
Payments	(64)	(680)	(744)
Accrued expenses, September 30, 2006	$ 62	$ 1,202	$ 1,264
Expected final payment date	May 2007	March 2007	

(b) Restructuring charges originally arising in Q4 FY04

During fiscal 2004, the Company recorded $15.2 million in net restructuring charges. Of this amount, $23.5 million is associated with a June 2004 restructuring plan, which is offset by $8.3 million in adjustments to prior restructuring accruals and deferred rent balances.

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 are recognized in the period in which the affected employees were notified or the Company ceased use of the affected facilities. 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 year ended June 30, 2006 the Company recorded a $0.7 million increase to the accrual

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

As of September 30, 2006, there was $6.5 million remaining in accrued expenses relating to the remaining severance obligations and lease payments. During the three months ended September 30, 2006, the following activity was recorded (in thousands):

Fiscal 2004 Restructuring Plan	Closure/ Consolidation of Facilities and Contract exit costs	Employee Severance, Benefits, and Related Costs	Total
Accrued expenses, June 30, 2006	$ 6,855	$ 192	$ 7,047
Change in estimate—Revised assumptions	21	—	21
Restructuring charge—Accretion	65	—	65
Payments	(583)	(79)	(662)
Accrued expenses, September 30, 2006	$ 6,358	$ 113	$ 6,471
Expected final payment date	September 2012	December 2006	

(c) Restructuring charges originally arising in Q2 FY03

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 2004, the Company 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 benefit obligations. During fiscal 2005 and fiscal 2006, the Company recorded $7.0 million and $1.0 million increases, 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 September 30, 2006, there was $9.5 million remaining in accrued expenses relating to the remaining lease payments. The components of the restructuring plan are as follows (in thousands):

Fiscal 2003 Restructuring Plan	Closure/ Consolidation of Facilities
Accrued expenses, June 30, 2006	$ 9,966
Change in estimate—Revised assumptions.	(38)

Payments.	(387)
Accrued expenses, September 30, 2006	$ 9,541
Expected final payment date	September 2012

8. Commitments and Contingencies

U.S. Attorney's Office Investigation and Wells Notice

In October 2004, the audit committee of the Company's board of directors commenced a detailed investigation of the accounting for certain software license and service agreement transactions entered into with certain alliance partners and other customers during fiscal years 2000 through 2002 (and later, fiscal 2000 to 2004), which investigation concluded in March 2005. In October 2004, the Company announced that it had received a subpoena from the U.S. Attorney's Office for the Southern District of New York requesting documents relating to transactions to which the Company was a party during the 2000 to 2002 time frame, associated documents dating from January 1, 1999, and additional materials.

In June 2006, the Company received a "Wells Notice" letter from the SEC of possible civil enforcement action regarding the Company's originally filed financial statements for fiscal years 2000 through 2004, which the Company restated in March 2005 following the conclusion of the audit committee's review. In addition, the Company has been advised that Lawrence Evans, its former Chairman of the Board and Chief Executive Officer, David McQuillin, its former Chief Executive Officer, and Lisa Zappala, its former Chief Financial Officer, received separate Wells Notice letters in July 2006 regarding the same matter. Lawrence Evans is a current employee of the Company pursuant to an employment agreement entered into in June 2003, although he is no longer an executive officer.

The Company has cooperated fully with the subpoena requests and in the investigation by the U.S. Attorney's Office and the SEC. The investigation by the U.S. Attorney's Office is ongoing in coordination with the SEC, to which the audit committee had initially reported the initiation of the audit committee's investigation. The Company is currently unable to determine whether resolution of these matters will have a material adverse impact on its financial position or results of operations, or reasonably estimate the amount of the loss, if any, that may result from resolution of these matters. However, the ultimate outcome could have a material adverse effect on the Company's financial position and results of operations.

Class Action and Opt Out Suits

In November 2004, two putative class action lawsuits were filed against the Company in the United States District Court for the District of Massachusetts, captioned, respectively, Fener v. Aspen Technology, Inc., et. al., Civil Action No. 04-12375 (D. Mass.) (filed Nov. 9, 2004) and Stockmaster v. Aspen Technology, Inc., et. al., Civil Action No. 04-12387 (D. Mass.) (filed Nov. 10, 2004), (the "Class Actions"). The Class Actions allege, among other things, that the Company violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder in connection with various statements about its financial condition for fiscal years 2000 through 2004. On February 2, 2005, the Court consolidated the cases under the caption Aspen Technology, Inc. Securities Litigation, Civil Action No. 04-12375 (D. Mass.), and appointed The Operating Engineers and Construction Industry and Miscellaneous Pension Fund (Local 66) and City of Roseville Employees' Retirement System as lead plaintiff, purporting to represent a putative class of persons who purchased Aspen Technology, Inc. common stock between January 25, 2000 and October 29, 2004. On August 26, 2005, the plaintiffs filed a consolidated amended complaint containing allegations materially similar to the prior complaints and expanding the class action period.

Following mediation, on November 16, 2005, the Company and the plaintiffs on behalf of putative class members, defined to include all persons who purchased our common stock between October 29, 1999 and March 15, 2005, inclusive, (the "Class"), entered into a Stipulation and Agreement of Compromise, Settlement and Release of Securities Action, which (the "Stipulation"). The Stipulation was filed with the Court on the same date and provided, among other things, for settlement and release of all direct and indirect claims of the Class concerning matters covered by the Stipulation. On December 12, 2005, the Court granted preliminary approval of the settlement provided for in the Stipulation. After notice to the Class and after the hearing, on March 6, 2006, the Court granted final approval of the settlement, and the class action lawsuit was dismissed with prejudice. The Company entered into the Stipulation to resolve the matter and without acknowledging any fault, liability or wrongdoing of any kind. There has been no adverse determination by the Court against the Company or any of the other defendants in the case.

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 their own individual actions, ("Opt Out Claims"). To date, state law Opt Out Claims, including claims of fraud, statutory treble damages, deceptive practices, and/or rescissory damages liability, based on the restated results of one or more fiscal periods included in the restated financial statements referenced in the Class Action, have been filed in Massachusetts Superior Court. The Company has responded by motion to

dismiss on the grounds that the claims fail properly to state a claim. If not dismissed or settled on terms acceptable to us, the Company plans to defend the Opt Out Claims vigorously.

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.

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

On December 1, 2004, a putative derivative action lawsuit was filed as a related action to the first filed of the Class Actions (described above) in the United States District Court for the District of Massachusetts, captioned Caviness v. Evans, et al., Civil Action No. 04-12524 (D. Mass.), (the "Derivative Action"). 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 defendants' motion to dismiss the Derivative Action for failure of the plaintiff to make a pre-suit demand on the Company's board of directors to take the actions referenced in the Derivative Action complaint.

On April 12, 2005, the Company received a letter on behalf of another shareholder, demanding that the board of directors of the Company take actions substantially similar to those referenced in the Derivative Action. On February 28, 2006, the Company received a letter on behalf of Mr. Caviness, demanding that the Company take actions referenced in the Derivative Action complaint. The board of directors 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 a stockholder of Aspen Technology, Inc., and, with respect to the most recent letter, also referred the purported stockholder to the March 6, 2006 final approval of the settlement of direct and indirect claims of the Class in the Class Actions.

On September 27, 2006, a purported derivative action was filed in Massachusetts state court against the Company and certain present and former officers and directors captioned Rapine v. AspenTech (Civ. No. 06-3455). The complaint alleged that the Company breached its fiduciary duty in connection with the Company's restatement of financial statements stemming from its review of past stock option grants. On October 16, 2006, the Company removed the case to federal court and moved to dismiss it on the grounds that the plaintiff had failed to make the requisite pre-suit demand on the Company's board of directors,

and because the Company was advised that the claims are largely also barred by the March 6, 2006 Class Action settlement. The court has not ruled on the motion to dismiss. The Company cannot estimate the ultimate outcome of the case at this preliminary stage.

Other

From time to time, the Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The outcome of these matters is currently not determinable, and there can be no assurance that such matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

9. Preferred Stock Financing

In August 2003, the Company issued and sold 300,300 shares of Series D-1convertible 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 and incurred issuance costs of $10.7 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-I and B-II convertible preferred stock. 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 Series B Preferred holders, for new warrants to purchase 791,044 shares of common stock at an exercise price of $4.08.

In May 2006, holders of the Series D-1 Preferred converted 30,000 shares into 3,000,000 shares of common stock so that as of September 30, 2006 the Series D Preferred is convertible into 33,336,400 shares of common stock. 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.

In the accompanying consolidated condensed statements of operations, the accretion of preferred stock discount and dividend consist of the following (in thousands):

	Three Months Ended September 30,	
	2006	2005
Accrual of dividend on Series D preferred stock	$ (2,812)	$ (2,808)
Accretion of discount on Series D preferred stock	(924)	(970)
Total	$ (3,736)	$ (3,778)

10. Segment Information

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," establishes standards for reporting information about operating segments in companies' financial statements. 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 Company is organized geographically and by line of business. The Company has three major lines of business operating segments: license, consulting services and maintenance and training. The Company also evaluates certain subsets of business segments by vertical industries as well as by product categories. While the Executive Management Committee evaluates results in a number of different ways, the line of business management structure is the primary basis for which it assesses financial performance and allocates resources.

The accounting policies of the line of business operating segments are the same as those described in the Company's Annual Report on Form 10-K, as amended, for the fiscal year ended June 30, 2006. 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. The following table presents a summary of operating segments (in thousands):

	License	Consulting Services	Maintenance and Training	Total
Three Months Ended September 30, 2006—				
Revenues from external customers	$ 28,076	$ 16,544	$ 19,334	$ 63,954
Controllable expenses	12,268	10,767	3,784	26,819
Controllable margin(1)	$ 15,808	$ 5,777	$ 15,550	$ 37,135
Three Months Ended September 30, 2005—				
Revenues from external customers	$ 24,037	$ 16,946	$ 18,851	$ 59,834
Controllable expenses	14,603	11,273	3,441	29,317
Controllable margin(1)	$ 9,434	$ 5,673	$ 15,410	$ 30,517

(1) The controllable margins reported reflect only the expenses of the line of business and do not represent the actual margins for each operating segment since they do not contain an allocation for selling and marketing, general and administrative, development and other corporate expenses incurred in support of the line of business.

Profit Reconciliation (in thousands):

	Three Months Ended September 30,	
	2006	2005
Total controllable margin for reportable segments	$ 37,135	$ 30,517
Selling and marketing	(17,629)	(15,335)
General and administrative and overhead	(17,499)	(17,748)
Restructuring charges	(1,446)	(2,199)
Loss on sales and disposals of assets	(5,769)	(61)
Interest and other income and expense, net	352	612
Income (loss) before provision for from income taxes	$ (4,856)	$ (4,214)

11. Recent Accounting Pronouncements

In July 2006, the FASB issued Interpretation No. 48, “Accounting for Uncertain Tax Positions,” an Interpretation of FAS 109 (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 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 interim period in which the change occurs. The Company expects to adopt FIN 48 as of July 1, 2007, and any change in net assets as a result of applying the Interpretation will be recognized as an adjustment to retained earnings on that date. The Company is in the process of evaluating its uncertain tax positions in accordance with FIN 48.

In September 2006, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 108, “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements” (SAB 108), which provides guidance on the consideration of the

effects of prior year misstatements in quantifying current year misstatements for the purpose of materiality. SAB 108 is effective for fiscal years beginning after November 15, 2006. The Company believes that the initial adoption of SAB 108 will not have a material impact on its consolidated financial statements.

In September 2006, the FASB issued Statement of Financial Standard No. 157, “Fair Value Measurements” (SFAS 157). SFAS 157 establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. The Company has not yet determined the effect, if any, that the application of SFAS No. 157 will have on its consolidated financial statements.

12. Restatement of Condensed Consolidated Financial Statements

In connection with the preparation of the consolidated financial statements for the fiscal year ended June 30, 2006, a subcommittee of independent members of the board of directors reviewed the Company’s accounting treatment for all stock options granted since the Company completed its initial public offering in fiscal 1995. Based upon the subcommittee’s review, the Audit Committee and Company management determined that certain option grants during fiscal years 1995 through 2004 were accounted for improperly, and concluded that stock-based compensation associated with certain grants was misstated in fiscal years 1995 through 2005, and in the nine months ended March 31, 2006. The subcommittee identified errors related to the determination of the measurement dates for grants of options allocated among a pool of employees when the specific number of options to be awarded to specific employees had not been finalized, and other measurement date errors. As a result of the errors in determining measurement dates, the Company also recorded payroll withholding tax-related adjustments for certain options formerly classified as Incentive Stock Option (ISO) grants under Internal Revenue Service regulations. These options were determined to have been granted with an exercise price below the fair market value of the Company’s stock on the actual grant date, so do not qualify for ISO tax treatment. The disqualification of ISO classification and the resulting conversion to non-qualified status results in additional withholding taxes on exercise of those options. The Company recorded estimated payroll withholding tax charges of $0.5 million, $0.2 million, and $1.2 million for the years ended June 30, 2004, 2005, and 2006, respectively, in connection with the disqualification of such ISO tax treatment. The stock-based compensation charges, including the aforementioned withholding tax adjustments, increased the net loss by $0.2 million for the three months ended September 30, 2005 relative to amounts previously reported for that quarter.

In addition, as a result of the errors in determining measurement dates, certain options were determined to have been granted with an exercise price below the fair market value of the Company’s stock on the actual grant date. These discounted options vesting subsequent to December 2004 result in nonqualified deferred compensation for purposes of Section 409A of the Internal Revenue Code, and holders are subject to an excise tax on the value of the options in the year in which they vest. Management has concluded that it is probable the Company will either implement a plan to assist the affected

employees for the amount of this tax, or adjust the terms of the original option grant which would also have financial statement ramifications. As such, the Company recorded an estimated liability of approximately $1.0 million in June 2006 in connection with this contingency.

In the course of preparing the condensed consolidated financial statements for the three months ended September 30, 2006, the Company identified errors in the accounting for stock-based compensation and certain revenue transactions in the fiscal year ended June 30, 2006. The stock-based compensation error was due to a calculation error associated with forfeiture rates upon the adoption of SFAS No. 123(R), *Share-Based Payment* (SFAS No. 123R), as of July 1, 2005. The effect of correcting this error increased the net loss by $0.3 million during the three months ended September 30, 2005 relative to amounts previously reported for that quarter.

The restatement of the condensed consolidated financial statements for the quarter ended September 30, 2005 also included adjustments for other errors identified after that quarter had originally been reported. These errors primarily related to the timing of revenue recognition, interest income, and the calculation of foreign currency gains and losses.

As a result of the foregoing, the Company has restated its condensed consolidated financial statements for the three months ended September 30, 2005.

Impact of the Financial Statement Adjustments on the Condensed Consolidated Statement of Operations

The following table presents the impact of the financial statement adjustments on the Company's previously reported condensed consolidated statement of operations for the three months ended September 30, 2005 (in thousands, except per share data).

Condensed Consolidated Statement of Operations

	As Previously Reported	Adjustments	As Restated
Software licenses	$ 24,317	$ (280)	$ 24,037
Service and other	35,736	61	35,797
Total revenues	60,053	(219)	59,834
Cost of software licenses	3,782	93	3,875
Cost of service and other	17,244	99	17,343
Amortization of technology related intangibles	1,782	—	1,782
Total cost of revenues	22,808	192	23,000
Gross profit	37,245	(411)	36,834
Operating costs:			
Selling and marketing	18,647	111	18,758
Research and development	10,134	49	10,183
General and administrative	10,185	274	10,459
Restructuring charges	2,199	—	2,199
Loss on sales and disposals of assets	61	—	61
Total operating costs	41,226	434	41,660
Income (loss) from operations	(3,981)	(845)	(4,826)
Other income (expense), net	(663)	459	(204)
Interest income, net	151	665	816
Income before provision for income taxes	(4,493)	279	(4,214)
Provision for income taxes	(640)	(10)	(650)
Net income (loss)	(5,133)	269	(4,864)
Accretion of preferred stock discount and dividend	(3,778)	—	(3,778)
Income applicable to common shareholders	$ (8,911)	$ 269	$ (8,642)
Basic and diluted income (loss) per share applicable to common shareholders	$ (0.21)	$ 0.01	$ (0.20)
Weighted average shares outstanding—basic and diluted	43,237	—	43,237

Item 2. ***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 our consolidated financial statements and the related notes appearing elsewhere in this Form 10-Q and in our annual report on Form 10-K, as amended, for the fiscal year ended June 30, 2006. This discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth in "Item 1A. Risk Factors" in Part II of this Form 10-Q.

The following discussion gives effect to the restatement discussed in Note 12 to the consolidated financial statements included in this Form 10-Q. Our fiscal year ends on June 30, and references in this Form 10-Q to a specific fiscal year are the twelve months ended June 30 of such year (for example, "fiscal 2006" refers to the year ended June 30, 2006).

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.

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;
- accrual of legal fees associated with outstanding litigation;
- accounting for income taxes;
- allowance for doubtful accounts;
- accounting for securitization of installments receivable and subsequent valuation;
- restructuring accruals; and
- accounting for stock-based compensation.

Revenue Recognition—Software Licenses

We recognize software license revenue in accordance with SOP No. 97-2, “Software Revenue Recognition”, 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 professional services considered essential to the functionality of the software, we recognize revenue from the fees for such revenue and any related software licenses in accordance with SOP 81-1, “Accounting for Performance of Construction Type and Certain Performance Type Contracts”. These statements require that four basic criteria must be satisfied before software license revenue can be recognized:

- persuasive evidence of an arrangement between ourselves 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. These future cash flow estimates are based on historical results, adjusted to reflect our best estimate of future markets and operating conditions, and are continuously reviewed 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.

In accordance with SFAS No. 142, “Goodwill and Other Intangible Assets,” we conduct at least an annual assessment on January 1st 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 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, and are continuously reviewed 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. In addition, the relevancy of recent transactions used to establish market value for our reporting units is based on management’s judgment.

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, which totaled $34.8 million as of September 30, 2006.

Accrual of Legal Fees Associated with Outstanding Litigation

We 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 treatment of items, such as deferred revenue, for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. Deferred tax assets also result from unused operating loss carryforwards, research and development tax credit carryforwards and foreign tax credit carryforwards. We must then 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 must establish a valuation allowance. To the extent we establish a valuation allowance or increase or decrease this allowance in a period, the impact will be included in the tax provision in our statement of operations.

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 by jurisdiction in which we operate and the period over which our deferred tax assets will be recoverable. In the event that actual results differ from these estimates or we adjust these estimates in future periods we may need to establish an additional valuation allowance which could result in a tax provision equal to the carrying value of our deferred tax assets. We have provided a full valuation allowance for all U.S. domiciled net deferred tax assets.

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. 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 Securitization of Installments Receivable

We made judgments with respect to several variables associated with our June 2005 and September 2006 securitization transactions that had a significant impact on the valuation of our retained interest in the sold receivables, as well as the calculation of the loss on the transactions. These judgments

include the discount rate used to value the retained interest in the sold receivables, and estimates of rates of default. In determining these factors, we consulted third parties with respect to fair market discount rates, and analyzed our historical collection experience to default rates and collection timing. If the historical collection data do not reflect the future ability to collect outstanding receivables, the value of our retained interest may fluctuate.

Accounting for Restructuring Accruals

We follow SFAS 146, "Accounting for Costs Associated with Exit or Disposal 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 the balance sheet.

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 123(R) requires significant judgment and the use of estimates, particularly for assumptions such as stock price volatility and expected option lives to value stock-based compensation in net income. If actual results differ significantly from these estimates, stock-based compensation expense and our results of operations could fluctuate significantly.

Results of Operations

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

	Three Months Ended September 30,	
	2006	2005
Software licenses	43.9%	40.2%
Service and other	56.1	59.8
Total revenues	100.0	100.0
Cost of software licenses	4.9	6.5
Cost of service and other	27.4	29.0
Amortization of technology related intangible assets	2.3	3.0
Total Cost of Revenues	34.6	38.5
Gross Profit	65.4	61.5
Operating costs:		

Selling and marketing	33.1	31.4
Research and development	13.3	17.0
General and administrative	15.9	17.4
Restructuring charges	2.2	3.7
Loss on sale of assets	9.0	0.1
Total operating costs	73.5	69.6
Income from operations	(8.1)	(8.1)
Other income (expense), net	(0.7)	(0.3)
Interest income, net	1.2	1.4
Income before provision for income taxes	(7.6)%	(7.0)%

Comparison of the Three Months Ended September 30, 2006 and 2005

Total Revenues

Revenues are derived from software licenses, consulting services and maintenance and training. Total revenues for the three months ended September 30, 2006 increased 6.9% to $64.0 million from $59.8 million in the three months ended September 30, 2005. Total revenues from customers outside the United States were $35.8 million or 55.9% of total revenues for the three months ended September 30, 2006 as compared to $35.6 million or 59.5% of total revenues for the three months ended September 30, 2005. The geographical mix of revenues can vary from period to period.

Software License Revenues

Software license revenues represented 43.9% of total revenues for the three months ended September 30, 2006 compared to 40.2% for the three months ended September 30, 2005. Revenues from software licenses in the three months ended September 30, 2006 increased 16.8% to $28.1 million from $24.0 million in the three months ended September 30, 2005. Software license revenues are attributable to software license renewals covering existing users, the expansion of existing customer relationships through licenses covering additional users, licenses of additional software products, and, to a lesser extent, to the addition of new customers. The increase primarily reflected strength in our energy end-market, along with continued strength in our chemicals and engineering and construction end-markets.

Service and Other Revenues

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 for the three months ended September 30, 2006 were relatively unchanged at $35.9 million compared to $35.8 million for the three months ended September 30, 2005.

Cost of Software Licenses

Cost of software licenses consists primarily of royalties and amortization of previously capitalized software costs. Cost of software licenses for the three months ended September 30, 2006 declined 18.7% to $3.1 million from $3.9 million for the three months ended September 30, 2005. Cost of software licenses as a percentage of revenues from software licenses decreased to 11.2% for the three months ended September 30, 2006 from 16.1% for the three months ended September 30, 2005. The cost decrease is primarily due to a $0.5 million decrease in royalty expense associated with the termination of a long-term fixed royalty contract.

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 the three months ended September 30, 2006 increased 0.8% to $17.5 million from $17.3 million for the three months ended September 30, 2005. Cost of service and other, as a percentage of revenues from service and other for the three months ended September 30, 2006 increased to 48.7% from 48.4% for the three months ended September 30, 2005.

Amortization of Technology Related Intangibles

Amortization of technology related intangibles for the three months ended September 30, 2006 was $1.5 million and $1.8 million for the three months ended September 30, 2005. As a percentage of total

revenues, amortization of technology related intangibles was 2.3% for the three months ended September 30, 2006, as compared to 3.0% for the three months ended September 30, 2005.

Selling and Marketing Expenses

Selling and marketing expenses for the three months ended September 30, 2006 increased 13.1% to $21.2 million from $18.8 million for the three months ended September 30, 2005, while increasing as a percentage of total revenues to 33.1% from 31.4%. The increase in dollars is primarily due to a $0.6 million increase in payroll and stock-based compensation costs, $1.2 million of sales conference expenses, and a $0.3 million increase in external sales commission expense.

Research and Development Expenses

Research and development expenses consist of personnel and outside consultancy costs required to conduct our product development efforts. Research and development expenses for the three months ended September 30, 2006 decreased 16.6% to $8.5 million from $10.2 million for the three months ended

September 30, 2005, and decreased as a percentage of total revenues to 13.3% from 17.0%. The decrease is primarily attributable to a $0.7 million increase in capitalized software development costs and a $0.5 million reduction in consulting expenses.

We capitalized software development costs that amounted to 24.4% of our total engineering costs during the three months ended September 30, 2006, as compared to 17.1% during the three months ended September 30, 2005. These percentages will vary from quarter to quarter and year to year, depending upon the stage of development for the various projects in a given period.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries of administrative, executive, financial and legal personnel, and outside professional fees. General and administrative expenses for the three months ended September 30, 2006, were relatively unchanged, as they decreased 3.0% to $10.1 million from $10.5 million for the three months ended September 30, 2005, and declined as a percentage of total revenues to 15.9% from 17.4%.

Restructuring Charges

During the three months ended September 30, 2006, we recorded $1.4 million in restructuring charges for severance and relocation expenses as part of the 2005 restructuring plan in the period in which the employees were notified or the relocation occurred.

Loss on sale of assets

Loss on the sale of assets during the three months ended September 30, 2006 was $5.8 million as compared to $0.1 million during the three months ended September 30, 2005. This increase is primarily due to the loss of $5.7 million on the securitization of installments receivable in September 2006.

Interest Income

Interest income is generated from investment of excess cash in short-term and long-term investments, from the license of software pursuant to installment contracts and from the accretion to fair value of our retained interest in sold receivables. Under these installment contracts, we offer a customer the option to make annual payments for its term licenses instead of a single license fee payment at the beginning of the license term. Historically, a substantial majority of the asset optimization customers have elected to license these products through installment contracts. Included in the annual payments is an implicit interest rate

established by us at the time of the license. As we sell more perpetual licenses for value chain solutions, these sales are being paid for in forms that are generally not installment contracts. If the mix of sales moves away from installment contracts, interest income in future periods will be reduced.

We sell a portion of the installment contracts to unrelated financial institutions. The interest earned by us on the installment contract portfolio in any one year is the result of the implicit interest rate established by us on installment contracts and the size of the contract portfolio. Interest income for the three months ended September 30, 2006 increased 19.1% to $1.2 million from $1.0 million for the three months ended September 30, 2005. This increase primarily is due to higher interest rates received and higher average balances in our money market funds.

Interest Expense

Interest expense is generated from notes payable and through the course of our accounts and installments receivable financing transactions. Interest expense was $0.5 million for the three months ended September 30, 2006 and $0.2 million for the three months ended September 30, 2005.

Tax Provision

The tax provision recorded during the three months ended September 30, 2006 primarily relates to income taxes incurred in foreign jurisdictions for which an offsetting benefit in the United States is currently unavailable. The inability to realize a benefit from those foreign taxes is caused principally by our excess United States net operating loss carryforward position. Our ability to realize a benefit from these net operating loss carryforwards is dependent upon our future profitability in the United States. We did not record a domestic income tax benefit for the three months ended September 30, 2006 and 2005 as we provided a full valuation allowance against the domestic tax net operating loss carryforwards that were generated during the period.

Liquidity and Capital Resources

Resources

Historically, we have financed our operations principally through cash generated from operating activities, public and private offerings of securities, sales of installment contracts and borrowings under bank credit facilities. As of September 30, 2006, we had cash and cash equivalents totaling $88.9 million. We believe our current cash and cash equivalents, cash available from sales of installment contracts, cash flow from operations and cash available under bank credit arrangements 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

During the three months ended September 30, 2006, operating activities provided $5.3 million of cash primarily due to the securitization of installments receivable, offset by cash payments of accrued expenses and accounts payable.

Financing Activities

During the three months ended September 30, 2006, financing activities provided $0.9 million of cash primarily due to the exercise of stock options and to the issuance of shares under our employee stock purchase plan.

In August 2003, we issued and sold 300,300 shares of Series D-1 preferred, along with WD warrants to purchase up to 6,006,006 shares of common stock, for an aggregate purchase price of $100.0 million. Concurrently, we paid $30.0 million and issued 63,064 shares of Series D-2 preferred, along with WB and WD warrants to purchase up to 1,261,280 shares of common stock, to repurchase all of the outstanding Series B preferred. The Series D preferred earns cumulative dividends at an annual rate of 8%, that are payable when and if declared by the board, in cash or, subject to certain conditions, common stock. Each share of Series D preferred currently is convertible into 100 shares of common stock, subject to anti-dilution and other adjustments. The shares of Series D preferred currently are convertible into an aggregate of 33,336,400 shares of common stock. The Series D preferred is subject to redemption at the option of the holders as follows: 50% on or after August 14, 2009 and 50% on or after August 14, 2010.

Sales of Installment Contracts

We historically have maintained arrangements to sell installments receivable to financial institutions, most recently General Electric Capital Corporation, Bank of America and Silicon Valley Bank. During the three months ended September 30, 2006 and 2005, we sold $9.0 million and $8.5 million of installments receivable under these arrangements, respectively. As of September 30, 2006, there was approximately $72 million in additional availability under the arrangements. We expect to continue to have the ability to sell receivables, as the collection of the sold receivables will reduce the outstanding balance, and the availability under the arrangements can be increased. At September 30, 2006, we had a partial recourse obligation that was within the range of $0.1 million to $1.2 million.

In September 2006, we entered into a $75.0 million three year revolving securitization facility and securitized certain outstanding installment software license receivables (which receivables were not sold in the traditional sales described below) with a net carrying value of $32.1 million. The structure of the facility was such that the securitization qualified as a sale. We received $19.4 million of cash and retained an interest in the sold receivables valued at $8.3 million. We also retained certain limited recourse obligations relative to the receivables valued at approximately $0.5 million. Overall, the transaction resulted in a loss of $5.7 million in the quarter ended September 30, 2006 and was recorded as a loss on sales and disposals of assets in the accompanying consolidated statement of operations. We expect that we would have received approximately $5.4 million, $8.6 million and $9.0 million of cash flows from these installments receivable during fiscal years 2007, 2008 and 2009, if not for the securitization of the receivables.

Credit Facility

In January 2003, we 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 September 30, 2006). We are required to maintain a $4.0 million compensating cash balance with the bank, or be subject to an unused line fee and collateral handling fees. The lines of credit will initially be 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 receivable. We are required to meet certain financial covenants, including minimum tangible net worth, minimum cash balances and an adjusted quick ratio. As of September 30, 2006, there were $8.5 million in letters of credit outstanding under the line of credit, and there was $7.8 million available for future borrowing. As of September 30, 2006, we were in compliance with the tangible net worth covenant and adjusted quick ratio covenants. The loan agreement expires in January 2007. We are currently in negotiations to either: (1) 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

During the three months ended September 30, 2006, investing activities used $3.6 million of cash as a result of the purchase of $0.9 million of property and equipment and the capitalization of $2.7 million of computer software development costs. We expect to spend an additional $7 million in capital expenditures in the last nine months of fiscal 2007, primarily for additional purchases of software and computer equipment. We are not currently party to any purchase contracts related to future capital expenditures.

Contractual Obligations and Requirements

Our commitments as of September 30, 2006 consisted of debt and lease obligations for our headquarters and other facilities. Other than these, there were no other commitments for capital or other expenditures. Our obligations related to these items at September 30, 2006 were as follows (in thousands):

	2007	2008	2009	2010	2011	Thereafter	Total
Operating leases	$ 7,260	$ 7,437	$ 7,570	$ 7,406	$ 6,460	$ 14,834	$ 50,967
Debt obligations	249	97	—	—	—	—	346
Total commitments	$ 7,509	$ 7,534	$ 7,570	$ 7,406	$ 6,460	$ 14,834	$51,313

Dividends

Each share of Series D preferred is entitled to a cumulative annual dividend of 8.0% of the stated value per share of such share, payable upon declaration by the board of directors, in its discretion, or upon conversion or redemption of the Series D preferred. As of September 30, 2006, there was $31.3 million in accumulated but undeclared dividends on the Series D preferred. Accumulated dividends, when and if declared by our board, must be paid in cash, unless we elect to pay the dividends in common stock and we are able to satisfy specified conditions.

Summary of Restructuring Accruals

During the three months ended September 30, 2006, we recorded $1.4 million in restructuring charges primarily related to severance and relocation expenses related to office consolidations under the May 2005 restructuring plan, which are recognized in the period in which the affected employees were notified or the relocation expenses were incurred.

Restructuring charges originally arising in Q4 FY05.

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, a termination of a contract and facilities consolidations. These actions resulted in an aggregate restructuring charge of $3.8 million recorded in the fourth quarter of fiscal 2005. During the year ended June 30, 2006, we recorded an additional $1.8 million related to headcount reductions, relocation costs and facility consolidations associated with the May 2005 plan that are recognized in the period in which the affected employees were notified, the relocation expenses were incurred, or we ceased use of the affected facilities. During the quarter ended September 30, 2006, we recorded an additional $1.4 million in severance and relocation expenses for employees that were notified or relocation expenses that were incurred during the period.

As of September 30, 2006, there was $1.3 million remaining in accrued expenses relating to the remaining severance obligations and lease payments. The activity for the three months ended September 30, 2006 was (in thousands):

Fiscal 2005 Restructuring Plan	Closure/ Consolidation of Facilities	Employee Severance, Benefits, and Related Costs	Total
Accrued expenses, June 30, 2006	$ 99	$ 513	$ 612
Restructuring charge	26	1,369	1,395
Restructuring charge—Accretion	1	—	1
Payments	(64)	(680)	(744)
Accrued expenses, September 30, 2006	$ 62	$ 1,202	$ 1,264
Expected final payment date	May 2007	March 2007	

Restructuring charges originally arising in Q4 FY04

As of September 30, 2006, there was $6.5 million remaining in accrued expenses relating to the remaining severance obligations and lease payments for charges recorded in fiscal 2004. The activity for the three months ended September 30, 2006 was (in thousands):

Fiscal 2004 Restructuring Plan	Closure/ Consolidation of Facilities and Contract exit costs	Employee Severance, Benefits, and Related Costs	Total
Accrued expenses, June 30, 2006	$ 6,855	$ 192	$ 7,047
Change in estimate—Revised assumptions	21	—	21
Restructuring charge—Accretion	65	—	65
Payments	(583)	(79)	(662)
Accrued expenses, September 30, 2006	$ 6,358	$ 113	$ 6,471
Expected final payment date	September 2012	December 2006	

Restructuring charges originally arising in Q2 FY03

As of September 30, 2006, there was $9.5 million remaining in accrued expenses relating to the remaining lease payments for charges recorded in fiscal 2003. The activity for the three months ended September 30, 2006 was (in thousands):

Fiscal 2003 Restructuring Plan	Closure/ Consolidation of Facilities
Accrued expenses, June 30, 2006	$ 9,966
Change in estimate—Revised assumptions	(38)
Payments	(387)
Accrued expenses, September 30, 2006	$ 9,541
Expected final payment date	September 2012

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

Additional information relating to quantitative and qualitative disclosure about market risk is set forth in Note 3 to the consolidated financial statements included in this Form 10-Q.

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; the policy also limits the amount of credit exposure to any one issuer and the types of instruments approved for investment. We do not expect any material loss with respect to our investment portfolio. The following table provides information about our investment portfolio. For investment securities, the table presents principal cash flows and related weighted average interest rates by expected maturity dates.

Principal (Notional) Amounts by Expected Maturity in U.S. Dollars ($, in thousands)

	Fair Value at September 30, 2006	Maturing in Fiscal 2007
Cash Equivalents	$ 88,866	$ 88,866
Weighted Average Interest Rate	2.33%	2.33%

Investments	$ —	$ —
Weighted Average Interest Rate	—%	—%
Total Portfolio	$ 88,866	$ 88,866
Weighted Average Interest Rate	2.33%	2.33%

Impact of Foreign Currency Rate Changes

During the first three months of fiscal 2007 the U.S. dollar strengthened against the Euro and Japanese Yen, and weakened against the British pound and Canadian dollar. The translation of our intercompany receivables and foreign entities assets and liabilities did not have a material impact on our consolidated results. Foreign exchange forward contracts are only purchased to hedge certain customer accounts and installment receivable amounts denominated in a foreign currency.

Foreign Exchange Hedging

We enter into foreign exchange forward contracts to reduce our exposure to currency fluctuations on customer installments receivables denominated in foreign currencies. The objective of these contracts is to neutralize the impact of foreign currency exchange rate movements on our operating results. We do not use derivative financial instruments for speculative or trading purposes. We had $29.3 million of foreign

exchange forward contracts denominated in British, Japanese, Swiss, Euro and Canadian currencies, which represented underlying customer installments receivable transactions at September 30, 2006. The underlying customer installments receivable transactions consist of assets carried on our balance sheet and assets that were transferred to our subsidiaries as part of the securitizations of installments receivable for which we have assumed the exposure associated with changes in foreign exchange rates. At each balance sheet date, the foreign exchange forward contracts and the related installments receivable 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 the three months ended September 30, 2006 and 2005 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 provides information about our forward contracts at September 30, 2006, to sell foreign currencies for U.S. dollars. All of these contracts relate to customer accounts and installments receivable. The table presents the value of the contracts in U.S. dollars at the contract exchange rate as of the contract maturity date. The average contract rate approximates the weighted average contractual foreign currency exchange rate and the forward position in U.S. dollars approximates the fair value of the contract at September 30, 2006.

Currency	Average Contract Rate	Forward Amount in U.S. Dollars (in thousands)	Contract Origination Date	Contract Maturity Date
Euro	1.26	$ 19,329	Various: Oct 05—Sep 06	Various: Oct 06—Jul 07
British Pound Sterling	1.83	4,987	Various: Oct 05—Sep 06	Various: Oct 06—Oct 07
Canadian Dollar	1.14	2,434	Various: Oct 05—Sep 06	Various: Oct 06—Oct 07
Japanese Yen	112.38	2,154	Various: Oct 05—Sep 06	Various: Oct 06—Jul 07
Swiss Franc.	0.57	394	Various: May 06—Sep 06	Various: Oct 06—May 07
Total		$ 29,298		

Item 4. ***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 September 30, 2006. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the 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 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 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.

We previously reported four material weaknesses in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) as of June 30, 2006, which were described in Item 9A and Management’s Report on Internal Control Over Financial Reporting in our Annual Report on Form 10-K for the fiscal year ended June 30, 2006.

In November 2006, our current management, including our chief executive officer and chief financial officer, identified a new material weakness in internal control over the calculation and review of forfeiture rates affecting stock-based compensation expense as of June 30, 2006. Specifically, we did not have effective operational and review controls in place to provide reasonable assurance that the calculation of stock-based compensation expense reflected accurate forfeiture rates under the provisions of SFAS No. 123R, which were adopted on July 1, 2005. This control deficiency resulted in the restatement of the consolidated financial statements for the year ended June 30, 2006 as described in Note 17 to the consolidated financial statements in our Annual Report on Form 10-K, as amended. This material weakness relating to the calculation and review of forfeiture rates affecting stock-based compensation expense as of June 30, 2006 is discussed further in “Management’s Report on Internal Control Over Financial Reporting (as revised)” included in our Annual Report on Form 10-K, as amended.

A material weakness is a significant deficiency (as defined in Public Company Accounting Oversight Board Auditing Standard No. 2), or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

Management's Report on Internal Control Over Financial Reporting (as revised) in our Annual Report on Form 10-K, as amended, for the fiscal year ended June 30, 2006 described certain remediation initiatives designed to address the five previously reported material weaknesses. During the quarter ended September 30, 2006, we continued to design enhancements to our controls and implemented a limited number of changes to our internal control environment. We have implemented or expect to implement the changes described below during our current fiscal year, and will design and implement additional changes as considered appropriate, which are intended to remediate the material weaknesses which existed as of June 30, 2006. We expect to test the effectiveness of such changes in connection with our annual testing of the effectiveness of internal controls. As a result of the five previously reported material weaknesses in our internal control over financial reporting, which were not remediated as of September 30, 2006, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were not effective as of September 30, 2006.

The remedial measures implemented by us to date will not in and of themselves remediate the material weaknesses, and certain of these remedial measures will require some time to be fully implemented or to take full effect. Prior to the remediation of these material weaknesses, there remains risk that the transitional controls, described below, on which we currently rely will fail to be sufficiently effective, which could result in material misstatement of our financial position or results of operations and require a restatement. During the quarter ended September 30, 2006, we made the following changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to address our previously reported material weaknesses. These changes in our internal control over financial reporting have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting:

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

· Hired a Chief Financial Officer with expertise in internal controls and financial reporting;

· Initiated the planning phase of a long-term project to upgrade our existing financial applications, which is being 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;

· Initiated detailed review procedures by finance management for all manual journal entries recorded at the consolidated level prior to posting;

· Required that all complex non-routine transactions during the quarter ended September 30, 2006 were researched, detailed in written memoranda and reviewed by senior management prior to recording; and,

· Hired additional billing, accounting and collections staff in finance to support the continued consolidation of worldwide transaction processing in the Company's headquarters in Cambridge, MA.

In order to improve controls in the accounts receivable function over the process to record customer invoice payments timely and accurately, we:

· Began our assessment of the accounting applications deployed to service accounts receivable which have been sold in the planning phase of the system upgrade project discussed above. This assessment is expected to continue into future quarters.

In order to improve controls over the accrual of goods and services received, we:

· Increased the frequency and timing of communications from executive and finance management to purchase requestors, and implemented additional manual procedures, to ensure any known liabilities were communicated to finance for timely recording at September 30, 2006.

After the quarter ended September 30, 2006 and prior to the date of filing of this quarterly report on Form 10-Q, we made the following changes in our internal control over financial reporting to address our previously reported material weaknesses and to further strengthen our internal controls. These changes in our internal control over financial reporting have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting:

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

· Designed and implemented a new quarterly reconciliation of the subsidiary-level books to the consolidated books; and

· Initiated a new dual review procedure by finance management of all material balance sheet account reconciliations to ensure that all material reconciling items identified in balance sheet account reconciliations were accounted for properly and timely.

In order to improve controls in the accounts receivable function over the process to record customer invoice payments timely and accurately, we:

· Initiated a new dual review procedure by finance management of all material balance sheet account reconciliations, including accounts receivable reconciliations, to ensure all cash receipts were timely applied to applicable accounts receivable balances and to ensure the appropriate liability was recorded in instances where the receivable had been sold to a financial institution; and

· Enhanced our review process by finance management of credit balances in accounts receivable to ensure proper classification as a liability or as a credit to accounts receivable.

In order to improve controls over the accounting for income taxes, we:

· Implemented a new review process by executive finance management of the quarterly tax accounts and calculations; and

· Improved internal reporting of financial account balances to the tax department.

In order to improve controls over the accrual of goods and services received, we:

· Designed and implemented a new process to review open purchase orders and subsequent payments for appropriate accounting treatment at September 30, 2006.

In order to improve controls over the calculation and review of forfeiture rates affecting stock-based compensation expense, we adjusted the calculation methodology for our stock-based compensation expense to include accurate forfeiture rates under the provisions of SFAS No. 123R.

In addition, we will continue to plan and enhance our infrastructure and related processes to strengthen our internal control over financial reporting and address our material weaknesses as follows:

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

· Continue to upgrade our existing financial applications and supporting processes and organizational structure, which will allow management 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 our operations on a global basis;

· Take steps to simplify the legal entity structure;

· Continue to evaluate and assess the adequacy and expertise of the finance and accounting staff on a global basis.

In order to improve controls in the accounts receivable function over the process to record customer invoice payments timely and accurately, we intend to:

· Continue to require dual review by finance management of all material balance sheet account reconciliations, including accounts receivable reconciliations; and

· Continue our assessment of the adequacy of the financial applications and supporting processes and organizational structure deployed to service accounts receivable which have been sold.

In order to improve controls over the accounting for income taxes, we intend to:

· Further enhance our policies and procedures for determining and documenting income tax liabilities and deferred income tax assets and liabilities, as well as for preparing income tax provision calculations;

· Increase the number of personnel with specialized corporate and international tax expertise in the tax department.

In order to improve controls over the accrual of goods and services received, we intend to:

· Continue to automate the purchasing cycle including a system implementation and enhanced reporting that will allow for accurate and timely reports of purchases which require periodic accrual;

· Maintain ongoing reviews of open purchase and subsequent payments by finance and accounts payable management to ensure appropriate accounting treatment; and

· Continue frequent executive and finance management communications to purchase requestors to ensure communication of known liabilities to finance for timely recording.

In order to improve controls over the calculation and review of forfeiture rates affecting stock-based compensation expense, we intend to increase the level of management review of our stock-based

compensation expense calculations to ensure forfeiture rates are accurately reflected under the provisions of SFAS No. 123R.

If the remedial measures described above are insufficient to address any of the five 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 controls environment. Among other things, any unremediated material weakness could result in material post-closing adjustments in future financial statements. Furthermore, any such unremediated material weakness could have the effects described in “Item IA.—Risk Factors”. We have identified five material weaknesses in our internal control over financial reporting as of September 30, 2006 that, if not remedied effectively, could result in material misstatements in our financial statements for future periods.”

The certifications of our principal executive officer and principal financial officer required in accordance with Section 302 of the Sarbanes-Oxley Act are attached as exhibits to this Form 10-Q. The disclosures set forth in this Item 4 contain information concerning the evaluation of our disclosure controls and procedures, and changes in internal control over financial reporting, referred to in paragraph 4 of the certifications. This Item 4 should be read in conjunction with the officer certifications for a more complete understanding of the topics presented.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

U.S. Attorney’s Office Investigation and Wells Notice

In October 2004, the audit committee of the Company’s board of directors commenced a detailed investigation of the accounting for certain software license and service agreement transactions entered into with certain alliance partners and other customers during fiscal years 2000 through 2002 (and later, fiscal 2000 to 2004), which investigation concluded in March 2005. In October 2004, the Company received a subpoena from the U.S. Attorney’s Office for the Southern District of New York requesting documents relating to transactions to which the Company was a party during the 2000 to 2002 time frame, associated documents dating from January 1, 1999, and additional materials.

In June 2006, the Company received a "Wells Notice" letter from the SEC of possible civil enforcement action regarding the Company's originally filed financial statements for fiscal years 2000 through 2004, which the Company restated in March 2005 following the conclusion of the audit committee's review. In addition, the Company has been advised that Lawrence Evans, its former Chairman of the Board and Chief Executive Officer, David McQuillin, its former Chief Executive Officer, and Lisa Zappala, its former Chief Financial Officer, received separate Wells Notice letters in July 2006 regarding the same matter. Lawrence Evans is a current employee of the Company pursuant to an employment agreement entered into in June 2003, although he is no longer an executive officer.

The Company has cooperated fully with the subpoena requests and in the investigation by the U.S. Attorney's Office and the SEC. The investigation by the U.S. Attorney's Office is ongoing in coordination with the SEC, to which the audit committee had initially reported the initiation of the audit committee's investigation. The Company is currently unable to determine whether resolution of these matters will have a material adverse impact on its financial position or results of operations, or reasonably estimate the amount of the loss, if any, that may result from resolution of these matters. However, the ultimate outcome could have a material adverse effect on the Company's financial position and results of operations.

Class Action and Opt Out Suits

In November 2004, two putative class action lawsuits were filed against the Company in the United States District Court for the District of Massachusetts, captioned, respectively, Fener v. Aspen Technology, Inc., et. al., Civil Action No. 04-12375 (D. Mass.) (filed Nov. 9, 2004) and Stockmaster v. Aspen Technology, Inc., et. al., Civil Action No. 04-12387 (D. Mass.) (filed Nov. 10, 2004), ("the Class Actions"). The Class Actions allege, among other things, that the Company violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder in connection with various statements about its financial condition for fiscal years 2000 through 2004. On February 2, 2005, the Court consolidated the cases under the caption Aspen Technology, Inc. Securities Litigation, Civil Action No. 04-12375 (D. Mass.), and appointed The Operating Engineers and Construction Industry and Miscellaneous Pension Fund (Local 66) and City of Roseville Employees' Retirement System as lead plaintiff, purporting to represent a putative class of persons who purchased Aspen Technology, Inc. common stock between January 25, 2000 and October 29, 2004. On August 26, 2005, the plaintiffs filed a consolidated amended complaint containing allegations materially similar to the prior complaints and expanding the class action period.

Following mediation, on November 16, 2005, the Company and the plaintiffs on behalf of putative class members, defined to include all persons who purchased our common stock between October 29, 1999 and March 15, 2005, inclusive, (the "Class"), entered into a Stipulation and Agreement of Compromise, Settlement and Release of Securities Action, which (the "Stipulation"). The Stipulation was filed with the Court on the same date and provided, among other things, for settlement and release of all direct and

indirect claims of the Class concerning matters covered by the Stipulation. On December 12, 2005, the Court granted preliminary approval of the settlement provided for in the Stipulation. After notice to the Class and after the hearing, on March 6, 2006, the Court granted final approval of the settlement, and the class action lawsuit was dismissed with prejudice. The Company entered into the Stipulation to resolve the matter and without acknowledging any fault, liability or wrongdoing of any kind. There has been no adverse determination by the Court against the Company or any of the other defendants in the case.

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 their own individual actions, ("Opt Out Claims"). To date, state law Opt Out Claims, including claims of fraud, statutory treble damages, deceptive practices, and/or rescissory damages liability, based on the restated results of one or more fiscal periods included in the restated financial statements referenced in the Class Action, have been filed in Massachusetts Superior Court. The Company has responded by motion to dismiss on the grounds that the claims fail properly to state a claim. If not dismissed or settled on terms acceptable to us, the Company plans to defend the Opt Out Claims vigorously.

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.

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

On December 1, 2004, a putative derivative action lawsuit was filed as a related action to the first filed of the Class Actions (described above) in the United States District Court for the District of Massachusetts, captioned Caviness v. Evans, et al., Civil Action No. 04-12524 (D. Mass.), (the "Derivative Action"). 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 defendants' motion to dismiss the Derivative Action for failure of the plaintiff to make a pre-suit demand on the Company's board of directors to take the actions referenced in the Derivative Action complaint.

On April 12, 2005, the Company received a letter on behalf of another shareholder, demanding that the board of directors of the Company take actions substantially similar to those referenced in the Derivative Action. On February 28, 2006, the Company received a letter on behalf of Mr. Caviness, demanding that the Company take actions referenced in the Derivative Action complaint. The board of

directors 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 a stockholder of Aspen Technology, Inc., and, with respect to the most recent letter, also referred the purported stockholder to the March 6, 2006 final approval of the settlement of direct and indirect claims of the Class in the Class Actions.

On September 27, 2006, a purported derivative action was filed in Massachusetts state court against the Company and certain present and former officers and directors captioned Rapine v. AspenTech (Civ. No. 06-3455). The complaint alleged that the Company breached its fiduciary duty in connection with the Company's restatement of financial statements stemming from its review of past stock option grants. On October 16, 2006, the Company removed the case to federal court and moved to dismiss it on the grounds that the plaintiff had failed to make the requisite pre-suit demand on the Company's board of directors, and because the Company was advised that the claims are largely barred by the March 6, 2006 Class Action settlement. The court has not ruled on the motion to dismiss. The Company cannot estimate the ultimate outcome of the case at this preliminary stage.

Other

From time to time, the Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The outcome of these matters is currently not determinable, and there can be no assurance that such matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

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 or results of operations 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;
- 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 quarter ending September 30), primarily caused by a 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;
- changes in our operating expenses; 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 our expense levels are based in part on anticipated revenues, we may be unable to adjust our spending quickly enough to compensate for any revenue shortfall and any revenue shortfall would likely have a disproportionately adverse effect on our operating results. 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 shifting customer purchases away from individual software products and toward more costly integrated suites of software and services, 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 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 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 restructurings 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 litigation and government investigations based on the results of an internal investigation into certain of our software accounting practices may require that we incur substantial additional expenses and expend significant additional management time and may damage our reputation and have a material adverse effect on our business, financial condition and results of operations.

In March 2005, as a result of an internal investigation of our accounting for certain software license and service agreements, we restated our consolidated financial statements for fiscal years 1999 through 2004, including the interim quarters for fiscal years 2003 and 2004.

Following this restatement, we and certain of our then-current and former officers and directors were named defendants in securities class action and derivative lawsuits filed in Massachusetts federal district court, alleging that our financial statements that were restated constituted violations of the Securities Exchange Act and claiming material misstatements concerning our financial condition and results. In March 2006, the court approved a $5.6 million settlement with the class, of which we paid $1.9 million and our insurance carrier paid $3.7 million.

Members of the class representing 1,457,969 shares of common stock opted out of the March 2006 settlement and therefore may choose to initiate their own state law claims against us, which we refer to as opt-out claims, based on the restated results referenced in the earlier class action. To date, the former stockholders of two companies that we purchased have filed separate opt-out claims, including claims of fraud, statutory treble damages, deceptive practices and rescissory damages liability, against us in Massachusetts superior court based on the restated results of one or more fiscal periods included in the restated financial statements. We can provide no assurances 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.

In October 2004, we received a subpoena from the U.S. Attorney's Office for the Southern District of New York requesting documents relating to transactions to which we were a party during 2000 to 2002, associated documents dating from January 1, 1999, and additional materials. In June 2006, we received a "Wells Notice" letter from the SEC of possible civil enforcement action regarding our originally filed financial statements for fiscal 2000 through fiscal 2004. A "Wells Notice" letter invites the recipient to address why a civil enforcement action is unnecessary or inappropriate. We can provide no assurance 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 former officers and employees based on the restated financial statements. Any such proceeding would divert the resources of management and could result in

significant expenses. 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 have been advised that Lawrence Evans, our former Chairman of the Board and Chief Executive Officer, David McQuillin, our former Chief Executive Officer, and Lisa Zappala, our former Chief Financial Officer, received separate "Wells Notice" letters in July 2006 regarding our originally filed financial statements for fiscal 2000 through fiscal 2004. Lawrence Evans is a current employee of our company pursuant to an employment agreement entered into in June 2003, although he is no longer an executive officer. Any enforcement proceeding by the SEC against any or all of these former executive officers may harm our reputation and cause our customers, employees and investors to lose confidence in our company, which would 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 each of the three former executive officers whom we understand have received "Wells Notice" letters, as discussed above) in connection with civil, criminal or regulatory proceedings or actions, and such indemnification commitments may be costly. Our director and officer 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 director and officer indemnification. If these policies do not adequately cover expenses and certain 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. The 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 director and officer liability insurance.

A determination by the FTC that we have failed to comply with our existing consent decree 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 transactions with Honeywell and Bentley Systems in which we transferred our AXSYS product line, our operator training business, and rights to the intellectual property of the Hyprotech product line.

We are subject to ongoing compliance obligations under the FTC consent decree and to subpoenas and other requests for information and documents from the FTC related to whether we have complied with the FTC consent decree. Ensuring our continued compliance with the FTC consent decree may subject us to increased legal fees and other expenses and obligations. If the FTC were to determine that we have not complied with our obligations under the consent decree, we could be subject to one of a variety of remedies, 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.

Claims based on the results of a recent internal review into our 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 our board of directors determined that certain stock option grants during fiscal 1995 through fiscal 2004 were accounted for improperly and concluded that stock-based compensation associated with certain grants was misstated in fiscal 1995 through fiscal 2005 and in the nine months ended March 31, 2006. As a result of these errors, certain option grants result in nonqualified deferred compensation for purposes of Section 409A of the Internal Revenue Code, resulting in the imposition of an excise tax on the value of the options in the year in which they vest. In September 2006, we restated our financial statements for fiscal 1997 through fiscal 2005 and the first three quarters of fiscal 2006. These restated financial statements were contained in our Annual Report on Form 10-K for the year ended June 30, 2006. However, it is possible that we may be required to file amended Forms 10-K for the fiscal years prior to 2006.

On September 27, 2006, a purported derivative action filed in Massachusetts state court against us and certain present and former officers and directors captioned Rapine v. AspenTech (Civ. No. 06-3455). The complaint alleged that we breached our fiduciary duty in connection with our restatement of financial statements stemming from our review of past stock option grants. On October 16, 2006, we removed the case to federal court and moved to dismiss it on the grounds that the plaintiff had failed to make the requisite pre-suit demand on our board of directors, and because we were advised that the claims are largely also barred by a prior class action settlement approved by the federal court on March 6, 2006. The court has not ruled on the motion to dismiss. We can express no view on the likely outcome of the case at this preliminary stage.

We may be named as a defendant in additional securities litigation or derivative lawsuits by current or former stockholders based on the restated 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 would likely require significant attention and resources of management and could result in significant legal expenses.

Moreover, we cannot assure you that we will not be subject to regulatory actions by government agencies. Any such proceeding would divert the resources of management, could result in significant expenses and could cause our customers, employees and investors to lose confidence in our company.

We have identified five material weaknesses in our internal control over financial reporting as of September 30, 2006 that, if not remedied effectively, could result in material misstatements in our financial statements for future periods.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company, as defined in Rule 13a-15(f) or 15d-15(f) under the Securities Exchange Act. Our management assessed the effectiveness of our internal control over financial reporting as of September 30, 2006 and identified five material weaknesses, which weaknesses were previously reported and described in our Annual Report on Form 10-K, as amended, for fiscal 2006 and in “Item. 4 Controls and Procedures” in this report. A material weakness is defined by the Public Company Accounting Oversight Board (United States) as a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. A significant deficiency is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected. A control deficiency exists when the design or operation of a control does not allow management

or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

The material weaknesses identified by management as of June 30, 2006 and again at September 30, 2006 consisted of:

- inadequate and ineffective controls over the periodic financial close process;
- ineffective and inadequate controls in the accounts receivable function over the process to record customer invoice payments timely and accurately;
- inadequate and ineffective controls over the accounting for income taxes;
- inadequate and ineffective controls over accrual of goods and services received; and
- inadequate and ineffective controls over the calculation and review of forfeiture rates affecting stock-based compensation expense.

For further information about these material weaknesses, please see “Item 4. Controls and Procedures” in this report and “Item 9A. Controls and Procedures—Changes in Internal Control Over Financial Reporting” and “Management’s Report on Internal Control over Financial Reporting” in our Annual Report on Form 10-K, as amended, for fiscal 2006. Because of these material weaknesses, our management concluded, as of September 30, 2006, 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.

Our management previously had identified six material weaknesses in our internal control over financial reporting as of June 30, 2005 and, in each of fiscal 2005 and 2006, our management has identified significant deficiencies in our internal control over financial reporting. We implemented a number of

remedial measures in fiscal 2006, but three of the six previously identified weaknesses continued to constitute material weaknesses as of September 30, 2006. In addition, during each of the fourth quarter of fiscal 2006 and the first quarter of fiscal 2007, our management identified an additional new material weakness in our internal control over financial reporting. We are implementing additional remedial measures designed to address the material weaknesses identified as of September 30, 2006. If these remedial initiatives are insufficient to address the four identified material weaknesses, or if additional material weaknesses or significant deficiencies in our internal control are discovered in the future, we may fail to meet our future reporting obligations on a timely basis, our financial statements may contain material misstatements, our operating results may be harmed, we may be subject to class action litigation, and our common stock may be delisted from The NASDAQ Global Market. 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 or significant deficiencies in our internal controls 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 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 facilitate the fair presentation of our financial statements or SEC reports.

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.

We have 29 offices in 20 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 subsidiary operations, we could face difficulties managing our international operations, including our ability to compile consolidated financial statements in a timely manner. 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 financial 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.

We derived approximately 60% of our total revenues from customers outside the United States in fiscal 2005 and 2006. 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, hedges 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 ABB, Agile, EDS, Honeywell, Invensys, Oracle, Parametric Technology, 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 industries. 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.

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 such claims that our software products and implementation services have failed to meet customer expectations, and our software products and implementation services could continue to give rise to warranty and other claims.

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. Also, 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 customized 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, all liability that may be imposed under these types of claims.

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

Certain factors have in the past and may in the future cause us to defer recognition for license fees beyond delivery, such as the inclusion of material non-standard terms in our licensing agreements. Because of these factors and other specific requirements under U.S. GAAP for software revenue recognition, we must have very precise terms in our software arrangements in order to recognize revenue when we initially deliver software or perform services. Negotiation of mutually acceptable terms and conditions can extend

our sales cycle, and we may accept terms and conditions that do not permit revenue recognition at the time of delivery.

If we are not successful in attracting 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 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. Our future success will depend in large part on our ability to attract a sufficient number of highly qualified personnel, and there can be no assurance that we will be able to do so.

We have experienced changes in our senior management that could affect our business and operations.

We have made significant changes in our senior management team, including the hiring of a new Senior Vice President, Finance and Chief Financial Officer in September 2006. Because of these significant changes, our management team may not be able to work together effectively to successfully develop and implement our business strategies and financial operations. In addition, management will need to devote significant attention and resources to preserve and strengthen relationships with employees, customers and the investor community. If our new management team is unable to achieve these goals, our ability to grow our business and successfully meet operational challenges could be impaired.

If we are unable to develop or maintain strategic alliance relationships, our revenue growth may be harmed.

An element of our growth strategy is to establish strategic alliances with selected third-party systems integrators that market and integrate our products. If our current systems integrators terminate their existing relationships with us, or if we do not adequately train a sufficient number of other systems integrators, or if potential systems integrators focus their efforts on integrating or co-selling competing products to the process industries, our future revenue growth could be limited and our operating results could be materially and adversely affected. If our systems integrators fail to implement our solutions for our customers properly, the reputations of our products and services and our company could be harmed and we might be subject to claims by our customers. We intend to continue to establish business relationships with technology companies 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 revenue growth may be materially and adversely affected.

Risks Related to Our Common Stock

Our common stockholders will experience dilution as a result of the conversion of our Series D preferred and the exercise of our outstanding warrants or options, and our payment of accumulated dividends will either result in further dilution to our common stockholders or require our payment of a significant amount of cash.

The terms of our outstanding securities may result in substantial dilution to existing common stockholders. As of September 30, 2006, a total of 53,461,512 shares of common stock were outstanding and outstanding shares of Series D preferred were convertible into a total of 33,336,400 additional shares of common stock. Our common stockholders would be subject to substantial dilution if the Series D preferred were converted into common stock.

In addition, each share of Series D preferred is entitled to a cumulative dividend of 8.0% of the stated value per share of such Series D preferred per year, payable upon declaration by the board of directors, in its discretion, or upon conversion or redemption of the Series D preferred. As of September 30, 2006, there was $31.3 million in accumulated but undeclared dividends on the Series D preferred. Accumulated dividends, when and if declared by our board, must be paid in cash, unless we elect to pay the dividends in common stock and we are able to satisfy specified conditions

Furthermore, as of September 30, 2006, we had outstanding (a) warrants that were then exercisable to purchase a total of 3,075,798 shares of common stock at a weighted average exercise price of $5.66 per share and (b) options to purchase a total of 5,518,565 shares of common stock at a weighted average exercise price of $8.32. Moreover, as of September 30, 2006 there were outstanding unvested options to purchase 3,618,445 shares at a weighted average exercise price of $5.63 per share. Our common stockholders would be subject to substantial dilution if our outstanding warrants or options were exercised for common stock.

We are obligated to register for public sale shares of common stock issuable pursuant to our outstanding Series D preferred and warrants, and sales of those shares may result in a decrease in the price of our common stock.

We have granted rights to require that we register under the Securities Act the shares of common stock issuable upon the conversion of, or as dividends on, the Series D preferred and upon the exercise of certain of our warrants:

- *Series D-1 preferred*. The holders of the Series D-1 preferred have the right to demand that we file on their behalf up to four registration statements covering shares of common stock issuable upon (a) conversion of the Series D-1 preferred and (b) exercise of certain warrants issued to the holders of the Series D-1 preferred. In May 2006, we received a demand letter from the Series D-1 preferred holders, in accordance with the terms of their investor rights agreement with us, requesting the registration of all of the shares of common stock into which their shares of Series D-1 preferred are convertible and their warrants are exercisable in an underwritten public offering. As of September 30, 2006, the total number of shares of common stock that would be covered by this registration demand letter is approximately 31,499,336.
- *Series D-2 preferred*. We previously filed a registration statement that covers all of the shares of common stock issuable upon (a) conversion of the Series D-2 preferred and (b) exercise of certain warrants issued to the initial holders of the Series D-2 preferred.

In addition, to the extent we elect to pay dividends on the Series D preferred in shares of our common stock, we are required to register such shares.

Any sale of common stock into the public market by the holders of the Series D preferred pursuant to a registration statement could cause a decline in the trading price of 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. In March 2006, we settled a

putative class action lawsuit that was pending against us in U.S. District Court, District of Massachusetts, as described under "Securities litigation and investigations based on the results of a 2005 internal investigation into certain of our software accounting practices may require that we incur substantial additional expenses and expend significant additional management time and may damage our reputation." 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, cash-equivalents, short-term investments, proceeds from the anticipated sale of installment contracts, funds available under our bank line of credit, and cash flows from operations will be sufficient to meet our working capital and capital expenditure requirements 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 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 your percentage ownership of our common stock. Furthermore, any new equity 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.

The holders of Series D preferred own a substantial portion of our capital stock that may afford them significant influence over our affairs.

As of September 30, 2006, the Series D preferred (on an as-converted basis) represented 37.4% of our outstanding common stock and the warrants issued to the original purchasers of the Series D-2 preferred were exercisable for shares representing 2.3% of our outstanding common stock (ignoring certain limitations on the ability to convert such shares or exercise such warrants). As a result, the holders of the Series D preferred and such warrants, if acting together, would have the ability to delay or prevent a change in control of our company that may be favored by other stockholders and otherwise exercise significant influence over all corporate actions requiring stockholder approval, irrespective of how our other stockholders may vote, including:

- any amendment of our certificate of incorporation or bylaws;
- the approval of some mergers and other significant corporate transactions, including a sale of substantially all of our assets; or
- the defeat of any non-negotiated takeover attempt that might otherwise benefit the public stockholders.

In addition, the holders of the Series D-1 preferred have elected three of our non-employee board members. Accordingly, the holders of our Series D-1 preferred may be able to exert substantial influence over matters submitted for board approval.

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 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. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors and take other corporate actions. These provisions could also 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 our board of directors.

Item 6. ***Exhibits***

Exhibit Number	Description	Filed with this Form 10-Q	Incorporated by Reference		
			Form	Filing Date with SEC	Exhibit Number
10.1	Loan Agreement, dated as of 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	X			
10.2	Tenth Loan Modification Agreement, dated as of September 14, 2006, between Silicon Valley Bank and Aspen Technology, Inc.		10-K	September 28, 2006	10.84
10.3	Eleventh Loan Modification Agreement, dated as of September 27, 2006, by and among Silicon Valley Bank and Aspen Technology, Inc.	X			
10.4	Sixth Loan Modification Agreement (EXIM), dated as of September 14, 2006, between Silicon Valley Bank and Aspen Technology, Inc.		10-K	September 28, 2006	10.85
10.5	Seventh Loan Modification Agreement - EXIM dated as of September 27, 2006, by and among Silicon Valley Bank and Aspen Technology, Inc.	X			
10.6	Partial Release and Acknowledgement Agreement, dated as of September 27, 2006, by and among Silicon Valley Bank and Aspen Technology, Inc.	X			
10.7*	Form of Terms and Conditions of Stock Option Agreement Granted Under 2001 Restated Stock Option Plan	X			
10.8*	Form of Terms and Conditions of Stock Option Agreement Granted Under 2005 Stock Incentive Plan	X			
10.9*	Form of Restricted Stock Unit Agreement Granted under 2005 Stock Incentive Plan.	X			
10.10*	Form of Restricted Stock Unit Agreement-G Granted under 2005 Stock Incentive Plan.				
10.11*	Form of Executive Retention Agreement entered into as of September 26, 2006, by Aspen Technology, Inc. and each of Frederic G. Hammond, Manolis E. Kotzabasakis, Bradley T. Miller, C. Steven Pringle and Blair F. Wheeler				
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
32.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			

* Management contract or compensatory plan

SIGNATURES

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

ASPEN TECHNOLOGY, INC.

Date: November 14, 2006 By: /s/ MARK E. FUSCO
Mark E. Fusco
President and Chief Executive Officer

Date: November 14, 2006 By: /s/ BRADLEY T. MILLER
Bradley T. Miller

EXHIBIT INDEX

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* Management contract or compensatory plan

Exhibit 10.1

LOAN AGREEMENT

Dated as of September 27, 2006

Among

ASPEN TECHNOLOGY FUNDING 2006-II LLC,

as the Borrower,

ASPEN TECHNOLOGY, INC.,

as the initial Servicer,

PORTFOLIO FINANCIAL SERVICING COMPANY, INC.

as the Back-up Servicer

and

KEY EQUIPMENT FINANCE INC.

as the Agent

and

KEYBANK NATIONAL ASSOCIATION

as a Liquidity Bank

and

RELATIONSHIP FUNDING COMPANY, LLC

as CP Issuer

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is entered into as of September 27, 2006, among ASPEN TECHNOLOGY FUNDING 2006-II LLC, a Delaware limited liability company (the "Borrower"), ASPEN TECHNOLOGY, INC., a Delaware corporation ("Aspen"), as initial servicer (in such capacity, together with its successors and permitted assigns in such capacity, the "Servicer"), PORTFOLIO FINANCIAL SERVICING COMPANY, INC., a Delaware corporation, as back-up servicer (in such capacity, together with its successors and assigns in such capacity, the "Back-up Servicer") and KEY EQUIPMENT FINANCE INC., as Agent for the benefit of the Secured Parties (in such capacity, together with its successors and permitted assigns in such capacity, the "Agent"), KEYBANK NATIONAL ASSOCIATION, as initial Liquidity Bank (in such capacity, together with its successors and assigns in such capacity, the "Liquidity Bank" and, together with such other Liquidity Banks as may from time to time become party hereto, the "Liquidity Banks"), and RELATIONSHIP FUNDING COMPANY, LLC, as CP Issuer (in such capacity, together with its successors and permitted assigns in such capacity, the "CP Issuer"). Unless otherwise indicated, capitalized terms used in this Agreement are defined in Exhibit I.

PRELIMINARY STATEMENTS

WHEREAS, the Borrower has requested the Lenders, and the Lenders have agreed, subject to the terms and conditions contained in this Agreement, to extend Loans to the Borrower on the terms and conditions set forth in this Agreement which shall secured by the Pool Assets of the Borrower.

WHEREAS, the CP Issuer may, in its sole discretion, make secured loans to the Borrower, and the Liquidity Banks are prepared to make such loans, upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE LOANS

SECTION 1.01 Funding Procedures

(a) Subject to the satisfaction of the conditions precedent set forth in Article V, the Lenders hereby agree, on the terms and conditions set forth in this Agreement and at the sole discretion of the Agent and the Lenders, to advance loans (each a "Loan") to the Borrower during the Revolving Period in the aggregate principal amount at any time outstanding not to exceed each Lender's Commitment of an amount equal to the lesser of the (i) Commitment Amount or (ii) the Borrowing Base, provided that, each Lender shall not be required to make any Loan to the Borrower under this Agreement unless all of the requirements and conditions set forth in Article V have been satisfied. All Loans may be borrowed, repaid and reborrowed only in accordance with the terms of this Agreement. During the Revolving Period, subject to the terms of this Agreement, the Borrower may reborrow in an amount up to the Availability, subject

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to mandatory reductions set forth in Sections 3.06 and 3.07 hereof. The Revolving Period shall terminate upon the occurrence of a Termination Event. Notwithstanding anything to the contrary contained herein, neither the CP Issuer nor any Liquidity Bank shall have any obligation to make any new Loan on any Funding Date, and the CP Issuer or a Liquidity Bank, as applicable, may make additional Loans hereunder solely if it elects in its sole discretion to do so.

(b) Subject to Section 1.01(a), each Lender shall make its Loan available in the amount of such Lender's Pro Rata Share to the Agent at the Agent's Office in same day funds upon each borrowing hereunder. Upon receipt by the Agent of such funds, the Agent will make such funds available to the Borrower.

(c) Amounts borrowed pursuant to this Section 1.01 shall be repaid in accordance with Article III hereof and, subject to the terms and conditions of Article V of this Agreement, subsequent Loans will be extended to the Borrower, provided that, no Termination Event has occurred and is continuing, and the other conditions set forth in Article V are satisfied.

(d) After the occurrence of a Termination Event, the Borrower shall no longer be permitted to borrow under this Article I and the outstanding Loans shall be repaid based on the amortization of the underlying Pool Receivables in accordance with Article III. For the avoidance of doubt, the occurrence of a Termination Event shall not mean that all of the outstanding Loans are accelerated and are then immediately due and payable.

(e) For the avoidance of doubt, if the CP Issuer has sold or otherwise transferred all or any portion of any Loan pursuant to a Liquidity Agreement, the portion of such Loan so transferred shall not be considered to be funded by the CP Issuer for purposes of this Agreement.

SECTION 1.02 Borrowing Procedures

(a) Borrowing Request. Borrower may make a Borrowing Request for a Loan only once each month and, except with respect to the initial Borrowing Request on the Initial Funding Date, such request may only be for a Loan to be made on a Payment Date. Borrower may not make a Borrowing Request for a Loan, and the Lenders will not extend a Loan, in an amount less than $5,000,000, unless previously agreed in writing by the Agent and CP Issuer. Any Borrowing Request that does not comply with requirements set forth in this Section 1.02 shall be of no effect.

(b) Monthly Payment Date Procedures. (i) In contemplation of each Payment Date, the Borrower shall provide or cause to be provided to the Agent (A) a Servicer Report (to be provided by the Reporting Date), and (B) if the Payment Date is to be a Funding Date, a Borrowing Request (to be provided no later than Noon (New York City time) on the second Business Day prior to a Funding Date);

(ii) not later than 3:00 p.m. (New York City time) on the second Business Day before a Payment Date, the Agent will provide to the CP Issuer and each Liquidity Bank;

(A) If the Payment Date is a proposed Funding Date, a copy of the final Borrowing Request, to the extent received by the Agent; and

(B) Otherwise, a copy of the applicable Servicer Report;

(iii) not later than 3:00 p.m. (New York City time) on a Payment Date that is a Funding Date, based on a final approved Borrowing Request and upon satisfaction prior to such time by the Borrower of the applicable conditions set forth in Sections 1.01 and 1.02 and Article V and subject to the other terms and conditions of this Agreement, the CP Issuer will initiate a wire to the account of the Agent in freely transferable U.S. dollars and in immediately available funds, an amount equal to each Loan which the CP Issuer has agreed to make on such date and the Agent, assuming it has received such amount, will on the same day make such amount, to extent received, available to the Borrower in freely transferable U.S. dollars and in immediately available funds by wiring the amount of such Loan to the account of the Borrower;

provided that, Agent shall not request any Lender to make, and no Lender shall consider making, any Loan if Agent shall have actual knowledge that (1) one or more of the applicable conditions precedent set forth in Article V will not be satisfied on the applicable Funding Date for the Loan unless such condition has been waived, or (2) the requested Loan would exceed the Availability on such Funding Date.

(c) Notation. Agent shall record on its books the principal amount of the Loans owing to the Lenders from time to time and such records shall, absent manifest error, conclusively be presumed to be correct and accurate.

SECTION 1.03 Notes. (a) All outstanding Loans funded by the CP Issuer shall be evidenced by the CP Issuer Note. All outstanding Loans funded by each Liquidity Bank shall be evidenced by a Liquidity Bank Note. If a Liquidity Bank makes a Loan to continue a Loan previously funded by the CP Issuer, upon the CP Issuer's receipt of funds in accordance with the CP Issuer's instructions in the amount of the Liquidity Bank's Loan, the outstanding principal balance of the CP Issuer Note will be reduced by the amount of the Loan no longer being funded by the CP Issuer and the outstanding principal balance of the applicable Liquidity Bank Note will be increased by the amount of the Loan made by the related Liquidity Bank for such purpose. The converse will be true with respect to any Loan that the CP Issuer makes to continue a Loan previously funded by a Liquidity Bank. The Borrower hereby irrevocably authorizes the Agent, on behalf of the CP Issuer in connection with the CP Issuer Note and on behalf of each Liquidity Bank in connection with each Liquidity Bank Note to make (or cause to be made) appropriate notations on the grid attached to such Note (or on any continuation of such grid, or at their option, in its records), which notations, if made, shall evidence, inter alia, the date of, the outstanding principal of, and the interest rate applicable to the Loans evidenced thereby. Such notations shall be presumptive evidence of the subject matter thereof absent manifest error; provided, however, that the failure to make any such notations shall not limit or otherwise affect any obligations of the Borrower hereunder or under the Notes.

(b) Although the Notes shall be dated the Closing Date, interest in respect thereof shall be payable only for the periods during which Loans are outstanding thereunder. In addition, although the stated principal amount of each Note shall be equal to the Commitment

Amount or a portion thereof, as applicable, each Note shall be enforceable with respect to the Borrower's obligation to pay the principal thereof only to the extent of the unpaid principal amount of the Loans outstanding thereunder at the time such enforcement shall be sought.

ARTICLE II

INTEREST

SECTION 2.01 Interest Rates. As further specified in Section 2.03 below, the Borrower hereby promises to pay on each Payment Date interest on the unpaid principal amount of the Loans outstanding during the related Interest Period to the Agent for the benefit of the Lenders throughout the term of this Agreement until all amounts of interest are paid in full, at a rate equal to the applicable interest rate in accordance with Section 2.02(a); provided that, at all times from and after the occurrence of a Termination Event, as further specified in Section 2.02(d), interest shall accrue at a rate equal to the Default Rate, payable on demand.

SECTION 2.02 Interest. (a) The Borrower hereby promises to pay interest on the unpaid principal amount of the Loans for each day during each Interest Period until the Loans are paid in full at a rate per annum equal to:

(i) if a Loan or a portion of a Loan is at the time funded or maintained by the CP Issuer, the sum of the CP Index for such day plus the Spread for such day;

(ii) if a Loan or a portion of a Loan is at the time funded or maintained by a Liquidity Bank, the sum of the Alternate Rate for such day plus the Spread for such day; or

(iii) notwithstanding the provisions of the preceding clauses (i) and (ii), if a Termination Event has occurred and is continuing, at the Default Rate.

(b) Accrued interest in respect of each Loan shall be payable in arrears on each Payment Date as more fully described in Article III, at maturity (whether by acceleration, demand or otherwise) and on the Final Pay-out Date on demand.

(c) The Agent shall promptly (but in any event, within two Business Days) notify the Servicer and the Borrower of the Alternate Rate applicable to each Loan made by the Liquidity Banks (i) for each Interest Period, and (ii) whenever the Liquidity Banks make a Loan to continue a Loan previously funded by the CP Issuer. All notices to the Borrower pursuant to this paragraph may, so long as the Servicer is Aspen, be provided to the Servicer, as agent of the Borrower, provided that, if the Servicer is not Aspen, then such notices shall be provided to the Borrower.

(d) Any interest (to the extent permitted by law), fees or other amounts payable hereunder which are not paid on the due date thereof (including interest payable pursuant to this clause (d), to the extent permitted by law) shall accrue interest (after as well as before judgment) at the Default Rate from time to time in effect from and including the due date thereof to but excluding the date such amount is actually paid.

If, by the terms of this Agreement or the Note, the Borrower at any time is required or obligated to pay interest at a rate in excess of the maximum rate permitted by applicable law, the applicable rate of interest shall be deemed to be immediately reduced to such maximum rate and the portion of all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments made in reduction of the principal of the related Loan and under the Note.

SECTION 2.03 Interest Rates and Fees: Rates, Payments, and Calculations.

(a) Interest Payment Dates. Interest accrued on each Loan shall be payable on each Payment Date and on the Final Payout Date (subject to earlier maturity upon acceleration upon the occurrence of an Event of Default).

(b) Payment. Interest, any Lender Expenses and all fees payable hereunder or under any of the other Transaction Documents shall be due and payable, in arrears, on the applicable Payment Date in accordance with Article III. Borrower hereby authorizes Agent, from time to time without prior notice to Borrower, to charge all interest and fees (when due and payable), all Lender Expenses (as and when incurred), and all other payments as and when due and payable under any Transaction Document to the account to the Borrower, and any amounts charged to Borrower that are not paid when due shall thereafter constitute Loans hereunder and shall accrue interest at the rate then applicable to Loans hereunder.

SECTION 2.04 Computation of Interest and Fees.

(a) Except to the extent otherwise expressly provided herein or in the Transaction Document providing for such calculation, interest and periodic fees shall be calculated on the basis of a 360 day year and the actual number of days elapsed. The CP Issuer shall submit to the Agent and the Borrower five Business Days prior to each Payment Date (i) notice of an estimate of the applicable CP Index for the applicable Interest Period ending on each Payment Date, and (ii) simultaneously with any demand by the CP Issuer therefor, notice of the amount of any Breakage Costs then payable to the CP Issuer. If requested by the Agent or the Borrower, each such notice shall include reasonable detail supporting the calculations made by the CP Issuer with respect to the foregoing amounts. The Agent shall notify each of the Servicer and the Borrower of the determination of the Cost of Funds Rate(s) to be used in calculating interest for each Interest Period within the time frames specified in Section 1.02(b); provided that, in the case of the CP Index, that the CP Issuer has timely provided such information to the Agent. All notices to the Borrower pursuant to this paragraph may be provided to the Servicer, as agent of the Borrower unless (i) the Agent has received written notice from an Authorized Person of the Borrower that the Servicer is no longer serving as the Borrower's agent for such purpose, or (ii) if Aspen is not the Servicer. The Agent shall promptly deliver any such notice that it receives to the CP Issuer.

(b) In the event the applicable interest rate is changed from time to time hereafter in accordance with Section 2.02, the rates of interest hereunder based upon the interest rate automatically and immediately shall be increased or decreased by an amount equal to such change in the applicable interest rate.

ARTICLE III

DISTRIBUTIONS

SECTION 3.01 Payments. On each Payment Date, one hundred percent (100%) of all Collections on deposit in the Collateral Account (together with funds on deposit in the Liquidity Reserve Account on such date and without giving effect to any payments to replenish the Liquidity Reserve Account as set forth in Section 3.02(c)(vi)) shall be applied to the outstanding balance of the Loans as set forth in Section 3.02. On the Final Payout Date, the Borrower shall immediately repay in full (a) any and all of the remaining unpaid principal amount of the Loans, (b) any and all accrued and unpaid interest and (c) all other outstanding Obligations (subject to earlier maturity upon acceleration upon the occurrence of an Event of Default). On each Payment Date, the Obligations shall be paid or reduced to the extent available from Collections distributed to the Agent for the benefit of the Lenders in accordance with the terms of Section 3.02, 3.03 and 3.04. The Borrower shall not have the right to make any prepayment of the outstanding principal amount of the Loans other than on a Payment Date and as contemplated in the two immediately preceding sentences.

SECTION 3.02 Distribution Procedures. The parties hereto will take the following actions with respect to each Payment Date, or Reporting Date, as applicable:

(a) Servicer Report. On or prior to each Reporting Date, the Servicer shall deliver to the Agent and the Backup Servicer a Servicer Report in respect of the calendar month then most recently ended.

(b) Interest; Other Amounts Due. On each Reporting Date, the Agent shall notify the Servicer of (i) the amount of interest that shall have accrued in respect of the Loans during the immediately prior Interest Period, and (ii) all fees and other amounts that shall have accrued and be payable by the Borrower under this Agreement and the other Transaction Documents on such Payment Date.

(c) Payment Date Procedure. On each Payment Date, the Servicer, on the basis of the express instructions provided by the Agent and based on the applicable Servicer Report, shall, distribute from amounts then available in the Collateral Account and the Liquidity Reserve Account, the following amounts in the following order:

(i) unless an Event of Default shall have occurred and is continuing, to the Borrower or the Servicer, as applicable, an amount equal to any Collections remitted to the Collateral Account during such Collection Period to the extent such Collections represent recoveries in respect of Deemed Collections theretofore deposited by the Borrower or the Servicer, as applicable, in accordance with Section 3.03 (plus, if applicable, the amount of any such amounts payable on any prior Payment Date to the extent such amount has not been paid to the Borrower or the Servicer);

(ii) to the Backup Servicer, an amount equal to the Backup Servicing Fee accrued during the Collection Period then most recently ended (plus, if applicable, the

amount of Backup Servicer Fees payable on any prior Payment Date to the extent such amount has been paid to the Backup Servicer);

(iii) to the Servicer, to be distributed to Aspen, an amount equal to the Collections received during such Collection Period certified by the Servicer as being due to applicable taxing authorities in connection with state or local sales taxes (or the equivalent thereof) (plus, if applicable, the amount of such taxes payable on any prior Payment Date to the extent such amount has not been paid to the Servicer); provided, that, the Servicer shall provide a reconciliation in form acceptable to Agent to validate the amount of taxes paid by the Obligors during such Collection Period;

(iv) to the Agent, for the benefit of the Lenders, an amount equal to the interest in respect of the Loans that shall have accrued and then be unpaid as of such Payment Date including, if applicable, any previously accrued interest not paid on a prior Payment Date, to be paid by 11:00 a.m. on the applicable Payment Date;

(v) to the Agent, for the sole benefit of the Agent, the Agency Fee and any other fees due from the Borrower under the Fee Letter accrued during the Collection Period then most recently ended (plus, if applicable, the amount of Agency Fees payable on any prior Payment Date to the extent such amount has not been paid to the Agent);

(vi) to the Liquidity Reserve Account, an amount up to the Required Liquidity Reserve Amount;

(vii) to the Servicer, an amount equal to the Servicer's Fees accrued during the Collection Period then most recently ended (plus, if applicable, the amount of the Servicer's Fees payable on any prior Payment Date to the extent such amount has not been paid to the Servicer); provided, that, following the replacement of the initial Servicer in accordance with Section 8.01, the Agent may in its sole discretion distribute the Servicer Fee then in effect in clause (ii) above;

(viii) to the Servicer, to be distributed to the appropriate Persons, an amount equal to the any cash collections or other cash proceeds (other than investment income) deposited into the Collateral Account during any Collection Period ending prior to the Collection Period then most recently ended and not constituting Collections, to the extent such collections or proceeds were not previously forwarded by the Servicer to the appropriate Person in accordance with Section 8.07(b) during the Collection Period in which such items were deposited into the Collateral Account;

(ix) to the Agent, for the benefit of the Lenders and the Agent, an amount equal to all other Obligations (other than principal on the Loans) then accrued and payable by the Borrower to the Lenders or the Agent under this Agreement and the other Transaction Documents on such Payment Date;

(x) to the Borrower, any amounts due in accordance with Section 3.06 with respect to an Administrative Pool of Receivables;

(xi) to the Agent, for the benefit of the Lenders, all remaining amounts in the Collateral Account, which amounts shall be distributed ratably by the Agent to the Lenders for application to the outstanding principal amount of the Loans, provided that, to the extent that any such payment would result in an Excess Principal Payment during the applicable Collection Period, such amount shall be retained in the Collateral Account and shall be used to make payments in accordance with this Section 3.02(c) on the next succeeding Payment Date; and

(xii) to the Borrower, any remaining amounts.

Except as provided above, no amounts on any Payment Date shall be paid to the Borrower out of Collections deposited in the Collateral Account under this Section 3.02(c) as long as any Loans remain outstanding on such date.

SECTION 3.03 Deemed Collections.

(a) Borrower's Deemed Collections. Except as otherwise provided in Section 3.04, if on any day:

(i) the Outstanding Balance of any Pool Receivable is reduced, cancelled or terminated as a result of:

(A) any defective, rejected or returned software, goods or services, any cash discount, or any incorrect billing or other adjustment by the Borrower, the Transferor, Aspen or any Affiliate thereof, or

(B) any failure on the part of the Borrower, the Transferor, Aspen or any Affiliate thereof to deliver or provide any software, upgrades, supplements, refinements, goods or maintenance or other services contemplated to be delivered or provided under or in connection with any related Contract, or

(C) any setoff in respect of any claim by the Obligor thereof against the Borrower, the Transferor, Aspen or any Affiliate thereof (whether such claim arises out of the same or a related or an unrelated transaction) or by reason of becoming subject to any dispute, offset, counterclaim or defense whatsoever (except the discharge in bankruptcy of the Obligor thereof or such Obligor's financial inability to pay), or

(D) any obligation of the Borrower, the Transferor, Aspen or any Affiliate thereof to pay to the related Obligor any rebate or refund, or

(E) any action taken by the Borrower, the Transferor, Aspen or any of its Affiliates (i) outside, in the case of Aspen, the scope of any authorized collection services Aspen may then be providing as Servicer, and (ii) other than a Supersede-and-Replace transaction authorized under Section 3.04 and in connection with which an eligible Superseding Receivable replaces the affected Receivable, or

(ii) any of the representations or warranties of the Borrower set forth in Section 6.13 were not true when made with respect to any Pool Receivable, or

(iii) any of the representations or warranties of the Borrower set forth in Section 6.12 are no longer true with respect to any Pool Receivable and, with respect to Section 6.12(c), not remedied at the discretion of the Agent,

then, on such day, the Borrower shall be deemed to have received a Collection of such Pool Receivable:

(I) in the case of clause (i) above, in the amount of such reduction, cancellation or termination; and

(II) in the case of clause (ii) or clause (iii) above, in the amount of the full Outstanding Balance of such Pool Receivable.

(b) Servicer Deemed Collections. If on any day:

(i) the Outstanding Balance of any Pool Receivable is reduced, cancelled or terminated as a result of any failure on the part of the Servicer to perform its obligations as "Servicer" hereunder in accordance with the terms hereof; or

(ii) the aggregate amount available in the Collateral Account immediately prior to any Payment Date for purposes of the distributions contemplated in Section 3.02 shall be less than the aggregate amount of Collections that shall have been remitted by Obligors and received by Aspen on the Pool Receivables since the immediately preceding Payment Date by reason of any failure or inability on the part of the Servicer to cause a transfer of such Collections to the Collateral Account;

then, on such day, the Servicer shall be deemed to have received a Collection of the related Pool Receivable in the amount of such reduction, cancellation or termination or in the amount of such remittance, as applicable.

(c) Deposit of Deemed Collections. The Borrower or the Servicer, as applicable, shall deposit into the Collateral Account in cash in immediately available funds each Deemed Collection promptly following the date it first becomes aware of any of the circumstances described above and in any event no later than the immediately following Payment Date.

SECTION 3.04 Supersede-and-Replace Receivables.

(a) In connection with the expansion of a licensing arrangement with an Obligor, such Obligor may request for purposes of administrative convenience that Aspen enter into an amended and restated Contract, the effect of which is to supersede and replace (a "Supersede-and-Replace") the then outstanding receivables under the original Contract with such Obligor.

(b) Subject to the following terms and conditions, the Lenders and the Agent agree to accept from the Borrower, in lieu of the Deemed Collection that would otherwise be required under Section 3.03 upon any Supersede-and-Replace relating to a Pool Receivable (a "Replaced Receivable"), the new Pool Receivable (the "Superseding Receivable") arising in connection with such Supersede-and-Replace:

(i) Not less than two Business Days prior to giving effect to a Supersede-and-Replace, Borrower shall provide the Agent written notice (a "S&R Notice") setting forth (A) the identity of the affected Pool Receivable, (B) the terms of the Superseding Receivable becoming effective upon causing such Pool Receivable to become a Replaced Receivable, (C) a certification that the proposed Supersede-and-Replace is being undertaken at the request of the applicable Obligor and otherwise in accordance with the customary practice and procedures of Aspen, (D) a description, in such detail as may be reasonably requested by the Agent, demonstrating compliance by Borrower with the terms of this Section 3.04(b), and (E) the date (the applicable "S&R Date") on which such Supersede-and-Replace is scheduled to occur;

(ii) The Replaced Receivable shall not have been a Delinquent Receivable at any time;

(iii) The Outstanding Balance of the Replaced Receivable immediately prior to the applicable S&R Date, when added to the aggregate Outstanding Balance of all other Pool Receivables that shall have become Replaced Receivables under this Section 3.04(b), in each case as determined on its respective S&R Date, shall not exceed an amount equal to ten percent (10%) of the aggregate Outstanding Balance of all Pool Receivables as of the first day of such PSA Year. For purposes of this clause (iii), "PSA Year" shall mean, initially, the period commencing on the date hereof and ending twelve months after the date of its inclusion in the Pool Receivables, and thereafter each successive period of twelve months commencing on an anniversary of the date hereof and ending on the immediately following anniversary of the date hereof;

(iv) The Superseding Receivable shall satisfy each of the following criteria as of the S&R Date:

(A) such Superseding Receivable is due from the same Obligor as the related Replaced Receivable;

(B) the term of the Contract for the Superseding Receivable equals or exceeds the term of the Contract for the related Replaced Receivable;

(C) the periodic payments required under the Contract for the Superseding Receivable occur no less frequently than the periodic payments required under the Contract for the related Replaced Receivable;

(D) each periodic payment required under the Contract for the Superseding Receivable equals or exceeds the amount of the periodic payment that would have been due on the corresponding date under the Contract for the related Replaced Receivable; and

(E) the Superseding Receivable satisfies the definition of Eligible Receivable (except items (vii) and (viii) of the definition thereof) and otherwise satisfies as of the S&R Date each of the representations and warranties made by Borrower hereunder with respect to the Pool Receivables as of the date of its inclusion in the Pool Receivables, provided that, the inclusion of any maintenance or service components of any Contract during the first year of such Contract will not cause such Superseding Receivable to fail to qualify as an Eligible Receivable for purposes of this Section 3.04.

(v) On the applicable S&R Date, no Event of Default or Unmatured Event of Default shall have occurred and be continuing.

(vi) On the applicable S&R Date, (A) the Replaced Receivable shall be deemed amended, superseded and replaced by the Superseding Receivable and (B) the Superseding Receivable shall be deemed to constitute proceeds of the Replaced Receivable.

The issuance by Borrower of an S&R Notice shall constitute a representation and warranty by Borrower that each of the statements set forth in Section 3.04(b) in respect of the applicable Superseding Receivable and the applicable Replaced Receivable is true and correct on the date of such S&R Notice and on the applicable S&R Date. From and after an S&R Date, the Superseding Receivable shall constitute a Pool Receivable for all purposes of this Agreement.

SECTION 3.05 Payments and Computations, Etc.; Pro Rata Treatment. The Borrower shall make arrangements with the Agent such that all payments of principal of, or interest on, the Loans and of all fees, and all amounts to be paid by or on behalf of the Borrower hereunder, shall be paid to the Agent no later than 11:00 a.m. (New York City time) in each case on the day when due in lawful money of the United States of America in same day funds to the Agent. Funds received by the Agent after the applicable time specified above on the date when due, will be deemed to have been received by the Agent on the next following Business Day and shall accrue interest at the Default Rate until paid in accordance with Section 2.02.

SECTION 3.06 Payments to Borrower. After the time at which an Administrative Pool of Receivables has been identified by the Servicer, on any Payment Date on which a Termination Event has not occurred and all of the conditions to funding set forth in Section 5.02 have been satisfied, to the extent that the amount of Loans secured by the applicable Pool Receivables comprising such Administrative Pool of Receivables has been paid in full, the Collections related to such Pool Receivables may be paid to the Borrower at the level of priority set forth in Section 3.02(c)(x). Upon the occurrence and continuance of a Termination Event on a Payment Date, the provisions of this Section 3.06 will not be available to the Borrower.

SECTION 3.07 Liquidity Reserve Account.

(a) On the Initial Funding Date, the Borrower has made a payment of $317,672 into the Liquidity Reserve Account from funds received by the Borrower after the Initial Cut-off Date on account of the Pool Receivables. On each Payment Date and subject to Section 3.02, the Agent shall withdraw funds from the Liquidity Reserve Account as such

amounts are required to make the payments on a Payment Date in accordance with Section 3.02(c).

(b) Prior to each Payment Date the Agent shall transfer from the Liquidity Reserve Account to the Collateral Account the amount specified in the Servicer Report representing investment earnings from Permitted Investments on amounts held in the Liquidity Reserve Account as of the related Reporting Date.

(c) In the event that after giving effect to all the disbursements required to be made on any Payment Date, the funds in the Liquidity Reserve Account exceed the Required Liquidity Reserve Amount, the Agent shall deposit, not later than the end of business on such Payment Date, an amount equal to such excess into the Collateral Account.

(d) Upon the Final Payout Date, any balance remaining in the Liquidity Reserve Account shall be paid to the Borrower.

(e) For the avoidance of doubt, amounts held in the Liquidity Account constitute "Loans" for purposes of this Agreement, provided that, such amounts shall not be computed as part of Advance Rate or Borrowing Base and, provided further that, such amounts shall bear interest at a rate equal to the CP Index plus .40%.

ARTICLE IV

INCREASED COSTS, FEES

SECTION 4.01 Fees. The Borrower shall pay to the Advisor certain fees, payable on such dates and in such amounts as are set forth in that certain fee letter dated the date hereof from the Agent to the Borrower (as amended from time to time, the "Fee Letter").

SECTION 4.02 Increased Cost and Reduced Return. If the adoption after the date hereof of any applicable law, rule or regulation, or accounting principle, or any change therein after the date hereof, or any change in the interpretation or administration thereof by any Governmental Authority or Accounting Authority charged with the interpretation or administration thereof, or compliance by any Conduit Funding Source, the Agent or any Lender (collectively, the "Funding Parties") with any request or directive (whether or not having the force of law) after the date hereof of any such Governmental Authority or Accounting Authority (a) subjects any Funding Party to any charge or withholding on or in connection with a Funding Document or any Receivable, (b) changes the basis of taxation of payments to any of the Funding Parties of any amounts payable under any of the Funding Documents (except for taxes imposed on or measured by the overall net income of such Funding Party), (c) imposes, modifies or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or any credit extended by, any of the Funding Parties, (d) has the effect of reducing the rate of return on such Funding Party's capital to a level below that which such Funding Party could have achieved but for such adoption, change or compliance (taking into consideration such Funding Party's policies concerning capital adequacy as of the Closing Date) or (e) imposes any other condition, and the result of any of the foregoing is (x) to impose a cost on, or increase the cost to, any Funding

Party of its commitment under any Funding Document or of purchasing, maintaining or funding any interest acquired under any Funding Document, (y) to reduce the amount of any sum received or receivable by, or to reduce the rate of return of, any Funding Party under any Funding Document or (z) to require any payment calculated by reference to the amount of interests held or amounts received by it hereunder, then, upon demand by the Agent, the Borrower shall pay to the Agent for the account of the Person such additional amounts as will compensate the Agent or such Lender (or, in the case of the CP Issuer, will enable the CP Issuer to compensate any Conduit Funding Source) for such increased cost or reduction.

SECTION 4.03 Funding Losses; Breakage Costs. (a) The Borrower hereby agrees that upon demand by any Funding Party (which demand shall be accompanied by a statement setting forth the basis for the calculations of the amount being claimed, but may be presented by the Agent on behalf of such Funding Party) the Borrower will indemnify such Funding Party against any out of pocket net loss or expense which such Funding Party shall sustain or incur (including any out of pocket net loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Funding Party to fund or maintain any Loan made any Lender to the Borrower), as reasonably determined by such Funding Party, as a result of (i) any payment or prepayment (including any mandatory prepayment) of any Loan on a date other than a Payment Date for such Loan, (ii) any prepayment of any Loan on a Payment Date which exceeds the sum of (a) the principal component of the payments due from Obligors under the Contracts during the current Interest Period as reflected in the Servicer Report delivered in connection with the immediately preceeding Payment Date that has been reviewed and approved by the CP Issuer plus (b) an amount, of which the CP Issuer shall have received two Business Days' notice of the payment thereof, equal to $7,500,000, (iii) any failure of the Borrower to borrow any Loan on a date specified therefor in a related Borrowing Request, or (iv) any change of the Cost of Funds Rate applicable to a Loan accruing interest at the Alternate Rate as provided in the definition of the term "Cost of Funds Rate". Such written statement shall, in the absence of manifest error, be conclusive and binding for all purposes. Any amounts described in clauses (i) or (ii) of the first sentence of this subsection (a) shall be an "Excess Principal Payment". For the avoidance of doubt, any prepayments will be out of Collections deposited in the Collateral Account and paid on each Payment Date pursuant to Section 3.02(c).

(b) Without limiting the generality of Section 4.03(a), but without duplication of amounts payable thereunder, if the CP Issuer receives a payment in excess of amounts stipulated in item (ii) of Section 4.03(a), the Borrower shall, on the day on which such payment is made, and in addition to the amount of any payment in excess of the amount stipulated in item (ii) of Section 4.03(a), pay to the CP Issuer any Breakage Costs and any other breakage costs or funding losses authorized under Section 4.03(a).

(c) A certificate as to any amounts referred to in this Section 4.03 payable to a Funding Party, submitted to the Borrower (with a copy to the Agent) by such Funding Party (or submitted by the Agent to the Borrower on behalf of a Funding Party), setting forth the calculation thereof in reasonable detail, shall, in the absence of manifest error, be conclusive and binding for all purposes. Failure on the part of any Funding Party to demand

compensation for any amount to this Section 4.03 with respect to any period shall not constitute a waiver of such Funding Party's right to demand compensation with respect to such period. The foregoing

certificate shall be provided to the Borrower (with a copy to the Agent) no later than 90 days from the time at which a Funding Party shall be aware that the Borrower is obligated to make a payment under Section 4.02 or 4.03 and such amount payable has been calculated by such Funding Party. The Agent will provide the Borrower with notice that the Borrower is obligated to make a payment under Section 4.02 (i) at the time at which the Agent is aware of such obligation and such obligation has been calculated by the applicable Funding Party or (ii) at the later of (A) the time at which the Agent reasonably should have been aware of such obligation and such calculation, or (B) the end of the current Interest Period.

ARTICLE V

CONDITIONS PRECEDENT

SECTION 5.01 Conditions to Closing. The making of the Loans hereunder is subject to the condition precedent that the Agent shall have received, on or before the Closing Date, the following, in form and substance satisfactory to the Agent:

(a) A copy of the resolutions of the Board of Directors of the Borrower, the Board of Directors of the Transferor and the Board of Directors of Aspen, as applicable, approving this Agreement and the other Transaction Documents, as applicable, to be delivered by each such Person, certified by its respective Secretary or Assistant Secretary;

(b) A good standing certificate for each of the Borrower, the Transferor and Aspen issued by the Secretary of State of its state of organization and the state where its chief executive office and principal place of business is located;

(c) A certificate of the Secretary or Assistant Secretary of each of the Borrower, the Transferor and Aspen certifying the names and true signatures of the officers authorized on its behalf to sign this Agreement and the other Transaction Documents, to be delivered by such Person;

(d) The articles of incorporation or organizational documents of each of the Borrower, the Transferor and Aspen, duly certified by the Secretary of State of its jurisdiction of organization, as of a recent date acceptable to Agent, together with a copy of its by-laws and/or operating agreement, duly certified by its Secretary or an Assistant Secretary;

(e) Evidence that UCC-1 financing statements have been filed (or will be filed shortly thereafter) in all appropriate recording offices naming Aspen, the Transferor and the Borrower as debtors and the Agent as the secured party or assignee secured party, as may be necessary or, in the opinion of the Agent, desirable under the UCC or any comparable law of all appropriate jurisdictions to perfect the Agent's interests in the Pool Assets;

(f) A search report listing all effective financing statements that name Aspen, the Transferor or the Borrower as debtor and that are filed in the jurisdictions in which filings were made pursuant to subsection (e) above and in such other jurisdictions that the Agent shall reasonably request, together with copies of such financing statements and copies of all financing statements necessary to release all security interests and other rights of any Person in the Pool Assets previously granted by the Transferor, Aspen or the Borrower;

(g) Duly executed copies of the Transaction Documents and the Liquidity Agreement;

(h) A Receivables Schedule identifying each Pool Receivable, as well as the payment terms, frequency of payments, maturity date of the relevant Contract, the Obligor thereon and the Outstanding Balance thereof as of the Initial Cut-Off Date. The aggregate Outstanding Balance as of the Initial Cut-Off Date of the Pool Receivables shall be an amount not less than $41,600,000;

(i) The Fee Letter, duly executed by Aspen and the Borrower, and receipt of payment of all documented fees, expenses, costs (including legal fees and disbursements of one law firm selected by the Agent and audit fees and disbursements of one audit firm selected by the Agent) due on or before the Closing Date pursuant thereto;

(j) A certificate signed by a the chief executive officer, the president, the chief financial officer, any vice president, or the treasurer of each of the Borrower, the Transferor and Aspen, stating in such Person's capacity as such officer of such entity that on the Closing Date (i) no Event of Default or Unmatured Event of Default has occurred and is continuing, (ii) all of the representations and warranties made by such Person in Article VI of this Agreement (or, in the case of the Transferor, Article V of the Purchase and Resale Agreement) are true and correct as of the Closing Date; and

(k) Such other approvals, opinions or documents as the Agent or the CP Issuer may reasonably request.

SECTION 5.02 Conditions Precedent to all Extensions of Loans on each Funding Date. The extension of Loans on each Funding Date (but not with respect to the Loans extended on the Initial Funding Date) hereunder by each Lender shall be subject to the following conditions precedent:

(a) (i) This Agreement and the other Transaction Documents are still effective and legally binding on Borrower and the other Persons that are parties to this Agreement or any of the other Transaction Documents and (ii) the Liquidity Agreement is still effective and legally binding on the Persons that are parties thereto;

(b) the representations and warranties contained in this Agreement and the other Transaction Documents shall be true and correct in all material respects on and as of the date of such extension of credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date);

(c) no Termination Event shall have occurred and be continuing on the date of such extension of credit, nor shall either of these events result from the making thereof;

(d) no injunction, writ, restraining order, or other order of any nature restricting or prohibiting, directly or indirectly, the extending of such credit shall have been issued and remain in force by any Governmental Authority against Borrower, Agent, any Lender, or any of their Affiliates;

(e) no Material Adverse Effect shall have occurred;

(f) The Borrower shall have delivered to the Agent a Borrowing Request, together with copies of all documentation required in the form of Borrowing Request, including the applicable Servicer Report.

(g) Borrower shall not have commenced or be a party to any Insolvency Event;

(h) A Receivables Schedule identifying each Pool Receivable (which is being funded by a Loan on such Funding Date), as well as the payment terms, frequency of payments, maturity date of the relevant Contract, the Obligor thereon and the Outstanding Balance thereof as of the applicable Subsequent Cut-Off Date;

(i) On such Funding Date, the amount of the aggregate principal amount of Loans outstanding is less than the amount of the Borrowing Base as of such Payment Date (after application of the Collection Amount related to such Payment Date pursuant to Section 3.02);

(j) The making of the Loans on such Funding Date will not violate any Requirement of Law applicable to any Secured Party;

(k) As of the Funding Date, each Receivable included in the calculation of the Borrowing Base is an Eligible Receivable;

(l) The Agent shall have received payment of all unpaid fees due to the Agent and all expenses of the Agent, in each case, for which the Borrower has been invoiced, including the reasonable fees and disbursements of its counsel, up to and including the applicable Funding Date; and

(m) Upon the occurrence and continuance of a Foreign Credit Excess on such Funding Date, (i) Borrower shall have maintained Additional Pool Receivables in the amount of the excess of the Outstanding Balance of Pool Receivables with Obligors located in countries rated below Investment Grade over 10% of the aggregate Outstanding Balance of the Pool Receivables or (ii) the Agent shall have adjusted the Advance Rate Percentage in accordance with the proviso to the definition of Advance Rate Percentage (for the avoidance of doubt, this adjustment will only apply to Loans extended on an applicable Funding Date and shall not apply to any Loans outstanding prior to such Funding Date).

SECTION 5.03 Term. The Revolving Period shall continue for a term ending on the earlier of (i) the date that is 364 days after the Closing Date or the date of the most recent extension of Revolving Period pursuant to this Section 5.03, (ii) the date that all the Obligations and all other amounts due and payable to Agent and Lenders under this Agreement or any of the other Transaction Documents have been paid in full, (iii) the occurrence of a Termination Event, and (iv) the third (3rd) anniversary of the Closing Date, which date may be extended for additional 364 day periods upon the agreement of the Borrower and the Lenders with the consent of the CP Issuer in its sole and absolute discretion. After the occurrence of a Termination Event, the Borrower shall no longer be permitted to borrow under this Article I and the outstanding Loans shall be repaid based on the amortization of the underlying Pool

Receivables in accordance with Article III. For the avoidance of doubt, the occurrence of a Termination Event shall not mean that all of the outstanding Loans are accelerated and are then immediately due and payable.

SECTION 5.04 Final Pay-out Date. After the Final Pay-out Date, when all amounts due hereunder or under the other Transaction Documents have been paid in full, the Agent will, at Borrower's sole expense, execute and deliver any termination statements, lien releases, mortgage releases, re-assignments of trademarks, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent with respect to such amounts.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants as to itself, and the Servicer hereby represents and warrants as to itself, as follows (i) the Initial Funding Date, (ii) on each Payment Date and (iii) with respect to any Superseding Receivables, on the S&R Date applicable to such Superseding Receivable:

SECTION 6.01 Organization and Good Standing. Each of the Borrower and the Servicer has been duly organized and is validly existing as a limited liability company or corporation, as applicable, in good standing under the laws of its state of organization, with power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted. Borrower had at all relevant times, and now has, all necessary power, authority, and legal right to acquire and own the Receivables to be owned or transferred by it under the Transaction Documents and perform its obligations under the Transaction Documents.

SECTION 6.02 Due Qualification. Each of the Borrower and the Servicer is duly licensed or qualified to do business as a foreign limited liability company or corporation, as applicable, in good standing, and has obtained all necessary licenses and approvals, in all applicable jurisdictions except, with respect to the Servicer, where the failure to so qualify or obtain such licenses or approvals could not reasonably be expected to have a Material Adverse Effect.

SECTION 6.03 Power and Authority; Due Authorization. Each of the Borrower and the Servicer (i) has all necessary power, authority and legal right to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) carry out the terms of the Transaction Documents to which it is a party, and (C) in the case of the Borrower, pledge the Pool Assets and borrow the Loans on the terms and conditions herein provided and (ii) has duly authorized by all necessary corporate or limited liability company action (A) the execution, delivery and performance of this Agreement and the other Transaction Documents and (B) with respect to the Borrower, the borrowing, and granting of a security interest in the Pool Assets therefor, on the terms and conditions herein provided.

SECTION 6.04 Binding Obligations. This Agreement and each other Transaction Document constitutes a legal, valid and binding obligation of the Borrower or the Servicer (as applicable) enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

SECTION 6.05 No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents and the fulfillment of the terms hereof or thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (A) the articles of incorporation or other organizational documents or by-laws of the Borrower or the Servicer, (B) with respect to the Servicer, any indenture, receivables purchase agreement, loan agreement, mortgage, deed of trust, or other material agreement or instrument to which the Servicer is a party or by which it or any of its properties is bound or (C) with respect to the Borrower, any indenture, receivables purchase agreement, loan agreement, mortgage, deed of trust, or other agreement or instrument to which the Borrower is a party or by which it or any of its properties is bound, (ii) result in the creation or imposition of any Adverse Claim upon any of their respective properties pursuant to the terms of any such indenture, purchase agreement, loan agreement, mortgage, deed of trust, or other agreement or instrument, other than this Agreement, or (iii) violate any law or any order, rule, or regulation applicable to the Borrower or the Servicer of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Borrower or the Servicer or any of its properties, except, in the case of the Servicer, where such violation could not reasonably be expected to have a Material Adverse Effect.

SECTION 6.06 No Proceedings. There are no proceedings or investigations pending, or, to the knowledge of the Borrower or the Servicer, threatened, before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (i) asserting the invalidity of this Agreement or any other Transaction Document, (ii) seeking to prevent the assignment of any Pool Assets or the consummation of any of the other transactions contemplated by this Agreement or any other Transaction Document, or (iii) seeking any determination or ruling that is reasonably likely to have a Material Adverse Effect or seeking to adversely affect the federal income tax attributes of the Loans hereunder.

SECTION 6.07 Bulk Sales Act. No transaction contemplated by the Transaction Documents requires compliance with any bulk sales act or similar law.

SECTION 6.08 Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower or the Servicer of this Agreement or any other Transaction Document, except for the filing of the UCC financing statements referred to in Article V, all of which, at the time required in Article V, shall have been duly made and shall be in full force and effect.

SECTION 6.09 Financial Condition. The audited consolidated balance sheets of the Servicer, as at June 30, 2006, as reflected in the Form 10-K with respect to the

Servicer to be filed on or about September 28, 2006, and the related consolidated statements of earnings and cash flows, copies of which have been furnished to the Agent, have been prepared in accordance with generally accepted accounting principles, consistently applied, and present fairly the consolidated financial condition of Servicer and its consolidated subsidiaries as at the dates thereof and the results of their operations for the respective period then ended. Since June 30, 2006, no event has occurred that has had or is reasonably likely to have a Material Adverse Effect, except as identified and disclosed in the Form 10-K with respect to the Servicer to be filed on or about September 28, 2006.

SECTION 6.10 Litigation. No injunction, decree or other decision has been issued or made by any court, governmental agency or instrumentality thereof that prevents, and, to the knowledge of the Borrower or the Servicer, no threat by any Person has been made to attempt to obtain any such decision that is reasonably likely to prevent, the Borrower or the Servicer from conducting a material part of its business operations.

SECTION 6.11 Margin Regulations. The use of all funds obtained by the Borrower under this Agreement will not conflict with or contravene any of Regulations T, U and X promulgated by the Board of Governors of the Federal Reserve System from time to time. No proceeds of any Loan will be used, directly or indirectly, by the Borrower for the purpose of purchasing or carrying any Margin Stock or for the purpose of reducing or retiring any Debt which was originally incurred to purchase or carry Margin Stock.

SECTION 6.12 Quality of Title.

(a) Each Pool Asset is owned by the Borrower free and clear of any Adverse Claim (other than any Adverse Claim in favor of the Agent); the Security Agreement creates a valid and perfected first priority security interest (as defined in UCC Section 1-201) in favor of the Agent (for the benefit of the Secured Parties) in each Pool Asset, free and clear of any Adverse Claim (other than any Adverse Claim in favor of the Agent) as security for the Obligations; and no financing statement or other instrument similar in effect covering any Pool Receivable, any other Pool Asset or any other asset or property of the Borrower is on file in any recording office except such as may be filed in favor of Agent in accordance with this Agreement.

(b) The Borrower has caused the filing of all appropriate financing statements in the proper filing offices in the appropriate jurisdictions under applicable law in order to perfect the security interest of the Agent, for the benefit of the Lenders, in the Pool Assets, to the extent that such security interest can be perfected by filing.

(c) Other than the grant of the security interest in the Pool Assets to the Agent, for the benefit of the Lenders under the Security Agreement, the Borrower has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Pool Assets or any of its other assets or properties to any other Person. The Borrower has not authorized the filing of any financing statement by any other Person other than the Agent.

(d) The rights granted hereunder and under the Security Agreement to the Agent and the Secured Parties are sufficient to enable the Agent and the Secured Parties, on the

exercise of their secured creditor remedies in respect of the Pool Assets in accordance with the Transaction Documents and applicable law, to transfer good and marketable title to the Pool Assets without the necessity of the Agent or the Secured Parties holding any interest in the Aspen Software in order to give effect thereto.

(e) All representations and warranties of the Borrower in the Security Agreement are true and correct.

SECTION 6.13 Eligible Receivables. Each Pool Receivable is an Eligible Receivable on the date the same is stated to be transferred to the Borrower under the Purchase and Resale Agreement.

SECTION 6.14 Accuracy of Information. All information set forth on the Receivables Schedule, including the Outstanding Balance, payment status and payment terms of each Receivable identified thereon, is true and correct in all material respects. Except to the extent modified by the Form 10-K with respect to the Servicer to be filed on or about September 28, 2006, no written information, exhibit, financial statement, document, book, record or report furnished or to be furnished by or on behalf of the Borrower, the Transferor, the Servicer, Aspen or any of its Affiliates to the Lenders or the Agent in connection with this Agreement or any other Transaction Document was inaccurate in any material respect as of the date it was dated or (except as otherwise disclosed to the Lenders, and the Agent at such time) as of the date so furnished, or contained or will contain any material misstatement of fact or omitted to state a material fact or any fact necessary, in light of the circumstances under which such statements were made, to make the statements contained therein not materially misleading.

SECTION 6.15 Offices. The chief place of business and chief executive office of the Borrower and the Servicer are located at the addresses referred to in Section 13.02, and the offices where each of the Borrower and the Servicer keeps all its books, records and documents evidencing Pool Receivables and Contracts and all other agreements related to such Pool Receivables are located at the addresses specified in Schedule A (or at such other locations, notified to the Agent in accordance with Section 7.01(f), in jurisdictions where all action required by Section 8.05 has been taken and completed).

SECTION 6.16 Capitalization. All of the membership or other equity interests of the Borrower are owned (beneficially and of record), free and clear of any Adverse Claim, by the Transferor.

SECTION 6.17 Trade Names. The Borrower does not use, and has not at any time used, any trade name, fictitious name, assumed name or “doing business as” name or other name under which it has or is doing business other than its actual corporate name.

SECTION 6.18 Subsidiaries. The Borrower has no Subsidiaries.

SECTION 6.19 Ownership. Aspen owns 100% of the equity of the Transferor. The Transferor owns 100% of the equity of the Borrower.

SECTION 6.20 Activities. The Borrower is not engaged in any transactions other than the transactions contemplated by this Agreement and the other

Transaction Documents to which it is a party. The Transferor is not engaged in any transactions other than the transactions contemplated by the Transaction Documents to which it is a party.

SECTION 6.21 Taxes. Each of the Borrower and the Servicer has filed all tax returns and reports required by law to have been filed by it and has paid all taxes and governmental charges thereby shown to be owing, except, with respect to the Servicer, any such taxes or charges that are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its respective books.

SECTION 6.22 Compliance with Applicable Laws; Licenses, etc. Each of the Borrower and the Servicer is in compliance in all material respects with the requirements of all applicable laws, rules, regulations, and orders of all governmental authorities (including, without limitation, the Federal Consumer Credit Protection Act, as amended, Regulation Z of the Board of Governors of the Federal Reserve System, as amended, laws, rules and regulations relating to usury, truth-in-lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy and all other consumer laws, rules and regulations applicable to the Receivables and other Pool Assets), except, with respect to the Servicer, where failure to comply is not reasonably likely to have a Material Adverse Effect. Neither the Borrower nor the Servicer has failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, except, with respect to the Servicer, where the violation or failure to obtain could not be reasonably likely to have a Material Adverse Effect.

SECTION 6.23 Investment Company Act. Neither the Borrower nor the Servicer is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 6.24 Credit and Collection Policy. The Credit and Collection Policy, attached hereto as Exhibit II, is in full force and effect as of the date of this Agreement and has not been modified or amended, except, as of any date after the date hereof, in accordance with Section 7.03(c) and the Servicer is in compliance in all material respects with the policies and procedures therein.

SECTION 6.25 Possession of Licenses and Permits; Compliance with Requirements of Law. The Borrower possesses all Governmental Licenses required to be possessed by the Borrower, and has made all necessary registrations and filings required to be made by the Borrower with, each Governmental Authority and each other Person necessary to conduct the business now operated by it or required in connection with the execution, delivery and performance of the Transaction Documents to which it is a party or by which it may be bound except for such registrations and filings would not reasonably be expected to result in a Material Adverse Effect. All of such necessary Governmental Licenses are valid and in full force and effect. The Borrower has not received any notice of proceedings related to the revocation or modification in a manner materially adverse to it of any such Governmental License. The Borrower is in compliance with all applicable Requirements of Law except for such requirements as would not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.26 Access to Collateral Account.

Neither Borrower nor Servicer has granted any Person, other than the Agent as contemplated by this Agreement, dominion and control of the Collateral Account, or the right to take dominion and control of the related lock-box or the Collateral Account at a future time or upon the occurrence of a future event.

SECTION 6.27 Aspen Software. In the case of any software of the type described in clause (i)(b) or (i)(c) of the definition herein of "Aspen Software", the obligation of Aspen to compensate or otherwise pay the owner or licensor to Aspen of such software, whether in the nature of royalties or otherwise, is not secured by any Adverse Claim on any of the Pool Receivables, and such owner or licensor does not otherwise have any property interest in any Pool Receivable.

SECTION 6.28 Solvency. On the Initial Funding Date**,** on each Funding Date and on each S&R Date, immediately prior to and after giving effect to the grant of a security interest in the applicable Receivables occurring on such date:

(a) the fair value and present fair saleable value of Borrower's total assets is greater than the Borrower's total liabilities (including contingent and unliquidated liabilities) at such time;

(b) the fair value and present fair saleable value of the Borrower's assets is greater than the amount that will be required to pay the Borrower's probable liability on its existing debts as they become absolute and matured ("debts," for this purpose, includes all legal liabilities, whether matured or unmatured, liquidated or unliquidated, absolute, fixed, or contingent);

(c) The Borrower is able to pay all of its liabilities as such liabilities mature; and

(d) The Borrower does not have unreasonably small capital with which to engage in its current and in its anticipated business.

For purposes of this Section 6.27:

(i) the amount of the Borrower's contingent or unliquidated liabilities at any time shall be that amount which, in light of all the facts and circumstances then existing, represents the amount which can reasonably be expected to become an actual or matured liability;

(ii) the "fair value" of an asset shall be the amount which may be realized within a reasonable time either through collection or sale of such asset at its regular market value;

(iii) the "regular market value" of an asset shall be the amount which a capable and diligent business person could obtain for such asset from an interested buyer who is willing to purchase such asset under ordinary selling conditions; and

(iv) the "present fair saleable value" of an asset means the amount which can be obtained if such asset is sold with reasonable promptness in an arm's-length transaction in an existing and not theoretical market.

ARTICLE VII

GENERAL COVENANTS

SECTION 7.01 Affirmative Covenants. From the Initial Funding Date hereof until the Final Payout Date, the Borrower hereby covenants and agrees as to itself, and the Servicer covenants and agrees as to itself, unless the Agent shall otherwise consent in writing, that it shall:

(a) Compliance with Laws, Etc. Comply, and, in the case the Servicer, not take or omit to take any action, on behalf of the Borrower, that would cause the Borrower to fail to comply, in all material respects with all applicable laws, rules, regulations and orders of all governmental authorities (including those which relate to the Pool Receivables and the Contracts).

(b) Preservation of Corporate Existence. Preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing as a foreign limited liability company or corporation, as applicable, in each jurisdiction in which its business is conducted except, with respect to the Servicer, where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification could not reasonably be expected to have a Material Adverse Effect.

(c) Audits. (i) At any time and from time to time during regular business hours, permit the Agent or any of their agents or representatives, upon at least five Business Days' prior notice (provided that no such notice shall be required if an Event of Default or Unmatured Event of Default shall have occurred and be continuing) (A) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of the Borrower or the Servicer relating to Pool Assets, including, without limitation, the Contracts and other agreements, and (B) to visit the offices and properties of the Borrower or the Servicer for the purpose of examining such materials described in clause (i)(A) above, and to discuss matters relating to Pool Assets or the Borrower's or the Servicer's performance hereunder with any of the officers or employees of the Borrower or the Servicer having knowledge of such matters; and (ii) without limiting the provisions of clause (i) next above, from time to time on request of the Agent, permit auditors or employees or agents of the Agent to conduct, at the Borrower's or the Servicer's expense, a review of the Borrower's or the Servicer's books and records; provided, however, neither the Servicer nor the Borrower shall be required to pay the expenses associated with more than two audits of such Person's books and records in any calendar year and the aggregate amount in respect of any single audit of the Servicer and the Borrower, on a combined basis, shall not exceed $25,000.

(d) Keeping of Records and Books of Account. Maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate

records evidencing the Pool Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Pool Receivables (including, without limitation, records adequate to permit the daily identification of each Pool Receivable and all Collections of and adjustments to each Pool Receivable).

(e) Performance and Compliance with Receivables, Contracts and Transaction Documents. At its expense, timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Pool Receivables, all other agreements related to such Pool Receivables and each Transaction Document.

(f) Location of Records. Keep its chief place of business and chief executive office, and the offices where it keeps its records concerning the Pool Receivables and Contracts and all other agreements related to such Pool Receivables (and, to the extent that the Servicer retains originals thereof, all original documents relating thereto), at the addresses referred to in Schedule A or, upon 30 days' prior written notice to the Agent, at such other locations in jurisdictions where all action required by Section 8.05 shall have been taken and completed.

(g) Credit and Collection Policies. Comply in all material respects with the Credit and Collection Policy in regard to each Pool Receivable and the related Contract.

(h) Collections.

(i) Following the Initial Funding Date, shall instruct each Obligor to remit all payments in connection with the Pool Receivables directly to the Collateral Account. In the event that any Obligor payments are not remitted directly to the Collateral Account, but are instead paid to a Collection Account or are received directly by the Borrower or the Servicer, the Borrower will identify the funds constituting Collections and either transfer and deposit, or cause the applicable bank maintaining the Collection Account to transfer and deposit, promptly, but, in any event, within two Business Days, such Collections into the Collateral Account, provided that, with respect to funds with regard to which the Borrower and the Servicer do not have sufficient information to immediately identify such funds as Collections, such Collections shall be identified, transferred to, and deposited in, the Collateral Account within five Business Days, provided further that, such five Business Day requirement in the previous proviso may be waived by the Agent in its sole and absolute discretion. At all times prior to such deposit, the Borrower or the Servicer, as applicable, will itself hold such payments in trust for the exclusive benefit of the Agent and the Lenders Neither the Borrower nor the Servicer shall grant any Adverse Claim on, or the right to take dominion and control of, the Collateral Account to any Person at any time, whether presently or at a future time or upon the occurrence of a future event, except to the Agent as contemplated by this Agreement. Each of the Servicer and the Borrower shall properly maintain the Collateral Account and take all such actions as are

reasonably necessary to preserve its existence. Neither the Borrower nor the Servicer shall permit any funds to be remitted to the Collateral Account other than Collections.

(ii) Following the Initial Funding Date, Borrower will cause the Collateral Account to be subject at all times to an account control agreement in form and

substance acceptable to the Agent that is in full force and effect. The Borrower will maintain exclusive ownership, dominion and control (subject to the terms of this Agreement) of the Collateral Account and shall not grant any Adverse Claim on, or the right to take dominion and control of the Collateral Account or the related lockbox to any Person at any time, whether presently or at a future time or upon the occurrence of a future event, except to the Agent as contemplated by this Agreement.

(iii) (a) Borrower will, within two Business Days after the Initial Funding Date hereof, cause to be remitted to the Collateral Account all Collections remitted by any Obligor on the Pool Receivables during the period from the Initial Cut-Off Date with respect to Initial Pool Receivables, and (b) Borrower will, within two Business Days after the Funding Date with respect to any Pool Receivables, cause to be remitted to the Collateral Account all Collections remitted by any Obligor on such subsequent Pool Receivables during the period from the Subsequent cut-Off Date with respect to subsequent Pool Receivables to the Funding Date for such subsequent Pool Receivables.

(iv) Servicer will maintain specific collection and billing procedures for each relevant country with respect to the Pool Receivables other than the U.S. and will provide a copy of such procedures and any updated versions of such procedures to the Agent and Backup Servicer and shall provide the Agent and Back-up Servicer with a description of any modifications to such procedures.

(i) Separate Corporate Existence. The Servicer and Borrower hereby acknowledge that the Lenders and the Agent are entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon each of the Borrower's and the Transferor's identity being that of a discrete legal entity, separate from Aspen. Therefore, from and after the date hereof, the Borrower and the Servicer shall take all steps required to maintain and continue the Borrower's identity as a separate legal entity and to make it apparent to third Persons that the Borrower is an entity with assets and liabilities distinct from those of Aspen, the Transferor and any other Person, and is not a division of Aspen, the Transferor or any other Person. Without limiting the generality of the foregoing, the Borrower and the Servicer shall take such actions as shall be required in order that:

(i) The Borrower will be a special-purpose limited liability company whose activities are restricted in its limited liability company agreement to owning the Pool Assets, entering into the Transaction Documents to which it is a party, borrowing under this Agreement and conducting such other activities as it deems necessary or appropriate to carry out its primary activities;

(ii) Not less than one member of the Borrower's Board of Directors (the "Independent Director") shall be an individual who is not, and has not been for the five years preceding the Closing Date, (i) a direct, indirect or beneficial stockholder, officer, director (other than as a director of the Borrower and the Transferor), employee, affiliate or associate of the Borrower, the Transferor or Aspen or any of their Affiliates, (ii) a customer or supplier of the Borrower, the Transferor or Aspen or any of their Affiliates (other than a supplier to which the Borrower, the Transferor or Aspen and their Affiliates has paid no more than $50,000 in Aspen's and its Affiliates' then-current fiscal year or any of the three immediately preceding fiscal years);

or (iii) a customer or supplier of the Borrower, the Transferor, Aspen or any of their Affiliates whose (A) sales to the Borrower, the Transferor, Aspen or any of their Affiliates, in the case of a supplier, represent a material portion of such supplier's gross sales; or (B) accounts receivable owing to the Borrower, the Transferor, Aspen or any of their Affiliates, in the case of a customer, represent a material portion of such customer's total accounts receivable. The limited liability company agreement of the Borrower shall provide that (i) Borrower's Board of Directors shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Borrower unless the Independent Director shall approve the taking of such action in writing prior to the taking of such action, and (ii) such provision cannot be amended without the prior written consent of the Independent Director;

(iii) The Independent Director shall not at any time serve as a trustee in bankruptcy for the Borrower, the Transferor, Aspen or any Affiliate thereof;

(iv) Any employee, consultant or agent of the Borrower will be compensated from funds of the Borrower, as appropriate, for services provided to the Borrower. Except as otherwise provided herein, the Borrower will engage no agents other than a Servicer for the Pool Receivables, which Servicer will be fully compensated for services rendered to the Borrower by payment of the Servicer's Fee;

(v) The Borrower will contract with the Servicer to perform all operations required on a daily basis to service its Pool Receivables. The Borrower will pay the Servicer a monthly fee based on the level of Pool Receivables being serviced by Servicer reasonably equivalent to the fee which would be required by an independent third-party servicer;

(vi) The Borrower will not incur any material indirect or overhead expenses for items shared among the Borrower, the Transferor and Aspen (or any other Affiliate thereof). To the extent, if any, that the Borrower, the Transferor and Aspen (or any other Affiliate thereof) share items of expenses such as legal, auditing and other professional services, such expenses will be allocated to the extent practical on the basis of actual use or the value of services rendered, and otherwise on a basis reasonably related to the actual use or the value of services rendered, it being understood that Aspen shall pay all expenses relating to the preparation, negotiation, execution and delivery of the Transaction Documents, including, without limitation, legal fees;

(vii) The Borrower's operating expenses will not be paid by the Transferor, Aspen or any other Affiliate thereof except as permitted under the terms of this Agreement or otherwise consented to by the Agent;

(viii) The Borrower will have its own separate phone extension and stationery;

(ix) The Borrower's books and records will be maintained separately from those of the Transferor, Aspen and any other Affiliate thereof;

(x) All audited financial statements of the Transferor, Aspen or any Affiliate thereof that are consolidated to include the Borrower will contain detailed notes clearly stating that (A) all of the Borrower's assets are owned by the Borrower, (B) all of the

Transferor's assets are owned by the Transferor, (C) the Borrower is a separate legal entity and (D) the Transferor is a separate legal entity;

(xi) The Borrower's assets will be maintained in a manner that facilitates their identification and segregation from those of Aspen, the Transferor or any Affiliate thereof;

(xii) The Borrower will strictly observe corporate formalities in its dealings with the Transferor, Aspen or any Affiliate thereof, and funds or other assets of the Borrower will not be commingled with those of the Transferor, Aspen or any Affiliate thereof. The Borrower shall not maintain joint bank accounts or other depository accounts to which the Transferor, Aspen or any Affiliate thereof (other than Aspen in its capacity as Servicer) has independent access. Other than to the extent on deposit in any collection accounts or as otherwise contemplated hereunder, none of the Borrower's funds will at any time be pooled with any funds of Aspen or any Affiliate thereof; and

(xiii) The Borrower will maintain arm's-length relationships with the Transferor, Aspen and any Affiliate thereof. Any Person that renders or otherwise furnishes services to the Borrower will be compensated thereby at market rates for such services it renders or otherwise furnishes thereto except as otherwise provided in this Agreement. Except as contemplated in the Transaction Documents, neither the Borrower nor Aspen will be or will hold itself out to be responsible for the debts of the other or the decisions or actions respecting the daily business and affairs of the other.

(j) Maintain Security Interests. Take all reasonably necessary or desirable actions requested by the Agent to maintain the first priority perfected security interest of the Agent in the Pool Assets.

(k) Payment of Taxes and Other Obligations. Pay all taxes, assessments, and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, and all other monetary obligations, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any of its property; provided that it shall not be required to pay any such tax, assessment, charge, levy, claim or monetary obligation which is being contested in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

(l) Performance and Enforcement of Transaction Documents. The Borrower will, and will require the Transferor to, perform each of their respective obligations and undertakings under and pursuant to the Purchase and Resale Agreement and each of the other Transaction Documents to which it is party, will purchase Pool Assets thereunder in strict compliance with the terms thereof and will use its best efforts to enforce the rights and remedies accorded to it under the Purchase and Resale Agreement and the other Transaction Documents. The Borrower will take all actions to perfect and enforce its rights and interests (and the rights and interests of the Agent and the Lenders as pledgees of the Borrower) under the Purchase and Resale Agreement and the other Transaction Documents as the Agent may from time to time reasonably request, including, without limitation, making claims to which it may be entitled

under any indemnity, reimbursement or similar provision contained in the Transaction Documents.

SECTION 7.02 Reporting Requirements. From the date hereof until the Final Payout Date, each of the Borrower and the Servicer shall, unless the Agent shall otherwise consent in writing, furnish to the Agent:

(a) Adverse Claims. As soon as possible and in any event within three Business Days of the Borrower or the Servicer having knowledge thereof, notice of the assertion on the part of any Person of the existence of an Adverse Claim against the Pool Assets, other than any Adverse Claim permitted under the Transaction Documents.

(b) Quarterly Financial Statements. As soon as available and in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Servicer, copies of the unaudited financial statements of the Servicer and its Subsidiaries prepared on a consolidated basis in conformity with GAAP, duly certified by the chief financial officer or chief accounting officer of the Servicer;

(c) Annual Financial Statements. As soon as available and in any event within 90 days after the end of each fiscal year of the Servicer, copies of the audited financial statements of Servicer and its Subsidiaries prepared on a consolidated basis in conformity with GAAP and duly certified by independent certified public accountants of recognized standing reasonably satisfactory to the Agent;

(d) Reports to Holders and Exchanges. Promptly upon the Agent's request, copies of any notice, request for consent, financial statements, certification, or other communication under or in connection with any Transaction Document and copies of any reports which the Servicer, the Transferor or the Borrower sends to any of its securityholders (in such capacity), and any reports or registration statements that Aspen, the Transferor or the Borrower files with the Securities and Exchange Commission or any national securities exchange other than registration statements relating to employee benefit plans and to registrations of securities for selling securities;

(e) Events of Default. As soon as possible and in any event within one Business Day after the occurrence of each Event of Default and each Unmatured Event of Default, a written statement setting forth details of such event and the action that it proposes to take with respect thereto;

(f) Litigation. As soon as possible and in any event within three Business Days of the Borrower or the Servicer having knowledge thereof, notice of (i) any litigation, investigation or proceeding commenced against the Borrower, (ii) any litigation, investigation or proceeding commenced against the Servicer which is reasonably likely to have a Material Adverse Effect, (iii) any material adverse development in previously disclosed litigation and (iv) any judgment, award, fine or assessment against the Borrower or, if in excess of $1,000,000, against the Servicer;

(g) Material Events. Prior to its effective date, notice of any material change in the character of the Borrower's or the Servicer's business or any event or circumstance which has or is reasonably likely to have a Material Adverse Effect; and

(h) Other. Promptly, from time to time, such other information, documents, records or reports respecting the Pool Assets or the condition or operations, financial or otherwise, of the Borrower or the Servicer as the Agent may from time to time reasonably request.

SECTION 7.03 Negative Covenants of the Borrower and the Servicer. From the Initial Funding Date until the Final Payout Date, the Borrower and the Servicer each severally agrees, as to itself, without the prior written consent of the Agent:

(a) Sales, Liens, Etc. (i) The Borrower will not, except as otherwise provided herein or in the Security Agreement, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to any of its assets or properties, including, without limitation, any Pool Asset, any interest therein, the Collateral Account, or any right to receive income or proceeds from or in respect of any of the foregoing and (ii) the Servicer will not assert any interest in the Pool Assets.

(b) Extension or Amendment of Pool Receivables. Neither the Borrower nor the Servicer will, except as otherwise permitted in Section 3.04(b) or Section 8.02(c), extend, amend or otherwise modify the terms of any Pool Receivable, or amend, modify or waive any term or condition of any Contract related thereto.

(c) Change in Business or Credit and Collection Policy. Neither the Borrower nor the Servicer will make any material change in the character of its business or in the Credit and Collection Policy, in each case without the prior written consent of the Agent, which consent shall not be unreasonably withheld if such change is not reasonably likely to have a Material Adverse Effect.

(d) Change in Payment Instructions to Obligors and Bank. Neither the Borrower nor the Servicer will terminate the bank that maintains any collection account or the Collateral Account Bank or make any change in its instructions to Obligors regarding payments to be made on the Pool Receivables or Related Security to the Collateral Account or payments to be made to the Collateral Account Bank. Neither the Borrower nor the Servicer will make any change in its instructions to the bank that maintains any collection account regarding payments to be made to the Collateral Account required pursuant to Section 7.01(h) hereof.

(e) Deposits to Collateral Account. Neither the Borrower nor the Servicer shall deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Collateral Account cash or cash proceeds other than Collections. To the extent that any funds not constituting Collections are nonetheless deposited therein, the Servicer shall promptly identify the same and cause such funds to be remitted to the appropriate Person.

(f) Restricted Payments by the Borrower. The Borrower will not (i) purchase or redeem any of its equity interests or (ii) declare or pay any dividends thereon, or make any distribution to its members or set aside any funds for any such purpose, except that the Borrower

may pay dividends to its members or set aside funds for such purpose as provided by law, so long as (A) such funds are the proceeds or payments which the Borrower has received under Section 3.02(c)(i), 3.02(c)(x) or 3.02(c)(xii), (B) such funds are not required to be distributed to any other Person in accordance with Section 3.02, (C) no Event of Default has occurred and (D) is continuing, and after giving effect thereto, the Borrower's net worth is positive at such time.

(g) Borrower Debt. The Borrower will not incur or permit to exist any Debt, except (A) Debt of the Borrower to the Transferor incurred in accordance with the Purchase and Resale Agreement, (B) as contemplated by the Transaction Documents and (C) other current accounts specifically payable in the ordinary course of business and not overdue in an aggregate amount of any time outstanding not to exceed $25,000.

(h) Negative Pledges. The Borrower will not enter into or assume any agreement (other than this Agreement and the other Transaction Documents) prohibiting the creation or assumption of any Adverse Claim upon any Pool Assets or any of its other assets or property, whether now owned or hereafter acquired, except as contemplated by the Transaction Documents, or otherwise prohibiting or restricting any transaction contemplated hereby or by the other Transaction Documents.

(i) Corporate Changes. The Borrower will not change its name, state of incorporation or organization, or its "location" (as defined in 9-307 of the UCC) in which it keeps its records, unless it has given the Agent at least 30 days' prior written notice thereof and has taken all steps necessary to continue the perfection of the Agent's security interest, including the filing of amendments to the UCC financing statements.

(j) Merger, Acquisitions, Sales, Etc. The Borrower will not be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, or, except in the ordinary course of its business, sell, transfer, convey or lease all or any substantial part of its assets (other than pursuant to this Agreement and the other Transaction Documents).

(k) Amendments to the Transaction Documents. Without the prior written consent of the Agent, the Borrower will not consent to or enter into any amendment or modification of, or supplement to any Transaction Document.

ARTICLE VIII

ADMINISTRATION AND COLLECTION

SECTION 8.01 Designation of Servicer.

(a) Aspen as Initial Servicer. The servicing, administering and collection of the Pool Receivables and other Pool Assets shall be conducted by the Person designated as Servicer hereunder from time to time in accordance with this Section 8.01. Until the Agent gives to Aspen a Successor Servicer Notice, Aspen is hereby designated as, and hereby agrees to perform the duties and obligations of, Servicer pursuant to the terms hereof. Aspen agrees that it will not voluntarily resign as Servicer without the consent of the Agent.

(b) Successor Notice; Servicer Termination Event. Upon Aspen's receipt of a notice from the Agent of the Agent's designation of a new Servicer at any time following the occurrence and during the continuance of a Servicer Termination Event (a "Successor Servicer Notice"), Aspen agrees that it will terminate its activities as Servicer hereunder in a manner that the Agent reasonably believes will facilitate the transition of the performance of such activities to the Backup Servicer or, if the Backup Servicer is unable to serve as Servicer, to another entity designated by the Agent and, at the direction of the Agent, such successor shall assume Aspen's obligations to service and administer the Pool Assets, on the terms and subject to the conditions herein set forth, and Aspen shall use its best efforts to assist the Backup Servicer or such designee of the Agent in assuming such obligations. Such cooperation shall include access to and transfer of related records (including all Contracts) necessary or desirable to collect the Pool Receivables and the Related Security.

(c) Merger or Consolidation of, or Assumption of the Obligations of, Servicer. Any Person (a) into which Servicer may be merged or consolidated, (b) which may result from any merger or consolidation to which Servicer shall be a party, or (c) which may succeed to the properties and assets of Servicer substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of Servicer hereunder, shall be the successor to Servicer under this Agreement without further act on the part of any of the parties to this Agreement.

SECTION 8.02 Duties and Representations of Servicer.

(a) Appointment; Duties in General. Each of the Borrower, the Lenders and the Agent hereby appoints the Servicer as its agent, as from time to time designated pursuant to Section 8.01, to enforce their respective rights and interests in and under the Pool Assets, the Pool Receivables, the Related Security and the rights under the Contracts related to the Pool Receivables. The Borrower additionally appoints the Servicer, to the extent that the Servicer is Aspen, as its agent for purposes of Article I. The Servicer shall take or cause to be taken all such actions as may be necessary or advisable to collect each Pool Asset from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Credit and Collection Policy.

(b) Collections. (i) Following the Initial Funding Date, Servicer shall instruct all Obligors to cause all Collections of Pool Receivables to be deposited directly into the Collateral Account. In the event that any Collections are not remitted directly to the Collateral Account, but are instead paid to a Collection Account or are received directly by the Borrower or the Servicer, the Servicer will identify the funds constituting Collections and either transfer and deposit, or cause the applicable bank maintaining the Collection Account to transfer and deposit, promptly, but, in any event, within two Business Days, such Collections into the Collateral Account, provided that, with respect to funds with regard to which the Servicer does not have sufficient information to immediately identify such funds as Collections, such Collections shall be identified, transferred to, and deposited in, the Collateral Account within five Business Days, provided further that, such five Business Day requirement in the previous proviso may be waived by the Agent in its sole and absolute discretion. From and after the occurrence and continuation of a Servicer Termination Event, the Agent may request that the Servicer, and the Servicer thereupon promptly shall, instruct all Obligors with respect to the Pool Receivables to remit all

payments thereon to a different depositary account specified by the Agent and, at all times thereafter, Borrower and the Servicer shall not deposit or otherwise credit, and shall not permit any other Person to deposit or otherwise credit to the Collateral Account or such new depositary account any cash or payment item other than Collections.

(ii) If, notwithstanding subparagraph (i) above, Servicer (or any Affiliate of Servicer) receives Collections related to the Pool Receivables (including any scheduled payments or prepayments thereof, any guaranty amounts, insurance proceeds or other recoveries and/or any

other amounts constituting proceeds derived from or with respect to the Contracts related to the Pool Receivables), Servicer (or such Affiliate) shall remit such amounts to Agent for deposit into the Collateral Account within two (2) Business Days of identification thereof.

(iii) Servicer shall hold in trust for the benefit of Agent and Lenders any Collections it receives related to the Pool Receivables pending remittance to the Collateral Account with the above provisions other than payments of amounts of Deemed Collections or with respect to an Administrative Pool of Receivables.

(c) Modification of Receivables. So long as no Termination Event shall have occurred and be continuing, the Servicer, may, solely in accordance with the Credit and Collection Policy and, if applicable, Section 3.04, extend the maturity or adjust the Outstanding Balance of, or defer payment of, or otherwise modify the terms of any Pool Receivable as the Servicer may determine to be appropriate to maximize Collections thereof, provided, that (i) such extension, adjustment or modification would not impair the collectibility of such Pool Receivable and (ii) that such extension, adjustment or modification shall not alter the status of such Pool Receivable as a Delinquent Receivable or Charged-Off Receivable or limit the rights of the Agent or the Lenders under this Agreement. Notwithstanding anything to the contrary contained herein, at any time after the occurrence and during the continuance of a Termination Event, the Agent shall have the absolute and unlimited right to direct the Servicer to commence or settle any legal action with respect to any Receivable or to foreclose upon or repossess any other Pool Assets.

(d) Reports. In addition to the Servicer Reports required in accordance with Section 3.02(a), the Servicer shall prepare and forward to the Agent such reports in respect of the Pool Receivables and Collections as the Agent may from time to time reasonably request.

(e) Documents and Records. The Borrower shall deliver to Servicer, and the Servicer shall hold in trust for the Borrower and Agent in accordance with their respective interests, copies of all material documents, instruments and records (including, without limitation, computer tapes or disks) that evidence or relate to the Pool Assets to the extent necessary to perform its servicing responsibilities hereunder.

(f) Termination. The Servicer's authorization under this Agreement shall terminate upon the Final Payout Date.

(g) Power of Attorney. The Borrower hereby grants to Servicer an irrevocable power of attorney, with full power of substitution, coupled with an interest, to take in

the name of the Borrower all steps which are necessary or advisable to endorse, negotiate or otherwise realize on any writing or other right of any kind held or transmitted by the Borrower in connection with any Receivable. Such power of attorney shall continue in full force and effect until the earlier to occur of the delivery of a Successor Servicing Notice to such Servicer and the Final Payout Date, at which time such power of attorney shall be of no further force and effect.

(h) Monitoring of Receivables. If requested by the Agent, the Servicer shall implement operating procedures to enable the daily identification of each Pool Receivable, the Outstanding Balance thereof, and the date when payment is due thereon and all Collections of and adjustments to each Pool Receivable.

(i) Collections on Non-USD Receivables. In the case of any Collections remitted in a currency other than U.S. Dollars ("Non-USD Collections"), the Servicer shall, unless the Agent otherwise directs, advise Aspen of its receipt of such Non-USD Collections and its intention to exercise the FX Rights with a view toward effecting an exchange of such Non-USD Collections for the applicable "Exchange Amount" with respect thereto determined in accordance with Section 1.6 of the Purchase and Sale Agreement. On receiving assurances satisfactory to the Servicer that Aspen will forthwith remit the applicable Exchange Amount to the Servicer in exchange for such Non-USD Collections, the Servicer shall deliver such Non-USD Collections to Aspen. In the event the Servicer is advised or otherwise determines that Aspen shall not be able or willing to cause the exchange of any Non-USD Collections for the related Exchange Amount to occur on a same-day basis, the Servicer shall so advise the Agent and until such time as it receives instructions from the Agent as to the timing and disposition of such Non-USD Collections, the Servicer shall cause such Non-USD Collections to remain in the Collateral Account.

(j) Payment Instructions to Obligors. The Servicer shall use its commercially reasonable best efforts to cause each Obligor to remit all Collections on Pool Receivables and other proceeds in respect of the Pool Assets directly to the Collateral Account (as opposed to any collection account or any other location).

(k) Bank Secrecy Act. To the best of its knowledge, Servicer (i) is in compliance with all provisions of the United States Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (including its implementing regulations) applicable to it, (ii) the US Money Laundering Control Act of 1986 and (iii) has not violated any United States Department of the Treasury, Office of Foreign Asset Control ("OFAC") regulations or any enabling statute or executive order related thereto, or any OFAC sanction (including engaging in any transactions with any Person listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC and/or the United States Department of the Treasury, or identified in any related executive orders issued by the President of the Untied States (each such Person, a "Restricted Person")).

SECTION 8.03 Backup Servicer.

(a) Representations of Backup Servicer. Backup Servicer makes the following representations and warranties:

(i) Backup Servicer has been duly organized and is validly existing as a corporation duly organized and validly existing in good standing under the laws of the State of Delaware, with power and authority to own its properties and to conduct its business as such properties shall be currently owned and such business is presently conducted.

(ii) Backup Servicer has the power and authority to execute and deliver this Agreement and to carry out its respective terms, and the execution, delivery, and performance of this Agreement shall have been duly authorized by Backup Servicer by all necessary corporate action.

(iii) This Agreement constitutes a legal, valid, and binding obligation of Backup Servicer enforceable in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law.

(iv) The entering into of this Agreement and the performance by Backup Servicer of its obligations under such agreements and the consummation of the transactions herein and therein contemplated will not (i) conflict with the organizational documents of Backup Servicer or result in a breach of any of the terms or provisions of, or constitute a default under, any agreement, mortgage, deed of trust or other such instrument to which Backup Servicer is a party or by which it is bound; (ii) result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Backup Servicer pursuant to the terms of any material agreement, mortgage, deed of trust or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject; or (iii) result in any violation of any statute or any order, rule or regulation of any court or any regulatory authority or other governmental agency or body having jurisdiction over it or any of its properties.

(v) There are no proceedings or investigations pending or, to Backup Servicer's best knowledge, threatened before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over Backup Servicer or its properties (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by Backup Servicer of its obligations under, or the validity or enforceability of, this Agreement.

(vi) Backup Servicer has and shall preserve its qualification to do business as a foreign corporation in each jurisdiction in which such qualification is or shall be

necessary or desirable to enable it to perform its duties as Backup Servicer and successor Servicer under this Agreement, except where the failure to so qualify would not have a Material Adverse Effect.

(vii) Backup Servicer has operated its business in accordance with all applicable laws and regulations and it is not in violation of any such laws or regulations other than such violations which singly or in the aggregate do not, and, with the passage of time will not, have a material adverse affect on its business or assets, or its ability to perform its obligations under this Agreement.

(b) Merger or Consolidation of, or Assumption of the Obligations of, Backup Servicer. Any Person (a) into which Backup Servicer may be merged or consolidated, (b) which may result from any merger or consolidation to which Backup Servicer shall be a party, or (c) which may succeed to the properties and assets of Backup Servicer substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of Backup Servicer hereunder, shall be the successor to Backup Servicer under this Agreement without further act on the part of any of the parties to this Agreement.

(c) Backup Servicer Resignation and Removal.

(i) Backup Servicer shall not resign from its obligations and duties under this Agreement except (a) as required in this Section 8.03, (b) upon determination that the performance of its duties shall no longer be permissible under Applicable Law (any such determination permitting the resignation of Backup Servicer shall be evidenced by an Opinion of Counsel to such effect delivered to Agent), or (c) with the prior written consent of Agent, but only if, in any such case, a replacement Backup Servicer is found that (i) is experienced in the business of acting as servicer with respect to financial agreements of the type comprising the Transferred Receivables and (ii) will provide backup servicing and agree to become the successor Servicer on the same terms as then in effect under this Agreement.

(ii) Servicer may, with the prior written consent of Agent, terminate Backup Servicer for cause.

(iii) Upon Backup Servicer's resignation or termination pursuant to this Section 8.03, notice thereof shall be provided to Agent and the Secured Parties, and Backup Servicer shall comply with the provisions of this Agreement until the acceptance of a successor Backup Servicer acceptable to Agent.

(d) Obligations of Backup Servicer.

(i) Backup Servicer shall serve in a reserve capacity to Servicer, and shall be willing to assume the duties of Servicer on direction from Agent. In its capacity as Backup Servicer, Backup Servicer shall perform the following duties:

(A) receive from Servicer a tape or other electronic transmission of the initial Pool Receivables sold to Borrower;

(B) utilize such information to create Obligor account files on Backup Servicer's primary contract accounting system;

(C) on a monthly basis, receive from Servicer a tape or other electronic transmission which provides detailed information for all Pool Receivables purchased by Borrower during the preceding month and update its primary contract accounting system for any new Transferred Receivables;

(D) on a monthly basis, receive from Servicer a tape or other electronic transmissions which includes all updated information for all of the Pool Receivables owned by Borrower;

(E) on a monthly basis, receive from Servicer a detailed summary of all Collections received in respect of the Pool Receivables owned by Borrower;

(F) compare the Receivables Pool and the amount of Collections from the tape or other electronic transmission received from Servicer to the information on Backup Servicer's contract accounting system and reconcile any differences with Servicer; and

(G) if a Servicer Termination Event has occurred and is continuing, Backup Servicer shall be required to prepare and deliver the Servicer Report to Agent.

(ii) Other than as specifically set forth elsewhere in this Agreement or in any other Transaction Document, Backup Servicer shall have no obligation to supervise, verify, monitor or administer the performance of Servicer and shall have no liability for any action taken or omitted by Servicer.

(iii) Backup Servicer shall consult fully with Servicer as may be necessary from time to time to perform or carry out Backup Servicer's obligations hereunder, including the obligation to succeed at any time to the duties and obligations of Servicer as servicer under Section 8.02.

(e) Backup Servicer Compensation. As compensation for the performance of its obligations as Backup Servicer under this Agreement and the other Transaction Documents to which it is a party, Backup Servicer shall be entitled to receive Backup Servicer Fee. In the event the Backup Servicer takes over as Servicer pursuant to Section 8.01, the Backup Servicer shall receive the Servicer's Fee.

(f) Duties and Responsibilities.

(i) Backup Servicer shall perform such duties and only such duties as are specifically set forth in this Agreement and the other Transaction Document to which it is a party, and no implied covenants or obligations shall be read into this Agreement against Backup Servicer.

(ii) In the absence of bad faith or negligence on its part, Backup Servicer may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to Backup Servicer and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions, which by any provision hereof are specifically required to be furnished to Backup Servicer, Backup Servicer shall be under a duty to examine the same and to determine whether or not they conform to the requirements of this Agreement. Neither Backup Servicer nor any of its officers, employees or agents shall be liable to Servicer, Borrower, Agent or the Secured Parties for any action taken or for refraining from the taking of any action in accordance with customary industry standards for servicing leases and loans of the type which comprise the Pool Receivables, or for mistakes or errors in judgment; provided, however, that (i) this provision shall not protect Backup Servicer from liability to Servicer, Borrower, Agent or the Secured Parties for any losses, claims, liabilities, or damages incurred by such party by reason of willful misconduct or gross negligence of Backup Servicer in the performance of its duties and obligations hereunder, and (ii) in the event that Backup Servicer becomes the successor Servicer hereunder, Backup Servicer's duties and responsibilities as Servicer will be as set forth elsewhere in this Agreement and it will no longer be subject to the terms of this Section 8.03. Subject to the preceding sentence, in no event will Backup Servicer be liable to Servicer, Borrower, Agent or the Secured Parties for any losses, claims, liabilities or damages incurred by such party arising out of or relating to the acts or omissions of Backup Servicer in reliance in good faith on any document which is prepared or furnished to it by Servicer or by such other party. No damages shall be assessed or charged against Backup Servicer when any delay or breach on its part is caused by the failure of Servicer, Borrower, Agent or the Secured Parties to furnish input or information required of such party, the failure of any utility or communications company to furnish services or for any other reasons beyond the control of Backup Servicer.

(iii) Notwithstanding anything contained in this Agreement to the contrary, Backup Servicer shall only be required to perform its obligations in the time and manner set forth in this Agreement if, and to the extent, any information which is required to be delivered to Backup Servicer or any information on which Backup Servicer is authorized to rely on, is delivered to Backup Servicer in accordance with provisions of this Agreement or is provided to Backup Servicer in a format that is reasonably acceptable to Backup Servicer, as applicable; provided, however, that nothing in this paragraph shall be construed to relieve Backup Servicer of its obligations under this Agreement if the failure to appropriately deliver or provide any such information to Backup Servicer is remedied or is otherwise reasonably available to Backup Servicer without undue cost or time.

(iv) The terms of this Section 8.03 shall survive the termination of Backup Servicer's obligations hereunder.

SECTION 8.04 Rights of the Agent.

(a) Notice to Collateral Account Bank. At any time following the occurrence and during the continuance of an Event of Default, the Agent is hereby authorized to give notice

to the Collateral Account Bank that the Servicer and the Borrower shall no longer be permitted access to the Collateral Account.

(b) Rights on Servicer Transfer Event. At any time following the designation of a Servicer other than Aspen pursuant to Section 8.01:

(i) The Agent may direct the Obligors of Pool Receivables, or any of them, to pay all amounts payable under any Pool Receivable directly to the new Servicer or such other address specified by the Agent.

(ii) Aspen and the Borrower shall, at the Agent's request, (A) assemble all of the documents, instruments and other records (including, without limitation, computer tapes and disks) which evidence the Pool Receivables, and copies of the Contracts and Related Security, or which are otherwise reasonably necessary or desirable to service such Pool Assets, and make the same available to the successor Servicer at a place selected by the Agent, and (B) segregate all cash, checks and other instruments received by it from time to time constituting Collections of Pool Assets in a manner reasonably acceptable to the Agent and, promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the successor Servicer.

(iii) Each of the Borrower, Aspen and the Secured Parties hereby authorize the Agent, and grant to the Agent an irrevocable power of attorney to take any and all steps in the Borrower's or Aspen's name and on behalf of the Borrower, Aspen and the Secured Parties which are reasonably necessary or desirable, in the determination of the Agent to collect all amounts due under any and all Pool Assets, including, without limitation, endorsing the Borrower's or Aspen's name on checks and other instruments representing Collections and enforcing such Pool Assets; provided that the Agent shall not exercise its rights under such power of attorney unless an Event of Default shall have occurred and not been otherwise waived. Such power of attorney shall continue in full force and effect until the Final Payout Date, at which time such power of attorney shall be of no further force and effect.

SECTION 8.05 Responsibilities of the Borrower and the Servicer. Anything herein to the contrary notwithstanding:

(a) Pool Assets. Each of the Servicer and the Borrower shall perform all of its obligations under the Pool Assets and under the related agreements, to the same extent as if the Pool Assets had not been pledged to the Agent under the Security Agreement, and the exercise by the Agent or its designee of its rights under the Transaction Documents shall not relieve the Servicer, Aspen, the Transferor or the Borrower from such obligations.

(b) Limitation of Liability. Neither the Agent nor any of the Secured Parties shall have any obligation or liability to perform or otherwise in respect of any of the obligations of the Borrower, the Servicer, Aspen or the Transferor with respect to any Aspen Software or any Pool Assets.

SECTION 8.06 Further Action Evidencing Loan.

(a) Further Assurances. Each of the Servicer and the Borrower agrees to mark its master data processing records evidencing the Pool Receivables with a legend, acceptable to the Agent, evidencing that the Pool Assets have been pledged in accordance with the Security Agreement. Each of the Servicer and the Borrower agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action that the Agent or its designee may reasonably request in order to perfect, protect or more fully evidence the Loans hereunder, or to enable Secured Parties or the Agent or its designee to exercise or enforce any of their respective rights hereunder or under any Transaction Document. Without limiting the generality of the foregoing, the Borrower will (i) upon the request of the Agent or its designee execute and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate in the reasonable judgment of the Agent; (ii) mark its data processing records to show that the Pool Receivables have been pledged to the Agent; and (iii) at any time, upon the occurrence and during the continuation of an Event of Default, a Servicer Termination Event or a Termination Event, mark invoices relating to the Pool Receivables to show that the Pool Receivables have been pledged to the Agent.

(b) Additional Financing Statements; Performance by Agent. The Borrower hereby authorizes the Agent or its designee to file one or more financing or continuation statements, and amendments thereto and assignments thereof, relative to all or any of the Pool Assets now existing or hereafter arising in the name of the Borrower. If the Borrower fails to perform any of its agreements or obligations under this Agreement, the Agent or its designee may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the reasonable expenses of the Agent or its designee incurred in connection therewith shall be payable by the Borrower as provided in Section 13.05.

SECTION 8.07 Application of Collections.

(a) Any payment by an Obligor in respect of any indebtedness owed by it to the Borrower shall, except as otherwise required by the underlying Contract or law, be applied, first, as a Collection of any billed payments owed on any Pool Receivable or Receivables then outstanding of such Obligor in the order of the age of such payments, starting with the oldest, second, as a Collection of any other principal outstanding on any Pool Receivable or Receivables then outstanding of such Obligor in the order of the age of such Pool Receivables, starting with the oldest of such Pool Receivables and, third, to any other indebtedness of such Obligor; provided, that any payment by an Obligor in respect of Pool Receivables which were previously charged-off as uncollectible shall be applied, first, to principal of such Pool Receivable or Receivables, in the order of the age of such Pool Receivables, starting with the oldest of such Pool Receivables and, second, as a Collection of any Finance Charges of such Obligor, again in the order of the age of such Finance Charges, starting with the oldest of such Finance Charges.

(b) The Servicer shall, as soon as practicable following receipt thereof, turn over to the appropriate Person any cash collections or other cash proceeds (other than investment income) received in the Collateral Account not constituting Collections; provided that, if a Payment Date shall

occur between the date any such collections or proceeds are remitted to the

Collateral Account and the date the Servicer shall first become aware of the receipt of such collections or proceeds, the Servicer shall only effect a turn over thereof when as permitted under Section 3.02(c).

SECTION 8.08 Maintenance of the Collateral Account and Liquidity Reserve Account.

(a) With the consent of the Agent, the Servicer may, so long as no Event of Default or Unmatured Event of Default shall have occurred and then be continuing, from time to time invest funds on deposit in the Collateral Account and the Liquidity Reserve Account, reinvest proceeds of any such investments which may mature, and invest interest or other income received from any such investments, in each case in such Permitted Investments as the Servicer may select and notify to the Agent. In the event the bank maintaining the Collateral Account or the Liquidity Reserve Account shall require that a separate account (the "Investment Account") be maintained for purposes of giving effect to any investments contemplated herein, it shall be a condition precedent to such investment that such bank shall have entered into an agreement with the Agent acknowledging the control by the Agent over, and the security interest of the Agent in, such Investment Account and the Borrower and the Servicer shall otherwise take such actions as may be reasonably requested by the Agent to perfect the security interest of the Agent therein. None of the Agent, the Servicer, the Backup Servicer or any Secured Party shall be liable to the Borrower for, or with respect to, any decline in value of amounts on deposit in the Collateral Account or the Liquidity Reserve Account which shall have been invested, pursuant to this Section 8.08.

(b) The Borrower hereby pledges, and grants to the Agent, for the benefit of the Secured Parties, a security interest in all funds at any time held in the Collateral Account, the Liquidity Reserve Account and any Investment Account existing in connection therewith (including any Permitted Investments) from time to time and all proceeds thereof, as security for the payment of the Obligations.

(c) Neither the Borrower nor any Person or entity claiming on behalf of or through the Borrower shall have any right to withdraw any of the funds or investments held in the Collateral Account, the Liquidity Reserve Account or the Investment Account. At the direction of the Agent, the Servicer shall cause withdrawals to be made from the Collateral Account, the Liquidity Reserve Account and the Investment Account on each Payment Date to give effect to the disbursements then required to be made in accordance with Section 3.02(c).

(d) The Borrower agrees that it will not (i) sell or otherwise dispose of any interest in the Collateral Account, the Liquidity Reserve Account, the Investment Account or any funds or investments held therein, or (ii) create or permit to exist any Adverse Claim upon or with respect to the Collateral Account, the Liquidity Reserve Account, the Investment Account or any funds or investments held therein, except as contemplated in the Transaction Documents.

SECTION 8.09 Bank Secrecy Act. Servicer shall not knowingly (i) in a manner which would violate the laws of the United States (other than pursuant to a license issued by OFAC) lease, or consent to any sublease of, any equipment or other goods to any Person that

is a Restricted Person; or (ii) derive more than a *de minimis* amount of its assets or operating income from investments in or transactions with any such Restricted Person.

SECTION 8.10 Usage Renewal Keys. To the extent that any of the Contracts contain "usage renewal keys" and any such Contracts become Delinquent Accounts, the "usage renewal keys" with respect to such Contracts will not be issued by the Servicer to any Obligor or any other Person without the prior consent of the Agent.

SECTION 8.11 Original Documentation. Upon the occurrence of a Servicer Termination Event, at the direction of the Agent, the Servicer at its expense shall transfer the original Contracts related to the Pool Receivables for custody with a custodian that is acceptable to the Agent in its sole discretion and Servicer shall maintain the Contracts with such custodian required pursuant to this Section 8.11 until the Final Payout Date and all fees for such custodian shall be paid by Servicer.

ARTICLE IX

EVENTS OF DEFAULT

SECTION 9.01 Events of Default. The following events shall be "Events of Default" hereunder:

(a) (i) Any of the Borrower or the Servicer (if the Servicer is then Aspen or one of its Affiliates) shall fail (A) to make any payment or deposit required hereunder when due or (B) to perform or observe any term, covenant or agreement hereunder (other than as referred to in clause (i)(A) or (ii) of this paragraph (a) and Section 9.01(c)) and such failure continues for three (3) consecutive Business Days or (ii) the funds available on any Payment Date for distribution in accordance with Section 3.02(c) shall be insufficient to pay all interest accrued through such Payment Date; or

(b) Any representation or warranty made or deemed to be made by the Borrower, the Transferor, Aspen or the Servicer under or in connection with this Agreement, the Receivables Schedule, any Servicer Report, or any other Transaction Documents shall prove to have been false or incorrect in any material respect when made or deemed made or delivered; or

(c) The Borrower, the Transferor, Aspen or the Servicer shall fail to perform or observe in any material respect any other term, covenant or agreement contained in any of the other Transaction Documents required to be performed or observed by it and such failure continues for five (5) consecutive Business Days; or

(d) The Borrower or the Transferor shall fail to pay any Debt when due or any default shall occur and be continuing under any instrument or agreement evidencing, securing or providing for the issuance of Debt of the Borrower or the Transferor;

(e) Aspen or any of its subsidiaries shall fail to make any payment on any Debt, which Debt is outstanding in an aggregate principal amount of $5,000,000 (a "Material Aspen Debt"), when such payment shall have become due and payable by Aspen or such Subsidiary; or a default shall occur and be continuing under any instrument or agreement

evidencing, securing or providing for the issuance of a Material Aspen Debt the effect of which is to accelerate or to permit the acceleration of the maturity of such Material Aspen Debt; or

(f) An Insolvency Event shall have occurred with respect to the Borrower, the Transferor or Aspen; or

(g) (A) (i) Any litigation (including, without limitation, derivative actions), arbitration proceedings or governmental proceedings is commenced against the Transferor or the Borrower, or (ii) any material development has occurred in any litigation (including, without limitation, derivative actions), arbitration proceedings or governmental proceedings against Aspen which has a reasonable likelihood of having a Material Adverse Effect or (B) the rendering against Aspen, the Transferor, the Borrower or any of their Affiliates of one or more judgments, fines, decrees or orders for the payment of money in excess of $1,000,000, in the aggregate, and the continuance of such judgment, decree or order unsatisfied and in effect for any period of more than thirty (30) days without a stay of execution; or

(h) The occurrence of any Material Adverse Effect; or

(i) (i) The Borrower, the Transferor or Aspen is subject to a Change in Control; or

(j) The Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Internal Revenue Code with regard to any of the Pool Assets and such lien shall not have been released within 15 Business Days, or the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the Pool Assets and such lien shall not have been released within 15 Business Days; or

(k) Any transfer of Pool Assets from Aspen to the Transferor under the Purchase and Sale Agreement or from the Transferor to the Borrower under the Purchase and Resale Agreement shall for any reason be challenged in any formal process or fail to be characterized as being a "true sale;" or any Transaction Document shall terminate or cease to be the valid, legal and binding obligation of the Borrower, the Servicer, the Transferor or Aspen for any reason; or

(l) Any Servicer Termination Event and the Agent shall for any reason be unable to engage on a timely basis a replacement Servicer on terms satisfactory to the Agent; or

(m) as of any date of determination the Delinquency Ratio exceeds 25%; or

(n) The Agent shall for any reason fail or cease to have a valid and perfected first priority security interest in the Pool Assets;

provided that, in the case of any of clauses (d), (e), (f), (g), (h) or (i) above, if the event or circumstance described therein relates solely to a default on Debt, Insolvency Event, litigation, arbitration proceedings or governmental proceedings, change in financial condition or operations or Change in Control by or in respect of Aspen or the Transferor, such event or circumstance shall not constitute an "Event of Default" hereunder unless and until the Agent shall determine in the exercise of its sole and reasonable credit judgment that such event or circumstance could

result in either (A) a Material Adverse Effect (excluding for this purpose clause (i) of the definition thereof to the extent it relates to Aspen or the Transferor), (B) a material adverse effect on the rights of the Agent or any Secured Party under this Agreement or any other Transaction Document or (C) a material adverse change in the value of the Pool Assets or any material part thereof.

SECTION 9.02 Remedies.

(a) Optional Liquidation. Upon the occurrence and during the continuance of an Event of Default (other than an Event of Default described in subsection (f) of Section 9.01), the Agent shall, at the request, or may with the consent, of the Lenders, by notice to the Borrower declare all or any portion of the outstanding principal amount of the Loans and other Obligations to be due and payable, whereupon the full unpaid amount of such Loans and other Obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment.

(b) Automatic Liquidation. Upon the occurrence of an Event of Default described in subsection (f) of Section 9.01, all outstanding Loans and all other Obligations shall automatically become immediately and automatically due and payable, all without presentment, demand, protest, or

notice of any kind.

(c) Additional Remedies. Upon the occurrence of an Event of Default, the Lenders and Agent shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided under the UCC of each applicable jurisdiction and other applicable laws, which rights shall be cumulative.

ARTICLE X

THE AGENT

SECTION 10.01 Appointment and Authorization. (a) Each Lender hereby designates and appoints Key Equipment Finance Inc., as the "Agent" hereunder and authorizes the Agent to take such actions and to exercise such powers as are delegated to the Agent hereby and to exercise such other powers as are reasonably incidental thereto. The Agent shall not have any duties other than those expressly set forth herein or any fiduciary relationship with the Lenders, and no implied obligations or liabilities shall be read into this Agreement, or otherwise exist, against the Agent. The Agent does not assume, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with, the Borrower or the Servicer. Notwithstanding any provision of this Agreement or any other Transaction Document to the contrary, in no event shall the Agent ever be required to take any action which exposes the Agent to personal liability or which is contrary to the provision of any Transaction Document or applicable law. The Agent hereby agrees, for the benefit of the Lenders, not to consent to any material amendment hereunder without the consent of the Lenders.

(b) Except as otherwise specifically provided in this Agreement, the provisions of this Article X are solely for the benefit of the Secured Parties, and neither the Borrower nor the Servicer shall have any rights as a third party beneficiary or otherwise under

any of the provisions of this Article X, except that this Article X shall not affect any obligations which any Secured Party may have to the Borrower or the Servicer under the other provisions of this Agreement.

(c) In performing its functions and duties hereunder, the Agent shall act solely as the agent of the Lenders and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or the Servicer or any of their successors and assigns.

SECTION 10.02 Delegation of Duties. The Agent may execute any of its duties through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 10.03 Exculpatory Provisions. None of the Agent or any of its directors, officers, agents or employees shall be liable for any action taken or omitted (i) with the consent or at the direction of the Lenders or (ii) in the absence of such Person's gross negligence or willful misconduct. The Agent shall not be responsible to any Person for (i) any recitals, representations, warranties or other statements made by the Borrower, the Servicer, or any of their Affiliates, (ii) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Transaction Document, (iii) any failure of the Borrower, the Servicer or any of their Affiliates to perform any obligation or (iv) the satisfaction of any condition specified in Article V. The Agent shall not have any obligation to any Secured Party to ascertain or inquire about the observance or performance of any agreement contained in any Transaction Document or to inspect the properties, books or records of the Borrower, the Servicer or any of their Affiliates.

SECTION 10.04 Reliance by Agent. (a) The Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or other writing or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by it. The Agent shall in all cases be fully justified in failing or refusing to take any action under any Transaction Document unless it shall first receive such advice or concurrence of the Lenders and assurance of its indemnification, as it deems appropriate.

(b) The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all Secured Parties.

SECTION 10.05 Notice of Certain Events. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Termination Event, Event of Default or Unmatured Event of Default unless it has received notice from any Lenders, the Servicer or the Borrower stating that a Termination Event, Event of Default or Unmatured Event of Default has occurred hereunder and describing such Termination Event, Event of Default or Unmatured Event of Default. In the event that the Agent receives such a notice, it shall promptly give notice

thereof to each Lender. In the event that any Lender receives such a notice (other than from the Agent), it shall promptly give notice thereof to the Agent.

SECTION 10.06 Non-Reliance on Agent. Each Lender expressly acknowledge that none of the Agent, or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Agent hereafter taken, including any review of the affairs of the Borrower or the Servicer, shall be deemed to constitute any representation or warranty by such other Lender or the Agent, as applicable. Each Lender represents and warrants to the Agent that, independently and without reliance upon the Agent and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of and investigation into the business,

operations, property, prospects, financial and other conditions and creditworthiness of the Borrower, the Servicer and the Receivables and its own decision to enter into this Agreement and to take, or omit, action under any Transaction Document. Except for items specifically required to be delivered hereunder, the Agent shall not have any duty or responsibility to provide the Lenders with any information concerning the Borrower or the Servicer or any of their Affiliates that comes into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

SECTION 10.07 Agent and Affiliates. The Lenders, the Agent and their Affiliates may extend credit to, accept deposits from and generally engage in any kind of banking, trust, debt, entity or other business with the Borrower, or the Servicer or any of their Affiliates.

SECTION 10.08 Indemnification. The Lenders (other than the CP Issuer) shall indemnify and hold harmless the Agent and its officers, directors, employees, representatives and agents (to the extent not reimbursed by the Borrower or the Servicer and without limiting the obligation of the Borrower or the Servicer to do so), from and against any and all liabilities, obligations, losses, damages, penalties, judgments, settlements, costs, expenses and disbursements of any kind whatsoever (including in connection with any investigative or threatened proceeding, whether or not the Agent or such Person shall be designated a party thereto) that may at any time be imposed on, incurred by or asserted against the Agent or such Person as a result of, or related to, any of the transactions contemplated by the Transaction Documents or the execution, delivery or performance of the Transaction Documents or any other document furnished in connection therewith (but excluding any such liabilities, obligations, losses, damages, penalties, judgments, settlements, costs, expenses or disbursements resulting solely from the gross negligence or willful misconduct of the Agent or such Person as finally determined by a court of competent jurisdiction).

SECTION 10.09 Successor Agent. The Agent may, upon at least thirty (30) days notice to the Borrower and the Lenders, resign as Agent. Such resignation shall not become effective until a successor agent reasonably acceptable to Borrower is appointed by the Lenders and has accepted such appointment. Upon such acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Transaction Documents. After any retiring Agent's resignation

hereunder, the provisions of Article XII and this Article X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent.

SECTION 10.10 Withholding Taxes. All payments made by the Borrower hereunder shall be made without withholding for or on account of any present or future taxes (other than taxes imposed on or based on overall net income on the recipient or any franchise tax, branch profits or similar tax). If any such withholding is so required, the Borrower shall make the withholding, pay the amount withheld to the appropriate authority before penalties attach thereto or interest accrues thereon and pay such additional amount as may be necessary to ensure that the net amount actually received by each Lender and the Agent free and clear of such taxes (including such taxes on such additional amount) is equal to the amount that Lenders or the Agent (as the case may be) would have received had such withholding not been made. If the Agent or any Lender pays any such taxes, penalties or interest the Borrower shall reimburse the Agent or such Lenders for that payment on demand. If the Borrower pays any such taxes, penalties or interest, it shall deliver official tax receipts evidencing that payment or certified copies thereof to the Lenders or Agent on whose account such withholding was made (with a copy to the Agent if not the recipient of the original) on or before the thirtieth day after payment.

SECTION 10.11 Non-Reliance on Agent and Other Lenders. Each Lender expressly acknowledges that neither Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates had made any representations or warranties to it and that no act by Agent or any affiliate thereof hereafter taken, including any review of the affairs of Aspen or Borrower shall be deemed to constitute any representation or warranty by Agent to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon Agent or any other Person, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of Aspen and Borrower and made its own decision to make its purchases hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon Agent or any other Person, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, assets, operations, property, financial and other conditions, prospects and creditworthiness of Aspen and Borrower. Except for notices, reports, and other documents expressly required to be furnished by Agent hereunder, Agent shall not have any duty or responsibility to provide Borrower or any Lender with any credit or other information concerning the business, operations, assets, property, financial or other conditions, prospects or creditworthiness of Aspen or Borrower which may come into the possession of Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

SECTION 10.12 Patriot Act Notice. Each Lender and the Agent (for itself and not on behalf of any other party) hereby notifies each of the other parties to this Agreement that, pursuant to the requirements of the Patriot Act, such Lender and the Agent are required to obtain, verify and record information that identifies the parties to this Agreement, which information includes the name and address of such other parties and other information that will allow such Lender or the Agent, as applicable, to identify such other parties in accordance with the Patriot Act. The Borrower shall provide, to the extent commercially reasonable,

such information and take such actions as are reasonably requested by the Agent or a Lender in order to assist the Agent or such Lender in maintaining compliance with the Patriot Act.

ARTICLE XI

ASSIGNMENT OF LOANS

SECTION 11.01 Restrictions on Assignments.

(a) Neither the Borrower nor the Servicer may assign its rights, or delegate its duties, hereunder or any interest herein without the prior written consent of the Agent. The Agent, subject to Section 10.09, or any Lender may assign their respective rights hereunder to any Person without the prior written consent of the Borrower, the Servicer, the Agent or any Lender. Each such assignor may, in connection with such assignment, disclose to the applicable assignee any information relating to the Borrower, the Servicer or the Pool Receivables furnished to such assignor by or on behalf of the Borrower, the Servicer or the Agent.

(b) Any Lender may at any time grant to one or more banks or other institutions participating interests or a security interest in its interest under the Transaction Documents. The Borrower agrees that each such Person shall be entitled to the benefits of Section 4.02 with respect to its participating interest. Any Lender granting any such interest may, in connection with such grant, disclose to the applicable assignee any information relating to the Borrower, the Servicer or the Pool Receivables furnished to such Lender by or on behalf of the Borrower, the Servicer or the Agent, subject to a conventional confidentiality arrangement of the type then prevailing in the market for grants of such type and enforceable by the Borrower.

(c) Without limiting any other rights that may be available under applicable law, the rights of the any Lender may be enforced through it or by its agents.

SECTION 11.02 Rights and Obligations of Assignee. Upon the assignment by a Lender in accordance with this Article XI, the assignee receiving such assignment shall have all of the rights and obligations of the Lenders with respect to the Transaction Documents; including, without limitation, the confidentiality obligations set forth in Section 13.07 hereof and the requirement to provide the tax forms contemplated in Section 10.10(b).

SECTION 11.03 Evidence of Assignment. Any assignment by the Lenders hereunder to any Person may be evidenced by such instruments or documents as may be reasonably satisfactory to the Lenders, the Agent and the assignee.

SECTION 11.04 Assignments by Liquidity Banks. Any Liquidity Bank may assign to one or more financial institutions ("Purchasing Liquidity Banks"), acceptable to the Agent in its sole discretion, any portion of its Liquidity Limit as a Liquidity Bank hereunder and Loans pursuant to a supplement hereto (a "Transfer Supplement") in form satisfactory to the Agent and the CP Issuer executed by the assignee Liquidity Bank, the assignor Liquidity Bank, the CP Issuer, and the Agent, provided that, the Liquidity Banks may not make an assignment to a financial institution not organized under the laws of the United States. Any such assignment by a Liquidity Bank must be for an amount of at least $100,000. Each assignee Liquidity Bank shall pay to the Agent any reasonable fees and expenses consistent with the Agent's standard

procedures with respect to such assignments. Any partial assignment will be deemed an assignment of an identical percentage of such selling Liquidity Bank's share of the outstanding Loans and its Liquidity Limit as a Liquidity Bank hereunder. Upon the execution and delivery to the Agent of the Transfer Supplement and payment by the assignee Liquidity Bank to the assignor Liquidity Bank of the agreed purchase price, such assignor Liquidity Bank shall be released from its obligations hereunder to the extent of such assignment and such assignee Liquidity Bank shall for all purposes be a Liquidity Bank party hereto and shall have all the rights and obligations of a Liquidity Bank hereunder to the same extent as if it were an original party hereto with a Liquidity Limit as a Liquidity Bank, any share in the outstanding Loans or other amounts described in the Transfer Supplement.

SECTION 11.05 Assignment by CP Issuer. Each party hereto agrees and consents (i) to the CP Issuer's assignment, participation, grant of security interests in or other transfers of any portion of, or any of its beneficial interest in, the Loans and (ii) to the complete assignment by the CP Issuer of all of its rights and obligations hereunder to any Person, and upon such assignment the CP Issuer shall be released from all obligations and duties hereunder to the extent accruing thereafter; provided, however, that the CP Issuer may not, without the prior consent of the Required Liquidity Banks and, prior to the occurrence of a Termination Event, the Borrower, which consent of the Borrower shall not be unreasonably withheld, transfer any of its rights hereunder or under the Liquidity Agreement, unless the assignee (i) is a Liquidity Bank, or (ii) (A) is an entity whose principal business is the purchase or financing of assets similar to the Receivables, (B) is an Affiliate of the initial CP Issuer, and (C) issues commercial paper with credit ratings substantially identical to the Ratings from at least two of the three Rating Agencies. The CP Issuer shall promptly notify each party hereto of any such assignment, provided further that, the CP Issuer may not assign to a financial institution not organized under the laws of the United States. Upon such an assignment of any portion of the CP Issuer's interest in the Loans, the assignee will have all of the rights of the CP Issuer hereunder relate to such CP Issuer.

ARTICLE XII

INDEMNIFICATION

SECTION 12.01 Indemnities by the Borrower.

(a) General Indemnity. Without limiting any other rights which any such Person may have hereunder or under applicable law, the Borrower hereby agrees to indemnify each of the Agent, each of the Lenders, each of the Funding Parties, each of their respective Affiliates, and all successors, transferees, participants and assigns thereof and all officers, directors, shareholders, controlling persons, employees and agents of any of the foregoing (each an "Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them arising out of or relating to the Transaction Documents or the transactions contemplated thereby, excluding, however, Indemnified Amounts (i) to the extent determined by a court of competent jurisdiction to have resulted from gross negligence or willful misconduct on the part of any such Indemnified Party and (ii) to the extent constituting recourse for Receivables which are uncollectible due to the bankruptcy, insolvency

or financial inability to pay of the relevant Obligor. Without limiting the foregoing, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts arising out of or relating to:

(i) the transfer by the Borrower of any interest in any Pool Asset other than the grant of a security interest to the Agent pursuant to the Security Agreement;

(ii) any representation or warranty made by the Borrower or the Servicer under or in connection with any Transaction Document, any Servicer Report, or any other information or report delivered by or on behalf of the Borrower or the Servicer pursuant hereto, which shall have been false, incorrect or misleading in any material respect when made or deemed made;

(iii) the failure by the Borrower or the Servicer or any of their affiliates to comply with any applicable law, rule or regulation with respect to any Pool Asset or the nonconformity of any Pool Asset with any such applicable law, rule or regulation;

(iv) the failure of the Borrower to own or hold sufficient rights in the software the license of which is the subject of any Pool Receivable to the extent necessary to cause such Pool Receivable to (A) constitute a valid and binding obligation, enforceable by Borrower against the applicable Obligor, (B) be owned by Borrower free and clear of any Adverse Claim and (C) to be pledged by the Borrower as contemplated in this Agreement and the Security Agreement;

(v) the failure to grant and maintain granted in the Agent a first priority perfected security interest in the Pool Assets free and clear of any Adverse Claim;

(vi) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Pool Asset, whether at the time of any Loans or at any time thereafter;

(vii) any dispute, claim, offset or defense (other than discharge in bankruptcy of an Obligor) of an Obligor to the payment of any Receivable in, or purporting to be in, the Receivables Pool (including, without limitation, a defense based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the licensing of software, the sale of the merchandise or services (maintenance or otherwise) related to such Receivable or the furnishing or failure to furnish such merchandise or services;

(viii) any failure of Aspen, as Servicer or otherwise, to perform its duties or obligations in accordance with the provisions of the Transaction Documents, including, without limitation, any failure by Aspen to deliver any "Exchange Amount" to the Agent or delivery by the Servicer of the Agent of any "Collected FX Amount" (as each such term is defined in the Purchase and Sale Agreement);

(ix) any failure by Aspen to originate any Receivable in accordance with the Credit and Collection Policy or any applicable law, rule or regulation;

(x) any claim, investigation, litigation or proceeding arising out of or in connection with merchandise or services that are the subject of any Pool Receivable;

(xi) the failure of any Receivable included in the calculation of the Net Pool Balance as an Eligible Receivable to be an Eligible Receivable;

(xii) any tax or governmental fee or charge (but not including taxes upon or measured by net income), all interest and penalties thereon or with respect thereto, and all documented out-of-pocket costs and expenses, including the reasonable fees and expenses of counsel in defending against the same, which may arise by reason of the making of any Loans or any other interest in the Pool Receivables;

(xiii) the commingling by the Borrower or Aspen of Collections of Pool Receivables at any time with other funds; or

(xiv) any litigation or proceeding related to this Agreement or any other Transaction Document or the use of proceeds of any Loan.

(b) Contest of Tax Claim; After-Tax Basis. If any Indemnified Party shall have notice of any attempt to impose or collect any tax or governmental fee or charge for which indemnification will be sought from the Borrower under Section 12.01(a)(xii), such Indemnified Party shall give prompt and timely notice of such attempt to the Borrower and the Borrower shall have the right, at its expense, to participate in any proceedings resisting or objecting to the imposition or collection of any such tax, governmental fee or charge. Indemnification hereunder shall be in an amount necessary to make the Indemnified Party whole after taking into account any tax consequences to the Indemnified Party of the payment of any of the aforesaid taxes and the receipt of the indemnity provided hereunder or of any refund of any such tax previously indemnified hereunder, including the effect of such tax or refund on the amount of tax measured by net income or profits which is or was payable by the Indemnified Party.

(c) Contribution. If for any reason the indemnification provided above in this Section 12.01 is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless, then the Borrower shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Borrower on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

SECTION 12.02 Indemnities by the Servicer. Without limiting any other rights that any Indemnified Party may have hereunder or under applicable law, the Servicer hereby agrees to indemnify each Indemnified Party from and against any and all Indemnified Amounts arising out of or resulting from (whether directly or indirectly): (a) the failure of any information contained in any Servicer Report to be true and correct, or the failure of any other

information provided to any such Indemnified Party by the Servicer to be true and correct, (b) the failure of any representation, warranty or statement made or deemed made by the Servicer

under or in connection with this Agreement or any other Transaction Document to which it is a party to have been true and correct as of the date made or deemed made, (c) the failure by the Servicer to comply with any applicable law, rule or regulation, including with respect to any Pool Receivable or the related Contracts, or (d) any failure of the Servicer to perform its duties or obligations in accordance with the provisions hereof or any other Transaction Document to which it is a party; excluding, however, Indemnified Amounts (i) to the extent determined by a court of competent jurisdiction to have resulted from gross negligence or willful misconduct on the part of such Indemnified Party and (ii) to the extent constituting recourse for Receivables which are uncollectible due to the bankruptcy, insolvency or financial inability to pay of the relevant Obligor or otherwise due to any failure of payment on the part of an Obligor.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Borrower or the Servicer therefrom shall in any event be effective unless the same shall be in writing and signed by the Borrower, the Agent, the Servicer and each Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Article V without the written consent of the Lenders;

(b) extend the term of this Agreement pursuant to Section 5.03 without the written consent of the Lenders;

(c) postpone any date fixed by this Agreement or any other Transaction Document for any payment of principal, interest, fees or other amounts due to the Lenders hereunder or under any other Transaction Document without the written consent of the Lenders;

(d) reduce the principal of, or the rate of interest specified herein on the Loans;

(e) change any provision of this Section or any other provision hereof or make any determination or grant any consent hereunder, without the written consent of the Lenders; or

(f) provide for the release the Agent's security interest on all or any material portion of the Pool Assets without the consent of the Lenders.

SECTION 13.02 Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by express mail or courier or by certified mail, postage prepaid, or by facsimile, to the intended party at the address or facsimile number of such party set forth below or at such other address or facsimile number as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, (a) if personally delivered or sent by express mail or courier

or if sent by certified mail, when received, and (b) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means.

If to the Servicer:

Aspen Technology, Inc.
Ten Canal Park
Cambridge, Massachusetts 02141-2201
Attention: Leo Vannoni
Telephone No.: (617) 949-1139
Facsimile No.: (617) 949-1711

If to the Borrower:

Aspen Technology Funding 2006-II LLC
c/o Aspen Technology, Inc.
Ten Canal Park
Cambridge, Massachusetts 02141-2201
Attention: Leo Vannoni
Telephone No.: (617) 949-1139
Facsimile No.: (617) 949-1711

If to the Agent:

Key Equipment Finance Inc.
1000 South MacCaslin Blvd.
Superior, CO 80027
Attention: Don Davis
Telephone No.: (720) 304-1061
Facsimile No.: (720) 304-1470

If to the Back-Up Servicer:

Portfolio Financial Servicing Company, Inc.
2121 SW Broadway, 2nd Floor
Portland, OR 97201
Attention: Brad A. McInnes
Telephone No.: (503) 721-3221
Facsimile No.: (503) 274-0439

If to any Lender:

To the address specified below such Lender's name on the signature pages hereto.

SECTION 13.03 No Waiver; Remedies. No failure on the part of the Agent, any Affected Party, any Indemnified Party, or any Lenders to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial

exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 13.04 Binding Effect; Survival. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and the provisions of Section 4.02 and Article XII shall inure to the benefit of the Affected Parties and the Indemnified Parties, respectively, and their respective successors and assigns; provided, however, nothing in the foregoing shall be deemed to authorize any assignment not permitted by Section 11.01. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Final Payout Date. The rights and remedies with respect to any breach of any representation and warranty made by the Borrower or the Servicer pursuant to Article VI and the indemnification and payment provisions of Article XII and Sections 4.02, and each of Sections 13.05, 13.06, 13.07, 13.08, 13.15 and 13.16 shall be continuing and shall survive any termination of this Agreement.

SECTION 13.05 Costs, Expenses and Taxes. In addition to their respective obligations under Article XII, each of the Servicer and the Borrower, jointly and severally, agrees to pay on demand:

(a) all reasonable documented out-of-pocket costs and expenses incurred by the Agent and the Lenders and their respective Affiliates in connection with the negotiation, preparation, execution and delivery, the administration (including periodic auditing) or the enforcement of, or any actual or claimed breach of, or any amendment, waiver or modification of, this Agreement, the Liquidity Agreement and the other Transaction Documents, including, without limitation (i) the reasonable fees and expenses of counsel to any of such Persons incurred in connection with any of the foregoing or in advising such Persons as to their respective rights and remedies under any of the Transaction Documents or the Liquidity Agreement, and (ii) subject to Section 7.03(g), all reasonable out-of-pocket expenses (including reasonable fees and expenses of independent accountants), incurred in connection with any review of the Borrower's or the Servicer's books and records either prior to the execution and delivery hereof or pursuant to the provisions hereof.

(b) all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the Liquidity Agreement or the other Transaction Documents, and agrees to indemnify each Indemnified Party against any liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

SECTION 13.06 No Proceedings; Limitation on Payments.

(a) Each of the parties hereto hereby agrees that it will not institute against the Borrower, or join any other Person in instituting against the Borrower, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of Insolvency Event) so long as there shall not have elapsed one year plus one day since the last day on which the Obligations shall have been outstanding.

(b) Notwithstanding any provisions contained in this Agreement to the contrary, the parties hereto acknowledge and agree that all amounts payable by the Borrower hereunder and under the other Transaction Documents from the proceeds of the Pool Assets shall be paid in accordance with the priorities set forth in Section 3.02(c).

(c) This Section 13.06 shall survive termination of this Agreement.

SECTION 13.07 Confidentiality of Program Information.

(a) Confidential Information. Each of the Borrower and the Servicer acknowledges that the Agent regards the structure of the transactions contemplated by this Agreement to be proprietary, and each such party severally agrees that:

(i) it will not disclose without the prior written consent of the Agent (other than to the directors, employees, auditors, counsel or affiliates (collectively, "representatives" of such party), each of whom shall be informed by such party of the confidential nature of the Program Information (as defined below) and of the terms of this Section 13.07, (A) any information regarding the pricing in, or copies of, this Agreement or any transaction contemplated hereby, or (C) any information which is furnished by the Agent to such party and which is not otherwise available to the general public (the information referred to in clauses (A) and (B) is collectively referred to as the "Program Information"); provided, however, that such party may disclose any such Program Information (I) to any other party to the Transaction Documents for the purposes contemplated hereby, (II) as may be required by any municipal, state, federal or other regulatory body having or claiming to have jurisdiction over such party, (III) in order to comply with any law, order, regulation, regulatory request or ruling applicable to such party, (IV) subject to subsection (c), in the event such party is legally compelled (by interrogatories, requests for information or copies, subpoena, civil investigative demand or similar process) to disclose any such Program Information or (V) to file copies of the Transaction Documents with the Securities Exchange Commission to the extent required by law, rule or regulation; provided, that the Borrower and the Servicer agree to use their commercially reasonable efforts to maintain the confidentiality of the terms of the Fee Letter, the interest rates hereunder or any other terms or provisions identified by the Agent as containing confidential commercial or financial information.

(ii) it will use the Program Information solely for the purposes of evaluating, administering and enforcing the transactions contemplated by this Agreement and making any necessary business judgments with respect thereto; and

(iii) it will, upon demand, return (and cause each of its representatives to return) to the Agent, all documents or other written material received from the Agent, as the case may be, in connection with (a)(i)(B) or (C) above and all copies thereof made by such party which contain the Program Information.

(b) Availability of Confidential Information. This Section 13.07 shall be inoperative as to such portions of the Program Information which are or become generally available to the public or such party on a nonconfidential basis from a source other than the

Agent or were known to such party on a nonconfidential basis prior to its disclosure by the Agent.

(c) Legal Compulsion to Disclose. In the event that any party or anyone to whom such party or its representatives transmits the Program Information is requested or becomes legally compelled (by interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Program Information, such party will:

(i) provide the Agent with prompt written notice so that the Agent may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Section 13.07; and

(ii) unless the Agent waives compliance by such party with the provisions of this Section 13.07, make a timely objection to the request or confirmation to provide such Program Information on the basis that such Program Information is confidential and subject to the agreements contained in this Section 13.07.

In the event that such protective order or other remedy is not obtained, or the Agent waives compliance with the provisions of this Section 13.07, such party will furnish only that portion of the Program Information which (in such party's good faith judgment) is legally required to be furnished and will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Program Information.

(d) Survival. This Section 13.07 shall survive termination of this Agreement.

SECTION 13.08 Confidentiality of Borrower Information.

(a) Confidential Information. Each party hereto acknowledges that the Borrower and the Servicer regard certain information provided to the Agent and the Lenders to be confidential, and each such party severally agrees that:

(i) it will not disclose without the prior written consent of Borrower or the Servicer (other than to the directors, employees, auditors, counsel or affiliates (collectively, "representatives" of such party), each of whom shall be informed by such party of the confidential nature of the Borrower Information (as defined below) and of the terms of this Section 13.08, (A) any non-public information regarding the Borrower, Aspen or the Servicer, or (B) any information which is furnished by the Borrower or Servicer to such party and which is not otherwise available to the general public (the information referred to in clauses (A) and (B) is collectively referred to as the "Borrower Information"); provided, however, that such party may disclose any such Borrower Information (I) to any other party to the Transaction Documents for the purposes contemplated hereby, (II) as may be required by any municipal, state, federal or other regulatory body having or claiming to have jurisdiction over such party, (III) in order to comply with any law, order, regulation, regulatory request or ruling applicable to such party, and to the Rating Agencies or any other rating agency that rates the commercial paper notes of the CP Issuer, (IV) to any providers of program-wide credit enhancement for the CP Issuer and to investors in commercial paper notes of the CP Issuer, but only to

the extent of confirming the involvement of Aspen in the commercial paper notes of the CP Issuer, upon an inquiry by such providers or investors, and any additional disclosures regarding either the Borrower or Aspen to such providers or investors will require the prior written consent of the Borrower and Aspen, and (V) to any prospective or actual successor, assignee or participant (subject to a conventional confidentiality arrangement of a type then prevailing in the market for assignments of such type and enforceable by the Borrower);

(ii) it will use the Borrower Information solely for the purposes of evaluating, administering and enforcing the transactions contemplated by this Agreement and making any necessary business judgments with respect thereto; and

(iii) it will, upon demand, return (and cause each of its representatives to return) to the Borrower or the Servicer, all documents or other written material received from the Borrower or the Servicer, as the case may be, and all copies thereof made by such party which contain the Borrower Information.

(b) Availability of Confidential Information. This Section 13.08 shall be inoperative as to such portions of the Borrower Information which are or become generally available to the public or such party on a nonconfidential basis from a source other than the Borrower or the Servicer or were known to such party on a nonconfidential basis prior to its disclosure by the Borrower or the Servicer.

(c) Legal Compulsion to Disclose. In the event that any party or anyone to whom such party or its representatives transmits the Borrower Information is requested or becomes legally compelled (by interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Borrower Information, such party will

(i) provide the Borrower and the Servicer with prompt written notice so that the Borrower or the Servicer may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Section 13.08; and

(ii) unless the Borrower or the Servicer waives compliance by such party with the provisions of this Section 13.08, make a timely objection to the request or confirmation to provide such Borrower Information on the basis that such Borrower Information is confidential and subject to the agreements contained in this Section 13.08.

In the event that such protective order or other remedy is not obtained, or the Borrower or the Servicer waives compliance with the provisions of this Section 13.08, such party will furnish only that portion of the Borrower Information which (in such party's good faith judgment) is legally required to be furnished and will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Borrower Information.

(d) Survival. This Section 13.08 shall survive termination of this Agreement.

SECTION 13.09 Captions and Cross References. The various captions (including, without limitation, the table of contents) in this Agreement are provided solely for

convenience of reference and shall not affect the meaning or interpretation of any provision of this Agreement. Unless otherwise indicated, references in this Agreement to any Section, Schedule or Exhibit are to such Section of or Schedule or Exhibit to this Agreement, as the case may be, and references in any Section, subsection, or clause to any subsection, clause or subclause are to such subsection, clause or subclause of such Section, subsection or clause.

SECTION 13.10 Integration. This Agreement, together with the other Transaction Documents, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire understanding among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings.

SECTION 13.11 Governing Law. **THIS AGREEMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE PERFECTION OF THE SECURITY INTERESTS OF THE AGENT IN THE POOL ASSETS IS GOVERNED BY THE LAWS OF THE JURISDICTION OTHER THAN THE STATE OF NEW YORK.**

SECTION 13.12 Waiver of Jury Trial. **EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR ARISING FROM ANY BANKING OR OTHER RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY TRIAL.**

SECTION 13.13 Consent To Jurisdiction. **EACH PARTY HERETO HEREBY ACKNOWLEDGES AND AGREES THAT IT IRREVOCABLY (i) SUBMITS TO THE JURISDICTION, FIRST, OF ANY UNITED STATES FEDERAL COURT, AND SECOND, IF FEDERAL JURISDICTION IS NOT AVAILABLE, OF ANY NEW YORK STATE COURT, IN EITHER CASE SITTING IN NEW YORK, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, (ii) AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED ONLY IN SUCH NEW YORK STATE OR FEDERAL COURT AND NOT IN ANY OTHER COURT, AND (iii) WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN SUCH JURISDICTIONS.**

SECTION 13.14 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

SECTION 13.15 Nonrecourse Nature of Transactions. Each of the parties hereto agrees to limit its recourse against the CP Issuer for all amounts payable by the CP Issuer under this Agreement as follows:

Notwithstanding anything to the contrary contained in this Agreement, the obligations of the CP Issuer under this Agreement are solely the company obligations of the CP Issuer and shall be payable by the CP Issuer and shall constitute a claim (as defined in Section 101 of Title 11 of the United States Bankruptcy Code) against the CP Issuer solely to the extent of funds received by the CP Issuer in respect of this Agreement. In addition, the parties hereto agree that the CP Issuer shall have no obligation to pay any party hereto any amounts constituting fees, a reimbursement for expenses or indemnities, (collectively, "Expense Claims") and such Expense Claims shall not constitute a claim against the CP Issuer (as defined in Section 101 of Title 11 of the United States Bankruptcy Code), unless or until the CP Issuer has received amounts sufficient to pay such Expense Claims pursuant to this Agreement and such amounts are not required to pay the principal or interest on the Commercial Paper and any other debt securities of the CP Issuer, rated at the request of the CP Issuer by an internationally recognized rating agency. The provisions of this Section shall survive termination of this Agreement.

SECTION 13.16 No Bankruptcy Petition Against CP Issuer. (a) Each of the parties hereto hereby covenants and agrees prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper and any other debt securities of the CP Issuer, rated at the request of the CP Issuer by an internationally recognized rating agency, it will not institute against, or join any other Person in instituting against the CP Issuer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other similar proceeding under the laws of any jurisdiction. The provisions of this Section shall survive termination of this Agreement.

SECTION 13.17 Right of Setoff. Following the occurrence and during the continuance of any Event of Default at any time that any amount due and payable by the Borrower hereunder is past due, each Secured Party is hereby authorized (in addition to any other rights it may have) to setoff, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by such Secured Party (including by any branches or agencies of such Secured Party) to, or for the account of, the Borrower against amounts owing by the Borrower hereunder (even if contingent or unmatured).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ASPEN TECHNOLOGY FUNDING 2006-II LLC,
as Borrower

By: /s/ Leo S. Vannoni
Name: Leo S. Vannoni
Title: Treasurer

ASPEN TECHNOLOGY, INC.,
as Servicer

By: /s/ Mark F. Fusco
Name: Mark F. Fusco
Title: President and Chief Executive Officer

PORTFOLIO FINANCIAL SERVICING COMPANY, INC.,
as Back-up Servicer

By: s/ Jonathan Wease
Name: Jonathan Wease
Title: Assistant Treasurer

KEY EQUIPMENT FINANCE,
as Agent

By: /s/ Steven T. Dixon
Name: Steven T. Dixon

Title: Senior Vice President

KEYBANK NATIONAL ASSOCIATION
as Lender

By: /s/ Paul A. Larkins

By: /s/ Paul A. Larkins
Name: Paul A. Larkins
Title: Executive Vice President

Commitment: $75,000,000

Address: 1000 South McCaslin Blvd.
Superior, Colorado 80027

Attention Don Davis

RELATIONSHIP FUNDING COMPANY, LLC
CP Issuer

By: /s/ Thomas J. Irvin
Name: Thomas J. Irvin
Title: Manager

Commitment: $75,000,000

Address: c/o The Liberty Hampshire Company
227 West Monroe
Suite 4900
Chicago, Illinois 60606

EXHIBIT I

DEFINITIONS

Defined Terms. As used in the Agreement, unless the context requires a different meaning, the following terms have the meanings indicated below (such definitions to be applicable to both the singular and plural forms of such terms):

"Administrative Pool of Receivables" means a set of Pool Receivables in an amount of at least $25,000,000 that has been readily identified by the Servicer, has been sold by Aspen to Aspen Technology Funding 2006-I LLC and by Aspen Technology Funding 2006-I LLC to the Borrower and has been pledged to the Agent on behalf of the Lender; provided that, it is acknowledged that the Pool Receivables sold by Aspen to the Transferor and by the Transferor to the Borrower on the Initial Funding Date is an Administrative Pool of Receivables. In addition to such pool established in connection with the Initial Funding Date, an Administrative Pool of Receivables will be established for each calendar year in which at least $25,000,000 of receivables has been contributed to the pool. In the event $25,000,000 of receivables is not contributed during a calendar year, the Administrative Pool of Receivables will be established as of such date the $25,000,000 receivable requirement has been met.

"Accounting Authority" means any accounting board or authority (whether or not part of a government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic

"Additional Pool Receivables" means additional Receivables in addition to, and in excess of, the aggregate Outstanding Balance of all Eligible Receivables.

"Advance Rate Percentage" means the lesser of (i) eighty percent (80%), or (ii) a fraction (expressed as a percentage) equal to 1 minus the greater of (a) the aggregate Outstanding Balance of all the Pool Receivables (as of the relevant determination date) of Borrower's four (4) largest Obligors or (b) the product of the Annualized Default Rate, multiplied by the current weighted average remaining life of the Pool Receivables, expressed in years, *multiplied by* 3.0, provided that, upon the occurrence and continuance of a Foreign Credit Excess on a Funding Date on which the Borrower has made a Funding Request, if the Borrower has not maintained Additional Pool Receivables in the amount of the excess of the Outstanding Balance of Pool Receivables with Obligors

located in countries rated below Investment Grade over 10% of the aggregate Outstanding Balance of the Pool Receivables, then the Advance Rate Percentage will be reduced as of such Funding Date by a directly proportional percentage necessary to remedy such Foreign Credit Excess on such Funding Date (for the avoidance of doubt, the adjustment set forth in this proviso will only apply to Loans extended on an applicable Funding Date and shall not apply to any Loans outstanding prior to such Funding Date).

"Advisor" means Lease Advisory Services, Inc.

"Adverse Claim" means a lien, security interest, charge or encumbrance, or other right or claim in, of or on any Person's assets or properties in favor of any other Person.

"Affected Party" means each Lender, the Agent, any assignee or participant of any Lender, the Agent or any of their respective Affiliates.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person. For the purposes of this definition, "control", when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the term "controlled" shall have meanings correlative to the foregoing.

"Agency Fee" has the meaning set forth in the Fee Letter.

"Agent" has the meaning set forth in the Preamble to the Agreement.

"Agent's Office" means the office of the Agent at 1000 South MacCaslin Blvd., Superior, CO, 80027 Attention: Don Davis, or such other address as shall be designated by the Agent in writing to the Borrower, the Servicer and the Lender.

"Agreement" has the meaning set forth in the preamble.

"Alternate Rate" means, for any Interest Period or other period, an annual rate of interest equal to 1.50% plus either (a) the Federal Funds Rate or (b) LIBOR, as selected by the Agent, in its sole discretion.

"Annualized Default Rate" means the three (3) month rolling average as of the last day of any Collection Period of the ratio (expressed as a percentage), the numerator of which is the product of (i) 12 and (ii) the Outstanding Balance as of the related Reporting Date of all Receivables that became Defaulted Receivables during such period, and the denominator of which is the Outstanding Balance of the Receivables as of such Reporting Date.

"Applicable Laws" means all applicable laws, rules, regulations and orders of any Governmental Authority, including, without limitation, Credit Protection Laws.

"Aspen" shall have the meaning assigned in the Preamble to this Agreement.

"Aspen Software" means any software, computer programs, computer code and related materials which are (i) either

(a) owned exclusively by Aspen;

(b) owned by one of Aspen's wholly-owned subsidiaries and licensed to Aspen on terms which permit the sublicensing of the same by Aspen; or

(c) owned by a Person not affiliated with Aspen and licensed to Aspen on terms which permit the sublicensing of the same by Aspen, and such materials are included by Aspen in a software package otherwise comprised primarily of Aspen Software of the type described in clauses (a) or (b) above which package has been assembled by Aspen for license to its customers,

and (ii) sold or licensed by Aspen in the ordinary course of its business to Obligors, together with any accompanying documentation, manuals, upgrades, releases, databases, enhancements, instructions and hardware security devices.

"Authorized Person" means an officer or employee of Borrower listed on Schedule C attached hereto (as updated by Borrower, from time to time, with not less than five days' prior written notice).

"Availability" means, as of any determination date, an amount equal to the positive excess (if any) of (i) the lesser of (a) the Commitment Amount, and (b) the Borrowing Base, minus (ii) the balance of the outstanding Loans.

"Backup Servicer" means Portfolio Financial Servicing Company, Inc., a Delaware corporation, or any successor corporation or any replacement Backup Servicer.

"Backup Servicing Fee" means an amount, payable in arrears, equal to 1/12 of .25% of the Receivables Pool as of each Payment Date.

"Bankruptcy Code" means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended from time to time.

"Base Rate" means for any period, an amount equal to the average 30 day CP Index for the immediately prior calendar month.

"Borrower" has the meaning set forth in the preamble to the Agreement.

"Borrower Information" has the meaning set forth in Section 13.08.

"Borrowing Base" means, as of any date of determination, the product of:

(a) the Net Eligible Balance of the Pool Receivables as of the relevant date including the Net Eligible Balance of any Pool Receivables being purchased with funds derived from the relevant Loan;

multiplied by:

(b) the Advance Rate Percentage (for the avoidance of doubt, adjustments to the Borrowing Base resulting from the adjustment to Advance Rate Percentage by application of the proviso to Advance Rate Percentage will only apply to Loans extended on an applicable Funding Date and shall not apply to any Loans outstanding prior to such Funding Date).

"Borrowing Request" means a completed request, authenticated by the Borrower, for a Loan under this Agreement in substantially the form of Exhibit IV to this Agreement.

"Breakage Costs" means, on any date of determination, an amount payable by the Borrower, equal to the CP Index for the then and any future applicable Interest Periods on Commercial Paper as a consequence of an Excess Principal Payment, reduced by the income

actually received by CP Issuer (or an estimate of such income, if such income is estimable) from investing such Excess Principal Payment until the repayment of such Commercial Paper.

"Business Day" means any day that is not a Saturday, Sunday or other day on which banks are not authorized or required by law or executive order to close in New York City.

"Change of Control" means any of the following (i) the acquisition after the date hereof by any Person, or two or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of an amount greater than or equal to 25% of the outstanding shares of voting stock of Aspen, (ii) the failure at any time of the Borrower to be a wholly-owned Subsidiary of the Transferor or (iii) the failure at any time of the Transferor to be a wholly-owned Subsidiary of Aspen.

"Charged-Off Receivable" means a Receivable: (i) as to which the Obligor thereof has taken or suffered any Insolvency Event; (ii) which, consistent with the Credit and Collection Policy, would be written off Borrower's books as uncollectible, (iii) which has been identified by Borrower as uncollectible or (iv) as to which any payment, or part thereof, remains unpaid for 364 days or more from the original due date for such payment.

"Closing Date" means the date hereof.

"Collateral Account" means (i) that certain depositary account number 359681234811 maintained by KeyBank together with the related postal lockbox at PO Box 74323, Cleveland, Ohio 44194-4323 or (ii) any other depositary account and related postal lockbox designated by the Agent as the "Collateral Account".

"Collection Amount" means, for each Collection Period, the aggregate amount of Collections for such Collection Period.

"Collections" means, with respect to any Pool Receivable, all funds which are received by the Borrower, the Transferor, Aspen or the Servicer from or on behalf of the related Obligor(s) in payment of any amounts owed (including, without limitation, purchase or sale prices, principal, finance charges, interest and all other charges) in respect of such Receivable or its related security, or applied to such amounts owed by such Obligor(s).

"Collection Period" means, with respect to any Payment Date, the calendar month immediately preceding the month in which such Payment Date occurs, except that, in the case of the first Payment Date, the related Collection Period will be the period from the Initial Funding Date through and including the last day of the month in which the Initial Funding Date occurs.

"Commercial Paper" means short term promissory notes issued by the CP Issuer in the ordinary course of its business having a maturity date up to 364 days from the date of issuance.

"Commitment" means, with respect to each Lender, the amount which such Lender is obligated, subject to the terms and conditions of this Agreement, to advance under the Agreement on account of its Loan, as set forth below its signature to the Agreement.

"Commitment Amount" means $75,000,000.

"Conduit Funding Source" means any insurance company, bank or other financial institution providing liquidity, back-up purchase or credit support for the CP Issuer.

"Contract" means, with respect to any Receivable, any and all instruments, agreements, invoices or other writings pursuant to which such Receivable arises or which evidences such Receivable.

"Cost of Funds Rate" means, with respect to any Loan (or expense or other amount payable to a Secured Party with respect to such Loan) and Interest Period or other period, if such Loan is funded with (i) Commercial Paper, the CP Index, and (ii) otherwise, the Alternate Rate.

"CP Index" means, for any day during an Interest Period, the weighted average rates determined by the CP Issuer based upon a per annum money market equivalent rate which may be paid or is payable (i) in connection with interest rate hedges or otherwise, including any breakage costs incurred in connection with such interest rate hedges and/or (ii) as interest or otherwise, by large issuers of A-1/P-1 commercial paper selected by the CP Issuer in respect of Commercial Paper issued or outstanding from time to time during such Interest Period (or portion thereof), such rate to be determined based on quotes from at least three nationally recognized dealers of such commercial paper selected by the CP Issuer and assumed issuance amounts and dates selected by the CP Issuer, which rate shall reflect and give effect to the commissions and charges of placement agents and dealers in respect of the issuance of such Commercial Paper; provided that if any component of such rate is a discount rate, the CP Issuer shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum. For the avoidance of doubt, the CP Index shall include rates that are a result of payments received after the time they are due. To the extent the CP Index Rate is estimated for purposes of Section 2.03 of this Agreement and such estimate varies from the actual rate for the relevant Interest Period, the CP Issuer shall make an appropriate adjustment in the next succeeding notice of the CP Index under Section 2.03.

"CP Issuer Interest Note" means a single promissory grid note, executed and delivered by the Borrower, substantially in the form set forth on Exhibit V hereto, with appropriate insertions, payable to the order of the Agent, as agent for the CP Issuer.

"Credit and Collection Policy" means, collectively, (i) the Credit Authorization Policy, (ii) the WW Collections Procedure and (iii) the Credit Line Schedule, a copy of each of which is attached hereto as Exhibit II.

"Credit Protection Laws" means all federal, state and local laws in respect of the business of extending credit to borrowers, including without limitation, the Truth in Lending Act (and Regulation Z promulgated thereunder), Equal Credit Opportunity Act, Fair Credit Reporting Act, Fair Debt Collection Practices Act, Gramm-Leach-Bliley Financial Privacy Act, Real Estate Settlement Procedures Act, Home Mortgage Disclosure Act, Fair Housing Act, anti-discrimination and fair lending laws, laws relating to servicing procedures or maximum charges and rates of interest, and other similar laws, each to the extent applicable, and all applicable regulations in respect of any of the foregoing.

"Debt" shall mean, with respect to any Person, (i) all indebtedness of such Person for money borrowed (including all securitizations (whether on or off-balance sheet) involving such Person or its consolidated subsidiaries), (ii) all matured reimbursement obligations of such Person with respect to surety bonds, letters of credit and bankers' acceptances, (iii) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments, (iv) all obligations of such Person to pay the deferred purchase price of property or services (including earnouts and other similar contingent obligations, calculated in accordance with GAAP), (v) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (vi) all capital lease obligations of such Person, (vii) all obligations under any interest rate contract or other interest rate protection or hedging arrangement, (viii) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any capital stock or other equity securities that, by their stated terms (or by the terms of any equity securities issuable upon conversion thereof or in exchange therefor), or upon the occurrence of any event, mature or are mandatorily redeemable, or are redeemable at the option of the holder thereof, in whole or in part, (ix) all indebtedness referred to in clauses (i) through (viii) above secured by any lien on any property or asset owned or held by such Person regardless of whether the indebtedness secured thereby shall have been assumed by such Person or is nonrecourse to the credit of such Person, (x) any contingent obligation of such Person, and (xi) all liabilities of such Person in respect of unfunded vested benefits under plans covered by Title IV of ERISA.

"Deemed Collections" means any amount as to which the Borrower is deemed to have received a Collection as described in Section 3.03 hereof.

"Defaulted Receivable" means any Receivable as to which any payment or portion thereof shall have remained unpaid for more than 180 days.

"Default Rate" means, with respect to a Loan, the applicable interest rate under Section 2.02(a) then in effect for such Loan plus 2.00% per annum.

"Delinquency Ratio" means, the ratio (expressed as a percentage) with respect to any calendar month, equal to (i) the aggregate Outstanding Balance of all Pool Receivables that were Delinquent Receivables as of the last day of such calendar month divided by (ii) the Outstanding Balance of all Pool Receivables as of the last day of such calendar month.

"Delinquent Receivable" means any Receivable as which any payment or portion thereof shall have remained unpaid for 90 days or more from the original due date for such payment.

"Discount Rate" means, as set as of each Reporting Date, an amount equal to the Base Rate plus the Spread (taking into account the Backup Servicing Fee).

"Draw Rate" means the daily average LIBOR Rate

"Eligible Receivable" means, at any time, a Pool Receivable:

(i) the Obligor of which (a) is a corporation or other business organization; (b) is not an Affiliate of Aspen; and (c) is not a government or a governmental subdivision or agency;

(ii) which is not a Charged-Off Receivable, and the Obligor of which is not the Obligor of any Charged-Off Receivable;

(iii) which is not a Delinquent Receivable, unless expressly identified as being a Delinquent Receivable on the Receivables Schedule and specifically approved by the Agent for inclusion as an Eligible Receivable;

(iv) which by its terms is due and payable in full no later than 66 months following the Closing Date, and such Receivable has not been extended, rewritten or otherwise modified from the original terms thereof except in accordance with the Credit and Collection Policy and as expressly described on the Receivables Schedule, provided that, if the term of such Receivable is longer than 60 months, the payments resulting from any term beyond 60 months will not be factored into the computation of the Borrowing Base;

(v) which is an "account" or "payment intangible" within the meaning of Section 9-102 of the UCC of all applicable jurisdictions;

(vi) which is denominated and payable only in United States dollars in the United States; provided that a Receivable that otherwise satisfies the criteria for "Eligible Receivable" but for this clause (vi) may constitute an Eligible Receivable notwithstanding this clause (vi) if the Outstanding Balance thereof on the Initial Funding Date or the relevant Funding Date, as applicable, when added to the aggregate Outstanding Balance of all other Receivables that constitute Eligible Receivables as of such date by reason of this proviso would not exceed an amount equal to 45% of the Outstanding Balance of the Pool Receivables on the Initial Funding Date or the relevant Funding Date, as applicable;

(vii) for which the Servicer has received at least one payment from the relevant Obligor and such Receivable is not delinquent;

(viii) at the time at which such Receivable is initially proposed to be included in the Pool Receivables (whether on the Initial Funding Date with respect to the initial Pool Receivables or on any Funding Date with respect to subsequent Pool Receivables, as applicable), such Receivable has not been rejected for inclusion in the Pool Receivables by the Agent in its sole and absolute discretion;

(ix) which, if the Obligor of such Receivable is rated below Baa3, the only amount of the Obligor payments thereunder that will be factored as part of the computation of the Borrowing Base is an amount up to 5% of the Outstanding Balance of Pool Receivables as of such date;

(x) which, if the Obligor of such Receivable is rated Baa-Baa3 or above, the only amount of the Obligor payments thereunder that will be factored into the

computation of the Borrowing Base is an amount up to 10% of the Outstanding Balance of Pool Receivables as of such date;

(xi) which, if the Obligor of such Receivable is rated A3 or above, the only amount of the Obligor payments thereunder that will be factored into the computation of the Borrowing Base is an amount up to 15% of the Outstanding Balance of Pool Receivables as of such date;

(xii) which, if the Obligor on such Receivable is located in a country with a long-term debt rating below Aaa (Moody's) or AAA (S&P), such Receivable shall be excluded from the computation of the Borrowing Base to the extent that the total Eligible Receivables of all other Obligors located in that country exceeds the maximum percentage of the Outstanding Balance of the Pool Receivables set forth opposite such country's rating below:

Nation Rating (Moody's / S&P)	Maximum Percentage
"Aa" / "AA"	10%
"A" / "A"	5%
"Baa" / "BBB"	5%
"Ba" / "BB"	2.5%
"B" / "B"	1.0%
Not Rated	2%

The Agent may in its sole discretion agree to a request by Borrower to adjust the maximum percentage (referenced above) permitted for a given country, provided that, such approval must be evidenced in writing, and provided further that, the maximum percentage (referenced above) of permitted Receivables for India will be limited to 2.5%.

(xiii) which arises under a Contract in substantially the form set forth on Exhibit III hereto, which, together with such Receivable, is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor to make the payments required thereunder and is otherwise enforceable against such Obligor in all material respects in accordance with its terms;

(xiv) which arises under a Contract which (a) does not require the Obligor under such Contract to consent to the transfer, sale or assignment of the rights and duties of Aspen or any of its assignees under such Contract, (b) does not contain a confidentiality provision that purports to restrict the ability of the Agent or the Lender to exercise its rights under this Agreement, including, without limitation, its right to review the Contract and (c) is otherwise freely assignable;

(xv) which arises under a Contract that contains an obligation to pay a specified sum of money on such dates and in such amounts as are set forth on the Receivables Schedule;

(xvi) which, together with the Contract related thereto, does not contravene any Applicable Law applicable thereto (including, without limitation, any law, rule and regulation relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no part of the Contract related thereto is in violation of any such Applicable Law;

(xvii) which satisfies, in all material respects, all applicable requirements of the Credit and Collection Policy;

(xviii) which was generated in the ordinary course of Aspen's business;

(xix) which arises solely from the licensing or sale of Aspen Software to the related Obligor by Aspen, and not by any other Person (in whole or in part), and Aspen had full right and power to license or sell such Aspen Software without (i) any obligation to provide notice to or obtain the consent of any Person and (ii) any Adverse Claim arising in, to or against such Receivable in favor of any interest holder in the Aspen Software or in favor of any other Person;

(xx) which is not subject to litigation, any right of rescission, set-off, counterclaim, any other defense (including defenses arising out of violations of usury laws) of the applicable Obligor against Aspen or any other Adverse Claim, and the Obligor thereon holds no right as against Aspen to cause Aspen to repurchase the Aspen Software, goods or merchandise the license or sale of which shall have given rise to such Receivable;

(xxi) as to which Aspen has satisfied and fully performed all obligations on its part with respect to such Receivable required to be fulfilled by it, other than software maintenance obligations, and no other further action is required to be performed by any Person with respect thereto other than payment thereon by the applicable Obligor;

(xxii) Borrower, immediately prior to giving effect to the pledge thereof pursuant to the Security Agreement, has good and marketable title thereto free and clear of any Adverse Claim, and upon giving effect to the pledge thereof pursuant to the Security Agreement, the Agent shall have a first priority perfected security interest therein;

(xxiii) which is a fixed payment obligation; and

(xxiv) which relates to licensing fees exclusively and not in any way related to performance of any services.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute of similar import, together with the regulations

thereunder, in each case as in effect from time to time. References to sections of ERISA also refer to any successor sections.

"ERISA Affiliate" means: (a) any entity that is a member of the same controlled group (within the meaning of Section 414(b) of the Internal Revenue Code) as the Borrower or Aspen, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with the Borrower or Aspen, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as the Borrower or Aspen, any entity described in clause (a) or any trade or business described in clause (b).

"Event of Default" has the meaning set forth in Section 9.01.

"Excess Principal Payment" has the meaning set forth in Section 4.03(a).

"Facility Structuring Fee" means an amount payable to the Agent as set forth in the Fee Letter.

"Federal Funds Rate" means for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the overnight federal funds as in Federal Reserve Board Statistical Release H.15 (519) or any successor or substitute publication selected by the Agent (or, if such day is not a Business Day, for the next preceding Business Day), or if, for any reason, such rate is not available on any day, the rate determined, in the good faith opinion of the Agent, to be the rate at which overnight federal funds are being offered in the national federal funds market at 9:00 a.m. (New York City time), absent demonstrable error.

"Fee Letter" has the meaning set forth in Section 4.01.

"Final Payout Date" means the date on which the outstanding principal balance of the Loans has been reduced to zero and all other Obligations payable by the Borrower under the Transaction Documents shall have been paid in full.

"Finance Charges" means, with respect to a Contract, any finance, interest, late payment charges or similar charges owing by an Obligor pursuant to such Contract.

"Foreign Credit Excess" means, as of any Funding Date on which Borrower has submitted a Borrowing Request, the amount by which the aggregate Outstanding Balance of Eligible Receivables with Obligors located in countries rated below Investment Grade exceeds 10% of the aggregate Outstanding

Balance of the Pool Receivables as of such date (for the avoidance of doubt, any adjustments resulting from a Foreign Credit Excess will only apply to Loans extended on an applicable Funding Date and shall not apply to any Loans outstanding prior to such Funding Date).

"Funding Date" means, for each Loan, any Payment Date on which Borrower may borrow subject to Section 1.02.

"Funding Document" means the Loan Agreement or any agreement or instrument executed by the CP Issuer and executed by or in favor of any Liquidity Bank or Other Conduit

Funding Source or executed by any Liquidity Bank or Other Conduit Funding Source at the request of the CP Issuer (including any program letters of credit or liquidity agreements).

"Funding Party" means each of the Agent, the CP Issuer, the Liquidity Banks, and each Other Conduit Funding Source

"FX Rights" means those rights granted by Aspen to the Transferor under Section 1.6 of the Purchase and Sale Agreement.

"GAAP" means the generally accepted accounting principles and practices in the United States consistently applied.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including without limitation any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing and any.

"Governmental Licenses" means all permits, licenses, franchises, approvals, orders, consents and other authorizations.

"Indemnified Amounts" has the meaning set forth in Section 12.01.

"Indemnified Party" has the meaning set forth in Section 12.01.

"Initial Cut-Off Date" means September 1, 2006.

"Initial Funding Date" means September 29, 2006.

"Insolvency Event" means the occurrence of any of the following: (i) a case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect shall be commenced by or against such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or any substantial part of its assets, or any similar action with respect to such Person; or (ii) such Person shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due; or (iii) if a corporation, limited liability company or similar entity, its board of directors, managing committee or controlling partners shall vote to implement any of the foregoing.

"Interest Period" means, the period from and including each Payment Date to but excluding the next ensuing Payment Date; provided, however, that the initial Interest Period shall be the period from the Initial Funding Date to the first Payment Date. Notwithstanding the foregoing, any Interest Period that commences before the Final Payout Date that would otherwise end after the Final Payout Date shall end on the Final Payout Date.

"Investment Grade" means an obligation with a long term debt rating of at least "BBB" by S&P and at least "Baa2" by Moody's.

"KeyBank" means KeyBank National Association.

"Lenders" mean the CP Issuer and each Liquidity Bank.

"Lender Expenses" means all reasonable (a) costs or expenses (including taxes, and insurance premiums) required to be paid by Borrower under any of the Transaction Documents that are paid, advanced, or incurred by the Lenders, (b) fees or charges paid or incurred by Agent in connection with any Lender's transactions with Borrower, including, fees or charges for photocopying, notarization, couriers and messengers, telecommunication, public record searches (including tax lien, litigation, and UCC searches), filing, recording, publication, and appraisals (including, after a Termination Event, Collateral appraisals), (c) costs and expenses incurred by Agent in the disbursement of funds to Borrower, Servicer, Backup Servicer, any hedging counterparty and the other members of any Lender (by wire transfer or otherwise), (d) charges paid or incurred by Agent resulting from the dishonor of any checks, (e) reasonable costs and expenses paid or incurred by any Lender to correct any default or enforce any provision of the Transaction Documents, or in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (f) audit fees and expenses of Agent related to audit examinations of the books to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement, (g) reasonable costs and expenses of third party claims or any other suit paid or incurred by any Lender in enforcing or defending the Transaction Documents or in connection with the transactions contemplated by the Transaction Documents or such Lender's relationship with Borrower, (h) Agent's and each Lender's reasonable costs and expenses (including attorneys' fees) incurred in advising, structuring, drafting, reviewing, administering, syndicating, or amending the Transaction Documents subject to any agreed upon limitation between Agent and Borrower, and (i) Agent's and each Lender's reasonable costs and expenses (including attorneys, accountants, consultants, and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with

a "workout," a "restructuring," or an Insolvency Event concerning Borrower or any of its Affiliates or in exercising rights or remedies under the Transaction Documents), or defending the Transaction Documents, irrespective of whether suit is brought, or in taking any action concerning the Collateral.

"LIBOR Rate" means, with respect to any Interest Period or other time period, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in Dollars for a period equal to such Interest Period or other period, which appears on Page 3750 of the Telerate Service (or any successor page or successor service that displays the British Bankers' Association Interest Settlement Rates for Dollar deposits) as of 11:00 a.m. (London, England time) two Business Days before the commencement of such Interest Period or other period. If for any Interest Period, no such displayed rate is available (or, for any other period, if such displayed rate is not available or the need to calculate LIBOR is not notified to the Agent at least three Business Days before the commencement of the period for which it is to be determined), the Agent shall determine such rate based on the rates KeyBank is offered deposits of such duration in the London interbank market.

"Liquidity Agreement" means the Liquidity Agreement, dated as of September 27, 2006, among the CP Issuer, the Liquidity Banks from time to time parties thereto, and the Agent.

"Liquidity Bank" or "Liquidity Provider" means each of the financial institution(s) listed on the signature pages to the Liquidity Agreement under the heading "Liquidity Institutions" (which consist, initially, of the Initial Liquidity Bank) and such other financial institutions which from time to time may become a party thereto in accordance with Section 4.5 of the Liquidity Agreement.

"Liquidity Bank Note" means, with respect to each Liquidity Bank, a single promissory grid note, executed and delivered by the Borrower, substantially in the form set forth on Exhibit VI hereto, with appropriate insertions, payable to the order of the Agent, as agent for such Liquidity Bank.

"Liquidity Limit" means, with respect to any Liquidity Bank, the maximum principal amount of Loans that may at any time be outstanding under the Liquidity Bank Note of such Liquidity Bank, as set forth under such Liquidity Bank's signature to this Agreement or the agreement by which such Liquidity Bank became a party to this Agreement, as modified from time to time in accordance with Section 11.04 (Assignments by Liquidity Banks) of this Agreement.

"Liquidity Percentage" means, with respect to any Liquidity Bank at any time, the quotient of the Liquidity Limit of such Liquidity Bank divided by the Facility Limit.

"Liquidity Reserve Account" is the account by that name established and maintained pursuant to Section 3.07.

"Loan" has the meaning set forth in Section 1.01.

"Margin Stock" has the meaning set forth in Regulation U of the Federal Reserve Board.

"Material Adverse Effect" means, with respect to any event or circumstance, a material adverse effect on:

(i) the business, assets, operations or condition (financial or otherwise) of the Borrower, the Transferor, or Aspen;

(ii) the ability of Aspen, the Transferor or the Borrower to perform its respective obligations under the Transaction Documents;

(iii) the validity or enforceability of this Agreement or any other Transaction Document, or the validity, enforceability or collectibility of a material portion of the Receivables or the related Contracts;

(iv) the existence, perfection, priority or enforceability of Agent's security interest in a material portion of the Pool Assets; or

(v) the collectibility of the Pool Receivables;

provided that, notwithstanding the foregoing, the matters disclosed in the Form 10-K with respect to the Servicer to be filed on or about September 28, 2006 shall not constitute a Material Adverse Effect.

"Net Eligible Balance" means an amount equal to the Outstanding Balance of the Eligible Receivables, discounted at the Discount Rate, minus the Outstanding Balance of Defaulted Receivables, discounted at the Discount Rate.

"Non-USD Collections" has the meaning set forth in Section 8.02(i).

"Notes" means, collectively, the CP Issuer Note and the Liquidity Bank Note.

"Obligations" means all obligations (monetary or otherwise) of each of the Borrower and the Servicer (as the case may be) to the Secured Parties and their respective successors, transferees and assigns arising under or in connection with the Transaction Documents, in each case however created, arising or evidenced, whether direct to indirect, absolute or contingent, now or hereafter existing, or due or to become due.

"Obligor" means a Person obligated to make payments pursuant to a Contract.

"Other Conduit Funding Source" means any insurance company, bank, or other financial institution providing liquidity, back-up purchase, or credit support (such as a program letter of credit) for the CP Issuer, excluding the Liquidity Banks.

"Outstanding Balance" means, in respect of any Receivable at any date of determination, the then outstanding principal amount thereof.

"Payment Date" means the thirteenth (13th) day of each calendar month (or, if such day is not a Business Day, the immediately succeeding Business Day).

"Pension Plan" means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and to which Aspen or the Borrower or any corporation, trade or business that is, along with Aspen or the Borrower, a member of a controlled group of corporations or a controlled group of trades or businesses, as described in Sections 414(b) and 414(c), respectively, of the Internal Revenue Code of 1986, as amended, or Section 4001 of ERISA may have any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

"Permitted Investments" means:

(i) marketable obligations issued or directly and fully guaranteed or insured as to full and timely payment by the United States government or any agency or instrumentality thereof when such marketable obligations are backed by the full faith and credit of the United States government, but excluding any securities which are derivatives of such obligations or any such obligations that are subject to a call or prepayment prior to their maturity;

(ii) time deposits, bankers' acceptances and certificates of deposit of any domestic commercial bank or any United States branch or agency of a foreign commercial bank which (x) has capital, surplus and undivided profits in excess of $100,000,000 and which has a commercial paper or certificate of deposit rating meeting the requirements specified in clause (iii) below (or equivalent long-term rating) or (y) is set forth in a list (which may be updated from time to time) (A) approved by the Agent;

(iii) commercial paper which is rated at least as high as by A-1 by Standard & Poor's;

(iv) secured repurchase obligations for underlying securities of the types described in clauses (i) and (ii) above entered into with any bank of the type described in clause (ii) above; and

(v) freely redeemable shares in money market funds which invest solely in obligations, bankers' acceptances, time deposits, certificates of deposit, repurchase agreements and commercial paper of the types described in clauses (i) through (iv) above, without regard to the limitations as to the maturity of such obligations, bankers' acceptances, time deposits, certificates of deposit, repurchase agreements or commercial paper, which money market funds are rated "AAAm" or "AAAm-g" by Standard & Poor's;

and, in any such case, the applicable investment shall mature by not later than one Business Day prior to the next succeeding Payment Date.

"Person" means an individual, partnership, corporation (including a business or statutory trust), joint stock company, trust, unincorporated association, joint venture, limited liability company, government or any agency or political subdivision thereof or any other entity.

"Pool Assets" means (i) all then outstanding Pool Receivables, (ii) all right, title and interest of the Borrower in, to and under all Related Security with respect to such Pool Receivables, (iii) all of the Borrower's right, title and interest in, to and under the Collateral Account, and (iv) all Collections with respect to, and other proceeds of, the foregoing.

"Pool Receivable" means a Receivable in the Receivables Pool.

"Pro Rata Share" means, at any time with respect to (i) an allocation of payments among the CP Issuer and each Liquidity Bank, (a) the unpaid principal balance of all Loans then funded by the CP Issuer or such Liquidity Bank which have not been repaid, divided by (b) the aggregate outstanding principal amount of the Loans, and (ii) any Loans to be made by the Liquidity Banks or payments to be allocated exclusively among the Liquidity Banks, the meaning set forth in the Liquidity Agreement

"Program Information" has the meaning set forth in Section 13.07.

"Purchase and Resale Agreement" means that certain Purchase and Resale Agreement, dated as of the date hereof, between the Transferor, as seller thereunder, and the Borrower, as

purchaser thereunder, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"Purchase and Sale Agreement" means that certain Purchase and Sale Agreement, dated as of the date hereof, between Aspen, as seller thereunder, and the Transferor, as purchaser thereunder, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"Rating Agency" means Moody's, Standard & Poor's and Fitch.

"Ratings" means the ratings by the Rating Agencies of the indebtedness for borrowed money of the CP Issuer or the Affiliate thereof from which the CP Issuer obtains funds

"Receivable" means all indebtedness and other obligations owed to Aspen and identified on Schedule B hereto, whether, in any case constituting an account, chattel paper, instrument or general intangible, and including, without limitation, the obligation to pay any Finance Charges with respect thereto.

"Receivables Pool" means at any time all then outstanding Receivables of the Borrower.

"Receivables Schedule" has the meaning assigned to such term in the Purchase and Sale Agreement.

"Related Security" means, with respect to any Pool Receivable:

(i) all of Borrower's right, title and interest in, to and under all Contracts that relate to such Pool Receivable to the extent such right, title and interest relates to the payment obligation of the Obligor in respect of such Pool Receivable;

(ii) all of Borrower's claims against the applicable Obligor for or in connection with the termination of the related Contracts;

(iii) all security deposits and other security interests or liens and property purporting to secure payment of such Pool Receivable, whether pursuant to the Contract related to such Pool Receivable or otherwise;

(iv) all UCC financing statements covering the collateral securing payment of such Pool Receivable;

(v) all guarantees, letters of credit and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Pool Receivable whether pursuant to the Contract related to such Pool Receivable or otherwise;

(vi) all books, records and other information (including, without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) relating to such Receivable, any Related Security therefor and the related Obligor;

(vii) all of Borrower's right, title and interest in, to and under the Purchase and Sale Agreement and the Purchase and Resale Agreement, including, without limitation, the FX Rights thereunder; and

(viii) all proceeds of the Receivables and of any of the foregoing.

"Replaced Receivable" shall have the meaning assigned to such term in Section 3.04(b) hereof.

"Reporting Date" means, in respect of any calendar month, the seventh Business Day following the last day of such calendar month.

"Required Liquidity Banks" means the Liquidity Banks that, as of the date of determination, hold not less than a majority of the outstanding principal balances of all Liquidity Banks.

"Required Liquidity Reserve Amount" means, as of any Payment Date, an amount equal to an estimate of the interest expenses for the next two succeeding Collection Periods, which shall be calculated by the Agent based on the interest rate used in the Servicer Report for the most recent Reporting Date and principal will be equal to the ending balance set forth in the Servicer Report for the most recent Reporting Date.

"Requirements of Law" means, to any Person, any law, statute rule, treaty, regulation or determination of an arbitrator, court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its properties or to which such Person or any of its properties may be bound or affected.

"Reserve Percentage" means, on any day, the maximum percentage prescribed by the Board of Governors of the Federal Reserve System (or any successor Governmental Authority) for determining the reserve requirements (including any basic, supplemental, marginal, or emergency reserves) that are in effect on such date with respect to eurocurrency funding (currently referred to as "eurocurrency liabilities") of Agent, but so long as Agent is not required or directed under applicable regulations to maintain such reserves, the Reserve Percentage shall be zero.

"Restricted Person" has the meaning set forth in Section 8.02(K)

"Revolving Period" means the three (3) year period beginning on the Closing Date and ending on the third anniversary of the Closing Date which date may be extended for an additional 364 day period upon the agreement of the Borrower and the Lender; provided, that, the Revolving Period shall end immediately upon the occurrence of a Termination Event.

"S&R Date" shall have the meaning assigned to such term in Section 3.04(b) hereof.

"S&R Notice" shall have the meaning assigned to such term in Section 3.04(b) hereof.

"Secured Parties" means the Lender, the CP Issuer, the Agent, the and the Liquidity Banks.

"Security Agreement" means the Security Agreement, dated as of the Closing Date, between the Borrower and the Agent, as the same may be amended, supplemented or otherwise modified from time to time.

"Servicer" has the meaning set forth in the preamble to the Agreement.

"Servicer Report" means, in respect of any calendar month, a report prepared by the Servicer and setting forth, in such detail as may be reasonably requested by the Agent, a summary of all payments received by Aspen or the Servicer and other activity in respect of the Pool Receivables during the calendar month then most recently ended.

"Servicer Termination Event" means any of the following:

(i) The occurrence of any Material Adverse Effect; or

(ii) Any Termination Event.

"Servicer's Fee" means an amount, payable monthly in arrears, equal to 1/12 of .75% of the Receivables Pool as of each Payment Date.

"Spread" means 3.5%.

Standard & Poor's" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Subsequent Cut-Off Date" means, with respect to each Funding Date on which Receivables are transferred to the Borrower pursuant to the Purchase and Resale Agreement, the date specified in the receivable Schedule with respect to such Receivables.

"Subsidiary" means, as to any Person, any other entity of which shares of stock of each class or other equity interests having ordinary voting power (other than stock or other equity interests having such power only be reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such entity are at the time owned, or management of which is otherwise controlled: (a) by such Person, (b) by one or more Subsidiaries of such Person or (c) by such Person and one or more Subsidiaries of such Person.

"Successor Servicer Notice" has the meaning set forth in Section 8.01(b).

"Supersede-and-Replace" shall have the meaning assigned to such term in Section 3.04(a) hereof.

"Superseding Receivable" shall have the meaning assigned to such term in Section 3.04(a) hereof.

"Taxes" means, with respect to any Person, any taxes, levies, imposts, deductions, charges, withholdings and liabilities, now or hereafter imposed, levied, collected, withheld or assessed by any country (or any political subdivision thereof), excluding income or franchise taxes imposed on it by (i) the jurisdiction under the laws of which such Person is organized (or

by any political subdivision thereof), (ii) any jurisdiction in which an office of such Person may be located or (iii) any jurisdiction in which such Person is already subject to tax.

"Termination Event" means the occurrence of any of the following events or conditions: (i) an Event of Default; (ii) at any time the Delinquency Ratio exceeds eight percent (8%) at the end of any Collection Period; (iii) at any time, the Annualized Default Amount exceeds four percent (4%) at the end of any Collection Period and/or (iv) Agent ceases to have a valid and enforceable perfected first priority security interest in the Pool Receivables for any reason.

"Transaction Documents" means the Agreement, all control agreements related to the Collateral Account, the Purchase and Sale Agreement, the Purchase and Resale Agreement, the Fee Letter, the Security Agreement, and all other instruments, documents and agreements executed or delivered under or in connection with the Agreement, in each case as the same may be amended, supplemented or otherwise modified from time to time. For avoidance of doubt, the Liquidity Agreement is not a Transaction Document.

"Transferor" means "Aspen Technology Funding 2006-I LLC", a limited liability company organized under the laws of Delaware.

"UCC" means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

"Unmatured Event of Default" means any event which, with the giving of notice or lapse of time, or both, would become or constitute an Event of Default.

B. Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles. All terms used in Article 9 of the UCC in the applicable jurisdiction, and not specifically defined herein, are used herein as defined in such Article 9. Unless the context otherwise requires, "or" means "and/or", and "including" (and with correlative meaning "include" and "includes") means including without limiting the generality of any description preceding such term.

C. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

D. References. Each reference in this Exhibit I to any Section or Exhibit refers to such Section of or Exhibit to this Agreement.

EXHIBIT II

Credit and Collection Policy

EXHIBIT III

Form of Contract

EXHIBIT IV

FORM OF BORROWING REQUEST

,

KEY EQUIPMENT FINANCE INC., as Agent
Lease Advisory Services
19100 Von Karman Avenue, Suite 250
Irvine, CA 92612
Attention: Steven T. Dixon, Managing Director

Re: Aspen Technology Funding 2006-II LLC Loan Agreement

Ladies and Gentlemen:

The undersigned is an Officer of Aspen Technology Funding 2006-II LLC (the "*Borrower*"), and is authorized to execute and deliver this Borrowing Request on behalf of the Borrower pursuant to the Loan Agreement, dated as of September 27, 2006 (the "*Loan Agreement*"), among, the Borrower, Aspen Technology, Inc. (the "Servicer"), Portfolio Financial Servicing Company, Inc., as the Back-up Servicer, Key Equipment Finance Inc., as agent (in such capacity, the "*Agent*"), Relationship Funding Company, LLC, as CP Issuer (the "*CP Issuer*") and [KeyBank National Association and such other liquidity banks as may from time to time be parties thereto] (the "*Liquidity Banks*"). Capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Loan Agreement. The Borrower hereby requests that a Loan be made under the Loan Agreement on , in the amount of $. In connection with the foregoing, the undersigned hereby certifies, on behalf of the Borrower and solely in the capacity as an officer of the Borrower, as follows:

(i) The Loan Agreement and the other Transaction Documents are still effective and legally binding on Borrower and the other Persons that are parties to the Loan Agreement or any of the other Transaction Documents.

(ii) the representations and warranties contained in the Loan Agreement and the other Transaction Documents are true and correct in all material respects on and as of the date hereof, as though made on and as of the date hereof (except to the extent that such representations and warranties relate solely to an earlier date).

(iii) No Termination Event has occurred and is occurring. No Termination Event will exist as a result of making the requested Loan.

(iv) No injunction, writ, restraining order, or other order of any nature restricting or prohibiting, directly or indirectly, the extending of such credit has been issued by any Governmental Authority against the Borrower or any of its Affiliates.

(v) Attached hereto as Schedule I is a copy of the Receivables Schedule (and the Supplemental Receivables Schedule delivered pursuant to the Purchase and Sale Agreement) identifying each Pool Receivable (which is being funded by a Loan on this Funding Date), as well as the payment terms, frequency of payments, maturity date of the relevant Contract, the Obligor thereon and the Outstanding Balance thereof as of the applicable Subsequent Cut-Off Date.

(vi) The applicable Servicer Report has been delivered to the Agent.

(vii) No Material Adverse Effect has occurred.

(viii) The Borrower has delivered to the Agent this Borrowing Request together with copies of all required documentation.

(ix) The Borrower has not commenced any Insolvency Event.

(x) The amount of the aggregate principal amount of Loans outstanding is less than the amount of the Borrowing Base as of the date hereof (after application of the Collection Amount related to such Payment Date pursuant to Section 3.02 of the Loan Agreement).

(xi) To the best of Borrower's knowledge, no Requirements of Law to any Secured Party are being violated as a result of this Borrowing Request.

(xii) As of the date hereof, each Receivable included in the calculation of the Borrowing Base is an Eligible Receivable (except for item (viii) of the definition thereof).

(xiii) As of the date hereof, the Agent has received payment of all unpaid fees due to it and all expenses of the Agent, including the reasonable fees and disbursements of its counsel.

(xiv) [TO THE EXTENT THERE IS A FOREIGN CREDIT EXCESS CONTINUING ON THE APPLICABLE FUNDING DATE] [As of the date hereof, either, (i) Additional Pool Receivables have been maintained in the amount of the excess of the Outstanding Balance of Pool Receivables with Obligors located in countries rated below Investment Grade over 10% of the aggregate Outstanding Balance of the Pool Receivables or (ii) the Agent has adjusted the Advance Rate Percentage in accordance with the proviso to the definition of Advance Rate Percentage.]

ASPEN TECHNOLOGY FUNDING 2006-II LLC

By:_____

Name:

Title:

SERVICER'S REVIEW ACKNOWLEDGMENT

The Servicer certifies that no Servicer Termination Event exists as of the date hereof.

ASPEN TECHNOLOGY, INC.,

as Servicer

By:_____

Name:

Title:

EXHIBIT V

CP ISSUER NOTE

$75,000,000.00 September 27, 2006

FOR VALUE RECEIVED, the undersigned, ASPEN TECHNOLOGY FUNDING 2006-II LLC, a Delaware limited liability company (the "*Borrower*"), promises to pay to the order of KEY EQUIPMENT FINANCE INC., as agent (in such capacity, the "*Agent*") for the benefit of RELATIONSHIP FUNDING COMPANY, LLC (the "*CP Issuer*"), the principal amount of SEVENTY-FIVE MILLION DOLLARS ($75,000,000) or, if less, the aggregate unpaid principal amount of all Loans made by the CP Issuer to the Borrower pursuant to the Loan Agreement (hereinafter defined), whether to fund acquisitions of Pool Receivables or to continue outstanding Loans or otherwise in accordance with the Loan Agreement, in installments in such amounts and on such dates as are determined pursuant to the Loan Agreement.

This promissory note is a CP Issuer Note referred to in, and evidences indebtedness incurred under, the Loan Agreement, dated as of September 27, 2006 (as Amended, restated, extended, and supplemented from time to time, the "*Loan Agreement*"), among the Borrower, Aspen Technology Inc. (as servicer), the Agent, the CP Issuer, and the Liquidity Banks from time to time party thereto. Capitalized terms not otherwise defined herein have the meanings ascribed thereto in Exhibit A to the Loan Agreement.

The Borrower also promises to pay interest on the unpaid principal amount hereof from time to time outstanding from the date each Loan is made until payment in full thereof at the rates and on the dates (whether as installments or at the time of acceleration or otherwise) set forth in the Loan Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America in immediately available funds to the account within the United States designated by the CP Issuer pursuant to the Loan Agreement.

The Agent shall (i) record on its books and records the date and amount of each Loan made by the CP Issuer to the Borrower hereunder and each payment or prepayment thereon (including reductions in the principal balance of this promissory note in the principal amount of proceeds of Loans made by the Liquidity Banks to continue to fund Loans no longer being funded by the CP Issuer), as well as the interest rates applicable from time to time thereto, and either endorse such information on the schedule attached hereto, any continuation hereof, or in its business records, and (ii) prior to any transfer of this promissory note (or at the discretion of the Agent, at any other time), endorse such information on the schedule attached hereto or any continuation hereof, or otherwise provide evidence of such information contained in its business records. The failure of the Agent to make any such recordation on this promissory note shall not affect the obligations of the Borrower under this promissory note or the Loan Agreement.

Reference is made to the Loan Agreement for a description of the security for this promissory note and for a statement of the terms and conditions on which the Borrower is permitted and required to make prepayments and repayments of principal of the indebtedness evidenced by this

promissory note and on which such indebtedness may be declared to be immediately due and payable.

Except as may otherwise expressly be provided in the Loan Agreement, the Borrower hereby expressly waives demand, protest, notice of dishonor and all other notices of any kind.

THIS NOTE HAS BEEN DELIVERED IN NEW YORK, NEW YORK AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSES SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

ASPEN TECHNOLOGY FUNDING 2006-II LLC

By: _____
Name:
Title:

Date of Loan	Amount of Loan	Date of Payment/ Prepayment	Amount of Payment/ Prepayment	Unpaid Balance	Notation Made By

EXHIBIT VI

LIQUIDITY BANK NOTE

$75,000,000.00 September 27, 2006

FOR VALUE RECEIVED, the undersigned, ASPEN TECHNOLOGY FUNDING 2006-II LLC, a Delaware limited liability company (the "*Borrower*"), promises to pay to the order of KEY EQUIPMENT FINANCE INC., as agent (in such capacity, the "*Agent*") for the benefit of KEYBANK NATIONAL ASSOCIATION (the "*Liquidity Bank*"), the principal amount of SEVENTY-FIVE MILLION DOLLARS ($75,000,000) or, if less, the aggregate unpaid principal amount of all Loans made by the Liquidity Bank to the Borrower pursuant to the Loan Agreement (hereinafter defined), whether to fund acquisitions of Pool Receivables or to continue outstanding Loans originally funded by the CP Issuer, or otherwise in accordance with the Loan Agreement, in installments in such amounts and on such dates as are determined pursuant to the Loan Agreement.

This promissory note is a Liquidity Bank Note referred to in, and evidences indebtedness incurred under, the Loan Agreement, dated as of September 27, 2006 (as amended, restated, extended, and supplemented from time to time, the "*Loan Agreement*"), among the Borrower, Aspen Technology, Inc. (as servicer), the Agent, Relationship Funding Company, LLC, and the Liquidity Banks from time to time party thereto. Capitalized terms not otherwise defined herein have the meanings ascribed thereto in Exhibit A to the Loan Agreement.

The Borrower also promises to pay interest on the unpaid principal amount hereof from time to time outstanding from the date each Loan is made until payment in full thereof at the rates and on the dates (whether as installments or at the time of acceleration or otherwise) set forth in the Loan Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America in immediately available funds to the account within the United States designated by the Liquidity Bank pursuant to the Loan Agreement.

The Agent shall (i) record on its. books and records the date and amount of each Loan made by the Liquidity Bank to the Borrower hereunder (including Loans made to continue to fund Loans formerly funded by the CP Issuer) and each payment and prepayment thereon, as well as the interest rates applicable from time to time thereto, and either endorse such information on the schedule attached hereto, any continuation hereof, or in its business records, and (ii) prior to any transfer of this promissory note (or at the discretion of the Agent, at any other time), endorse such information on the schedule attached hereto or any continuation hereof, or otherwise provide evidence of such information contained in its business records. The failure of the Agent to make any such recordation on this promissory note shall not affect the obligations of the Borrower under this promissory note or the Loan Agreement.

Reference is made to the Loan Agreement for a description of the security for this promissory note and for a statement of the terms and conditions on which the Borrower is permitted and required to make prepayments and repayments of principal of the indebtedness evidenced by this

promissory note and on which such indebtedness may be declared to be immediately due and payable.

Except as may otherwise expressly be provided in the Loan Agreement, the Borrower hereby expressly waives demand, protest, notice of dishonor and all other notices of any kind.

THIS NOTE HAS BEEN DELIVERED IN NEW YORK, NEW YORK AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSES SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

ASPEN TECHNOLOGY FUNDING 2006-II LLC

By: _____
Name:
Title:

Date of Loan	Amount of Loan	Date of Payment/ Prepayment	Amount of Payment/ Prepayment	Unpaid Balance	Notation Made By

SCHEDULE A

Offices Where Records are Kept

Aspen Technology, Inc.
Ten Canal Park
Cambridge, Massachusetts 02141-2201

Aspen Technology Funding II LLC
Ten Canal Park
Cambridge, Massachusetts 02141-2201

SCHEDULE B

Schedule of Pool Receivables

SCHEDULE C

Authorized Officers

Mark E. Fusco	—	President
Brian E. LeClair	—	Vice President
Leo S. Vannoni	—	Treasurer and Secretary

ELEVENTH LOAN MODIFICATION AGREEMENT

This Eleventh Loan Modification Agreement (this "Loan Modification Agreement") is entered into as of September 27, 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 to **ASPENTECH, INC.**, formerly 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 and Bank, as amended , 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, and as further amended by a certain Tenth Loan Modification Agreement dated September 15, 2006 (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, and all other agreements, documents and instruments executed and delivered in connection therewith, all of which shall be referred to collectively as the "Existing Loan Documents".

3. MODIFICATION/CONSENT TO KEY TRANSACTION AND RELEASE. Silicon hereby understands that the Borrower and certain of its subsidiaries that have been or are to be formed intend to enter into certain transactions with Key Equipment Finance, Inc., as agent, and others party to the documents evidencing the Key Transactions ("Key"), which include (i) entering into a Purchase and Sale Agreement (the "P&S Agreement") between the Borrower and Aspen Technology Funding 2006 - I LLC ("Aspen I"), whereby the Borrower will sell, transfer and assign to Aspen I certain Transferred Receivables, Related Security, Contracts and Collections (as such terms are defined in the P&S Agreement) with respect thereto and other proceeds thereof (collectively, the "Transferred Assets"), (ii) entering into a Purchase and Re-Sale Agreement (the "P&RS Agreement") between Aspen I and Aspen Technology Funding 2006 - II LLC ("Aspen II"), whereby the Aspen I will sell, transfer and assign to Aspen II the Transferred Assets, and (iii) entering into a Loan Agreement, and related Security Agreement (the "Key Financing Agreement"), between Aspen II and Key, whereby Key shall advance to Aspen II one or more loans (all such transactions and related transactions being referred to as the "Key Transactions"). Silicon has been provided with copies of the P&S Agreement, the P&RS Agreement and the Key Financing Agreements, and hereby consents, notwithstanding any prohibitions in any of the Existing Loan Documents, to the Key Transactions, including, without limitation, the sale, transfer and assignment of the Transferred Assets from the Borrower to Aspen I and then to Aspen II, free and clear of any lien or security interest of Silicon, on or before September 30, 2006, and the pledge of the Transferred Assets to Key in connection with the Key Financing Agreements (the substantive terms and conditions of which are detailed on EXHIBIT A annexed hereto), provided (i) such sale of the Transferred Assets is made on a "true sale", non-recourse basis consistent with Borrower's past practices (except as otherwise specifically contemplated by the Key Transactions), (ii) on or before the date hereof, Silicon has been furnished with a schedule, with reasonable

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detail, identifying the specific Receivables to be sold, and (iii) no such Receivables are included for borrowing hereunder as an Eligible Receivable from and after the date of such sale. Silicon specifically acknowledges and agrees that it shall retain no interest in or to the Transferred Assets, or the payments remitted in connection therewith, and Silicon will release any and all such interest in the Transferred Assets as provided in that certain Partial Release and Acknowledgement Agreement substantially in the form attached hereto as Exhibit B annexed hereto. Silicon hereby confirms that from and after the date hereof, none of the Transferred Assets shall be "Collateral" or "Receivables" under any of the Existing Loan Documents, and more specifically, but without limitation, none of the Transferred Assets shall be "Intellectual Property" under those certain Negative Pledge Agreements between the Borrower and Silicon, dated January 30, 2003, as amended and in effect from time to time.

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, except that, as provided above, from and after the date hereof, the "Intellectual Property" as defined therein, shall not include and shall specifically exclude any Transferred Assets.

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, other than in connection with the formation of Aspen I and Aspen II as contemplated by the Key Transactions.

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, in each case all as modified hereby.

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/ Laura M. Scott
Name: Laura M. Scott
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

SEVENTH LOAN MODIFICATION AGREEMENT - EXIM

This Seventh Loan Modification Agreement - Exim (this "Loan Modification Agreement') is entered into as of September 27, 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 to **ASPENTECH, INC.**, formerly 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, and all other agreements, documents and instruments executed and delivered in connection therewith, all of which shall be referred to collectively as the "Existing Loan Documents".

3. MODIFICATION/CONSENT TO KEY TRANSACTION AND RELEASE. Silicon hereby understands that the Borrower and certain of its subsidiaries that have been or are to be formed intend to enter into certain transactions with Key Equipment Finance, Inc., as agent, and others party to the documents evidencing the Key Transactions ("Key"), which include (i) entering into a Purchase and Sale Agreement (the "P&S Agreement") between the Borrower and Aspen Technology Funding 2006 - I LLC ("Aspen I"), whereby the Borrower will sell, transfer and assign to Aspen I certain Transferred Receivables, Related Security, Contracts and Collections (as such terms are defined in the P&S Agreement) with respect thereto and other proceeds thereof (collectively, the "Transferred Assets"), (ii) entering into a Purchase and Re-Sale Agreement (the "P&RS Agreement") between Aspen I and Aspen Technology Funding 2006 - II LLC ("Aspen II"), whereby the Aspen 1 will sell, transfer and assign to Aspen II the Transferred Assets, and (iii) entering into a Loan Agreement, and related Security Agreement (the "Key Financing Agreement"), between Aspen II and Key, whereby Key shall advance to Aspen II one or more loans (all such transactions and related transactions being referred to as the "Key Transactions"). Silicon has been provided with copies of the P&S Agreement, the P&RS Agreement and the Key Financing Agreements, and hereby consents, notwithstanding any prohibitions in any of the Existing Loan Documents, to the Key Transactions, including, without limitation, the sale, transfer and assignment of the Transferred Assets from the Borrower to Aspen I and then to Aspen II, free and clear of any lien or security interest of Silicon, on or before September 30, 2006, and the pledge of the Transferred Assets to Key in connection with the Key Financing Agreements (the substantive terms and conditions of which are detailed on EXHIBIT A annexed hereto), provided (i) such sale of the Transferred Assets is made on a "true sale", non-recourse basis consistent with Borrower's past practices (except as otherwise specifically contemplated by the Key Transactions), (ii) on or before the date hereof, Silicon has been furnished with a schedule, with reasonable detail, identifying the specific Receivables to be sold, and (iii) no such Receivables are included for borrowing hereunder as an Eligible Receivable from and after the date of such sale. Silicon specifically acknowledges and agrees that it shall retain no interest in or to the Transferred Assets, or the payments remitted in connection therewith, and Silicon will release any and all such interest in the Transferred Assets as provided in that certain Partial Release and Acknowledgement Agreement substantially in the form attached hereto as Exhibit B annexed hereto. Silicon hereby confirms that from and after the date hereof, none of the Transferred Assets shall be "Collateral" or "Receivables" under any of the Existing Loan Documents, and more specifically, but without limitation, none of the Transferred Assets shall be

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"Intellectual Property" under those certain Negative Pledge Agreements between the Borrower and Silicon, dated January 30, 2003, as amended and in effect from time to time.

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, except that, as provided above, from and after the date hereof, the "Intellectual Property" as defined therein, shall not include and shall specifically exclude any Transferred Assets.

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, in each case all as modified hereby.

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/ Laura M. Scott
Name: Laura M. Scott
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

PARTIAL RELEASE AND ACKNOWLEDGEMENT AGREEMENT

This Partial Release and Acknowledgment Agreement (the "Agreement") is entered into as of September 27, 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 ("SVB"), (ii) **ASPEN TECHNOLOGY, INC.**, a Delaware corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141, for itself and as successor by merger to **ASPENTECH, INC.**, formerly a Texas corporation with offices at Ten Canal Park, Cambridge, Massachusetts 02141("Borrower"), and the parties who have executed this Agreement, as evidenced by their signature below (each a "Party", and collectively, the "Parties").

Whereas, Borrower is indebted to SVB pursuant to a loan arrangement dated as of January 30, 2003, as evidenced by a certain Loan and Security Agreement and a certain Export-Import Bank Loan and Security Agreement each dated as of January 30, 2003 (each as amended and in effect, collectively, the "SVB Loan Arrangement") and SVB and Borrower have also entered into a certain Non-Recourse Receivables Purchase Agreement dated December 31, 2003 (as amended and in effect, the "SVB Purchase Facility").

Whereas, SVB has agreed to release its security interest in certain assets of Borrower in accordance with the provisions hereof in order to permit Borrower to sell such assets to Aspen Technology Funding 2006 - I LLC, free and clear of the security interest granted to SVB under the SVB Loan Arrangement and SVB's interest in the accounts receivable purchased under the SVB Purchase Facility, which assets shall be subsequently conveyed by Aspen Technology Funding 2006 - I LLC to Aspen Technology Funding 2006 - II LLC ("SPE II"), and which assets will then be pledged by SPE II to Key Equipment Finance, Inc., as agent for certain lenders extending loans to SPE II (the "Key Transaction").

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SVB, the Borrower, and the Parties hereby agree as follows:

1. Partial Release. SVB hereby irrevocably releases any lien, claim, encumbrance or security interest (including, without limitation, its security interests under the SVB Loan Arrangement and its interest in accounts receivable purchased under the SVB Purchase Facility) it may have, solely in those certain accounts receivable, contracts (or portion thereof), related security, and collections which are listed on **Exhibit A** hereto (the "SPV Receivables") and all proceeds thereof.

2. Treatment of Proceeds of the SPV Receivables. SVB specifically acknowledges and agrees that it shall retain no security interest or ownership interest in or to the SPV Receivables or the proceeds thereof (the "Funds"). In the event SVB receives, acquires or obtains any such Funds directly from the Collection Account (as defined herein) as

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payment of any of the Borrower's obligations under the SVB Loan Arrangement or the SVB Purchase Facility, in connection with a disbursement request by the Borrower to SVB directly from the Collection Account, or by set off or other action taken by SVB against the Collection Account, SVB agrees to promptly turn over any such Funds, or the proceeds thereof, to KEY or, at SVB's option, SVB may deposit such Funds into a court of competent jurisdiction in an interpleader action. In the event that any Party receives, acquires or obtains any collateral or property of SVB, such Party hereby agrees to promptly turn over such collateral, property, or the proceeds thereof, to SVB, or, at Key's option, Key may deposit such Funds into a court of competent jurisdiction in an interpleader action.

3. Amendment to UCC Financing Statement. Upon receipt of this fully executed Agreement, SVB shall file the following UCC financing statements on behalf of SVB, as Secured Party:

(a) Amendment to Financing Statement, releasing SVB's security interest in the SPV Receivables and the proceeds thereof, naming Aspen Technology, Inc., as Debtor, in the form of **Exhibit B** hereto, to be filed with the Delaware Secretary of State; and

(b) Amendment to Financing Statement, releasing SVB's security interest in the SPV Receivables and the proceeds thereof, naming Aspentech, Inc., as Debtor, in the form of **Exhibit C** hereto, to be filed with the Texas Secretary of State.

SVB agrees to deliver any such UCC financing statement partial releases reasonably requested by Aspen or Key to effectuate the terms of paragraphs 1 and 3 hereof.

4. Acknowledgement. The Borrower maintains a lockbox with SVB identified as follows: "Aspen Technology Inc. Box 83048, Woburn, MA 01813-3048" (the "Lockbox Account"). The Lockbox Account proceeds are currently transferred directly to a collection account maintained at SVB in the name of Aspen Technology, Inc. identified as Account No. 3300388202 (the " Domestic Collection Account"). In addition, certain wires are transferred to a separate collection account maintained at SVB in the name of Aspen Technology, Inc. identified as Account No. 3300388217 (collectively with the Domestic Collection Account, the "Collection Account"). SVB acknowledges that the Borrower and Key have advised SVB that SPE II shall, upon acquisition of interests in the SPV Receivables, grant or has granted Key a security interest in the SPV Receivables and the proceeds thereof, and that the Lockbox Account and the Collection Account may contain certain or all of the Funds, which are the proceeds of the SPV Receivables.

5. Entire Agreement. This Agreement (including Exhibits hereto) sets forth the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings and agreements between the Parties concerning such subject matter. No amendment or modification of this Agreement shall

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be effective against a Party except by a writing signed by authorized representative of such Party.

6. No Responsibility/Indemnification. (a) The Borrower and the Parties signing below confirm and agree:

(i) that SVB is not undertaking to take any action with respect to the Lockbox Account, or Collection Account, except as set forth in the agreements between SVB and the Borrower pertaining thereto, and except as provided herein.

(ii) that SVB shall not have any duties or responsibilities except such duties and responsibilities as are specifically set forth in this Agreement and no covenants or obligations shall be implied in this Agreement against SVB.

(b) The Borrower confirms and agrees:

(i) to indemnify SVB and its directors, officers, employees and agents harmless against: (i) all obligations, demands, claims, and liabilities asserted by any party or person in connection with the transactions contemplated by this Agreement; and (ii) all losses incurred, or paid by SVB from, following, or consequential to transactions relating to this Agreement.

7. Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the Commonwealth of Massachusetts, without regard to principles of conflict of laws, under the law of the Commonwealth of Massachusetts.

[Remainder of Page Intentionally Left Blank]

In witness whereof, the parties have executed this Agreement as of the date first written above.

SILICON VALLEY BANK

By: /s/ Michael Tramack
Name: Michael Tramack
Title: Senior Vice President

ASPEN TECHNOLOGY, INC.

By: /s/ Leo S. Vannoni
Name: Leo S. Vannoni
Title: Treasurer

AGREED AND ACKNOWLEDGED:

KEY EQUIPMENT FINANCE, INC., as agent

By: /s/ Donald C. Davis
Name: Donald C. Davis
Title: Vice President

Exhibit A

All of the Receivables, Collections and all proceeds thereof, in each case, as more particularly described below.

"Collections" means, with respect to any Receivable, all funds paid by or on behalf of the related obligor of such Receivable in payment of any amounts owed (including, without limitation, purchase or sale prices, principal, finance charges, interest and all other charges) in respect of such Receivable.

"Receivable" means all indebtedness and other obligations identified on Schedule I hereto ("Assets"), owed to Aspen Technology, Inc. or any affiliate thereof, including, without limitation, any indebtedness, obligation or interest relating to the Assets, and further including, without limitation, all rights to payment of such indebtedness or obligation arising under the related contract with respect to the Assets, and the obligation to pay any finance charges with respect to the Assets.

Aspen Technology, Inc.

Terms and Conditions of Stock Option Agreement
Granted Under 2001 Restated Stock Option Plan

1. Grant of Option.

These terms and conditions together with the notice of grant of stock option (the "Notice") set forth on the cover page to which they are attached constitute an Agreement evidencing the grant by Aspen Technology, Inc., a Delaware corporation (the "Company"), on the grant date set forth in the Notice (the "Grant Date") to the employee named in the Notice (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2001 Restated Stock Option Plan (the "Plan"), the number of shares (the "Shares") of common stock, $0.10 par value per share, of the Company ("Common Stock") set forth on the Notice, at a strike price set forth per Share set forth in the Notice. Unless earlier terminated, this Agreement shall expire at 5:00 p.m., Eastern Time, on the Expiration Date set forth in the Notice (the "Final Exercise Date").

To the extent permitted by the Code (as defined below) and designated in the Notice, it is intended that the option evidenced by this Agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code") or a nonqualified stock option, to the extent designated in this Notice.

2. Vesting Schedule.

The options granted hereunder will vest according to the schedule set forth on the Notice. The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this Agreement.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this Agreement shall be in the manner permitted by the Plan and, to the extent not inconsistent therewith, the Company's third party stock incentive plan administrator.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3 or in the Plan, this Agreement may not be exercised unless the Participant, at the time he or she exercises this Agreement, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "Eligible Participant").

(c) Termination of Relationship with the Company. Except as otherwise provided in the Plan, if the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this Agreement shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this Agreement shall be exercisable only to the extent that the Participant was entitled to exercise this Agreement on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this Agreement shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. Unless otherwise agreed by the Company and the Participant, if the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this Agreement shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this Agreement shall be exercisable only to the extent that this Agreement was exercisable by the Participant on the date of his or her death or disability, and further provided that this Agreement shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment is terminated by the Company for Cause (as defined below), the right to exercise this Agreement shall terminate immediately upon the effective date of such termination of employment, unless otherwise agreed by the Company and the Participant. If the Participant is party to an employment or severance agreement with the Company that contains a definition of "cause" for termination of employment, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall have the meaning set forth in the Plan.

4. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this Agreement unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required to be withheld in respect of this Agreement.

(b) Disqualifying Disposition. To the extent the option is an incentive stock option, if the Participant disposes of Shares acquired upon exercise of this Agreement within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this Agreement, the Participant shall notify the Company in writing of such disposition.

5. Nontransferability of Option.

Except as otherwise provided by the Plan, this Agreement may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this

Agreement shall be exercisable only by the Participant.

6. Provisions of the Plan.

This Agreement is subject to the provisions of the Plan.

Aspen Technology, Inc.

Terms and Conditions of Stock Option Agreement
Granted Under 2005 Stock Incentive Plan

1. Grant of Option.

These terms and conditions together with the notice of grant of stock option (the "Notice") set forth on the cover page to which they are attached constitute an Agreement evidencing the grant by Aspen Technology, Inc., a Delaware corporation (the "Company"), on the grant date set forth in the Notice (the "Grant Date") to the employee named in the Notice (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2005 Stock Incentive Plan (the "Plan"), the number of shares (the "Shares") of common stock, $0.10 par value per share, of the Company ("Common Stock") set forth on the Notice, at a strike price set forth per Share set forth in the Notice. Unless earlier terminated, this Agreement shall expire at 5:00 p.m., Eastern Time, on the Expiration Date set forth in the Notice (the "Final Exercise Date").

To the extent permitted by the Code (as defined below) and designated in the Notice, it is intended that the option evidenced by this Agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code") or a nonqualified stock option, to the extent designated in this Notice.

2. Vesting Schedule.

The options granted hereunder will vest according to the schedule set forth on the Notice. The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this Agreement under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this Agreement shall be in the manner permitted by the Company's third party stock incentive plan administrator. If no such third party administrator is administering the Plan at such time, such election shall be in writing, signed by the Participant and received by the Company at its principal office, accompanied by this Agreement and payment in full in the manner provided in the Plan, or as otherwise provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this Agreement may be for any fractional share.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this Agreement may not be exercised unless the Participant, at the time he or she exercises this Agreement, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this Agreement shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this Agreement shall be exercisable only to the extent that the Participant was entitled to exercise this Agreement on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions

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of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this Agreement shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. Unless otherwise agreed by the Company and the Participant, if the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this Agreement shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this Agreement shall be exercisable only to the extent that this Agreement was exercisable by the Participant on the date of his or her death or disability, and further provided that this Agreement shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment is terminated by the Company for Cause (as defined below), the right to exercise this Agreement shall terminate immediately upon the effective date of such termination of employment, unless otherwise agreed by the Company and the Participant. If the Participant is party to an employment or severance agreement with the Company that contains a definition of "cause" for termination of employment, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean (i) any willful failure by the Participant, which failure is not cured within 30 days of written notice to the Participant from the Company, to perform his or her material responsibilities to the Company, or (ii) willful misconduct by the Participant that affects the business reputation of the Company, in either case as determined by the Company, which determination shall be conclusive.

4. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this Agreement unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required to be withheld in respect of this Agreement.

(b) Disqualifying Disposition. To the extent the option is an incentive stock option, if the Participant disposes of Shares acquired upon exercise of this Agreement within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this Agreement, the Participant shall notify the Company in writing of such disposition.

5. Nontransferability of Option.

This Agreement may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this Agreement shall be exercisable only by the Participant.

6. Provisions of the Plan.

This Agreement is subject to the provisions of the Plan.

ASPEN TECHNOLOGY, INC.

Restricted Stock Unit Agreement
Granted Under 2005 Stock Incentive Plan

1. *Grant of Award.*

This Agreement evidences the grant by Aspen Technology, a Delaware corporation (the "Company") on _____, 200 (the "Grant Date") to _____ (the "Participant") of _____ restricted stock units of the Company (individually, an "RSU" and collectively, the "RSUs") on the terms provided herein and in the Company's 2005 Stock Incentive Plan (the "Plan"). Each RSU represents the right to receive one share of the common stock, $0.10 par value per share, of the Company ("Common Stock") as provided in this Agreement. The shares of Common Stock that are issuable upon vesting of the RSUs are referred to in this Agreement as "Shares."

2. *Vesting; Forfeiture.*

(a) This award shall not begin to vest unless the Company is profitable for its fiscal year ending on June 30, 2007; if the Company is not profitable for such period, this award shall be null and void. This award shall vest as to 25% of the original number of RSUs on the date upon which the earnings for such fiscal year are announced (the "First Vesting Date") and as to an additional 6.25% of the original number of RSUs on the 20th business day of each fiscal quarter thereafter until this award is fully vested on the third anniversary of the First Vesting Date (the "Final Vesting Date").

(b) Except as otherwise provided in the Plan, by the Board of Directors or pursuant to agreement between the Company and the Participant, if the Participant's employment with the Company terminates for any reason, any portion of this award that is not vested as of the date of such termination shall be forfeited. For purposes of this Agreement, employment with the Company shall include employment with a parent or subsidiary of the Company.

3. *Distribution of Shares.*

(a) The Company will distribute to the Participant (or to the Participant's estate in the event that his or her death occurs after a vesting date but before distribution of the corresponding Shares), as soon as administratively practicable after each vesting date (each such date of distribution hereinafter referred to as a "Settlement Date"), all of the vested Shares of Common Stock represented by RSUs that vested before the Settlement Date. If a Settlement Date occurs during a period during which the Participant may not trade in securities of the Company because the Company's insider trading policy imposes a trading blackout on the Participant, then the Settlement Date shall be delayed until such trading blackout has ended.

(b) The Company shall not be obligated to issue to the Participant the Shares upon the vesting of any RSU (or otherwise) unless the issuance and delivery of such Shares shall comply with all relevant provisions of law and other legal requirements including, without limitation, any applicable federal or state securities laws and the requirements of any stock exchange upon which shares of Common Stock may then be listed.

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4. *Restrictions on Transfer.*

The Participant shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively "transfer") any RSUs, or any interest therein, except by will or the laws of descent and distribution.

5. *Dividend and Other Shareholder Rights.*

Except as set forth in the Plan, neither the Participant nor any person claiming under or through the Participant shall be, or have any rights or privileges of, a stockholder of the Company in respect of the Shares issuable pursuant to the RSUs granted hereunder until the Shares have been delivered to the Participant.

6. *Provisions of the Plan; Reorganization Event; Change in Control Event.*

This Agreement is subject to the provisions of the Plan, a copy of which is furnished to the Participant with this Agreement.

7. *Withholding Taxes; Section 83(b) Election.*

(a) No Shares will be delivered pursuant to the vesting of an RSU unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option. To satisfy any such tax obligation, the Company may deduct and retain from the Shares to be distributed upon the Settlement Date such number of Shares as is equal in value to the Company's minimum statutory withholding obligations with respect to the income recognized by the Participant upon the lapse of the forfeiture provisions (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such income), and pay the required amounts to the relevant taxing authorities.

(b) The Participant acknowledges that no election under Section 83(b) of the Internal Revenue Code of 1986 may be filed with respect to this award.

8. *Miscellaneous.*

(a) *No Rights to Employment.* The Participant acknowledges and agrees that the vesting of the RSUs pursuant to Section 2 hereof is earned only by the achievement by the Company of the results set forth in Section 2(a) above and continuing service thereafter as an employee at the will of the Company (not through the act of being hired). The Participant further acknowledges and agrees that the transactions contemplated hereunder and the vesting schedule set forth herein do not constitute an express or implied promise of continued engagement as an employee or consultant for the vesting period, for any period, or at all.

(b) *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(c) *Waiver.* Any provision for the benefit of the Company contained in this Agreement may be waived, either generally or in any particular instance, by the Board of Directors of the Company.

(d) *Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the Company and the Participant and their respective heirs, executors, administrators, legal representatives, successors and assigns, subject to the restrictions on transfer set forth in Section 4 of this Agreement.

(e) *Notice.* All notices required or permitted hereunder shall be in writing and deemed effectively given upon personal delivery or five days after deposit in the United States Post Office, by registered or certified mail, postage prepaid, addressed to the other party hereto at the address shown

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beneath his or its respective signature to this Agreement, or at such other address or addresses as either party shall designate to the other in accordance with this Section 8(e).

(f) *Pronouns.* Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(g) *Entire Agreement.* This Agreement and the Plan constitute the entire agreement between the parties, and supersedes all prior agreements and understandings, relating to the subject matter of this Agreement.

(h) *Amendment.* This Agreement may be amended or modified only by a written instrument executed by both the Company and the Participant.

(i) *Governing Law.* This Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the State of Delaware, USA without regard to any applicable conflicts of laws.

(j) *Participant's Acknowledgments.* The Participant acknowledges that he or she: (i) has read this Agreement; (ii) understands the terms and consequences of this Agreement; and (iii) is fully aware of the legal and binding effect of this Agreement.

(k) *Unfunded Rights.* The right of the Participant to receive Common Stock pursuant to this Agreement is an unfunded and unsecured obligation of the Company. The Participant shall have no rights under this Agreement other than those of an unsecured general creditor of the Company.

(l) *Section 409A.* Payments under this Agreement are intended to be exempt from, or comply with, the provisions of Section 409A of the Internal Revenue Code of 1986 ("Section 409A") and this Agreement shall be administered and construed accordingly. If any payment, compensation or other benefit provided to the Executive in connection with his employment termination is determined, in whole or in part, to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Executive is a specified employee as defined in Section 409A(2)(B)(i), no part of such payments shall be paid before the day that is six (6) months plus one (1) day after the date of termination (the "New Payment Date"). The aggregate of any payments that otherwise would have been paid to the Executive during the period between the date of termination and the New Payment Date shall be paid to the Executive in a lump sum on such New Payment Date.

By accepting this grant online, I hereby acknowledge receipt and agree to the terms of this Restricted Stock Unit issued to me under the 2005 Stock Incentive Plan.

ASPEN TECHNOLOGY, INC.

By: _____

Title:

ASPEN TECHNOLOGY, INC.

Restricted Stock Unit Agreement - G
Granted Under 2005 Stock Incentive Plan

1. *Grant of Award.*

This Agreement evidences the grant by Aspen Technology, a Delaware corporation (the "Company") on _____, 200 (the "Grant Date") to _____ (the "Participant") of _____ restricted stock units of the Company (individually, an "RSU" and collectively, the "RSUs") on the terms provided herein and in the Company's 2005 Stock Incentive Plan (the "Plan"). Each RSU represents the right to receive one share of the common stock, $0.10 par value per share, of the Company ("Common Stock") as provided in this Agreement. The shares of Common Stock that are issuable upon vesting of the RSUs are referred to in this Agreement as "Shares."

2. *Vesting; Forfeiture.*

(a) This award shall not begin to vest unless the Company is profitable for its fiscal year ending on June 30, 2007; if the Company is not profitable for such period, this award shall be null and void. This award shall vest as to 25% of the original number of RSUs on the date upon which the earnings for such fiscal year are announced (the "First Vesting Date") and as to an additional 6.25% of the original number of RSUs on the 20th business day of each fiscal quarter thereafter until this award is fully vested on the third anniversary of the First Vesting Date (the "Final Vesting Date").

(b) Except as otherwise provided in the Plan, by the Board of Directors or pursuant to agreement between the Company and the Participant, if the Participant's employment with the Company terminates for any reason, any portion of this award that is not vested as of the date of such termination shall be forfeited. For purposes of this Agreement, employment with the Company shall include employment with a parent or subsidiary of the Company.

3. *Distribution of Shares.*

(a) The Company will distribute to the Participant (or to the Participant's estate in the event that his or her death occurs after a vesting date but before distribution of the corresponding Shares), as soon as administratively practicable after each vesting date (each such date of distribution hereinafter referred to as a "Settlement Date"), all of the vested Shares of Common Stock represented by RSUs that vested before the Settlement Date; provided, that if the Participant shall have made a Deferral Election offered by the Company, such distribution and Settlement Date shall occur in accordance with such Deferral Election. If a Settlement Date occurs during a period during which the Participant may not trade in securities of the Company because the Company's insider trading policy imposes a trading blackout on the Participant, then the Settlement Date shall be delayed until such trading blackout has ended.

(b) The Company shall not be obligated to issue to the Participant the Shares upon the vesting of any RSU (or otherwise) unless the issuance and delivery of such Shares shall comply with all relevant provisions of law and other legal requirements including, without limitation, any applicable federal or state securities laws and the requirements of any stock exchange upon which shares of Common Stock may then be listed.

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4. *Restrictions on Transfer.*

The Participant shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively "transfer") any RSUs, or any interest therein, except by will or the laws of descent and distribution.

5. *Dividend and Other Shareholder Rights.*

Except as set forth in the Plan, neither the Participant nor any person claiming under or through the Participant shall be, or have any rights or privileges of, a stockholder of the Company in respect of the Shares issuable pursuant to the RSUs granted hereunder until the Shares have been delivered to the Participant.

6. *Provisions of the Plan; Reorganization Event; Change in Control Event.*

This Agreement is subject to the provisions of the Plan, a copy of which is furnished to the Participant with this Agreement.

7. *Withholding Taxes; Section 83(b) Election.*

(a) No Shares will be delivered pursuant to the vesting of an RSU unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option. To satisfy any such tax obligation, the Company shall (unless otherwise instructed by the Participant) deduct and retain from the Shares to be distributed upon the Settlement Date such number of Shares as is equal in value to the Company's minimum statutory withholding obligations with respect to the income recognized by the Participant upon the lapse of the forfeiture provisions (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such income), and pay the required amounts to the relevant taxing authorities.

(b) The Participant acknowledges that no election under Section 83(b) of the Internal Revenue Code of 1986 may be filed with respect to this award.

8. *Miscellaneous.*

(a) *No Rights to Employment.* The Participant acknowledges and agrees that the vesting of the RSUs pursuant to Section 2 hereof is earned only by the achievement by the Company of the results set forth in Section 2(a) above and continuing service thereafter as an employee at the will of the Company (not through the act of being hired). The Participant further acknowledges and agrees that the transactions contemplated hereunder and the vesting schedule set forth herein do not constitute an express or implied promise of continued engagement as an employee or consultant for the vesting period, for any period, or at all.

(b) *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(c) *Waiver.* Any provision for the benefit of the Company contained in this Agreement may be waived, either generally or in any particular instance, by the Board of Directors of the Company.

(d) *Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the Company and the Participant and their respective heirs, executors, administrators, legal representatives, successors and assigns, subject to the restrictions on transfer set forth in Section 4 of this Agreement.

(e) *Notice.* All notices required or permitted hereunder shall be in writing and deemed effectively given upon personal delivery or five days after deposit in the United States Post Office, by registered or certified mail, postage prepaid, addressed to the other party hereto at the address shown

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beneath his or its respective signature to this Agreement, or at such other address or addresses as either party shall designate to the other in accordance with this Section 8(e).

(f) *Pronouns.* Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(g) *Entire Agreement.* This Agreement and the Plan constitute the entire agreement between the parties, and supersedes all prior agreements and understandings, relating to the subject matter of this Agreement.

(h) *Amendment.* This Agreement may be amended or modified only by a written instrument executed by both the Company and the Participant.

(i) *Governing Law.* This Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the State of Delaware, USA without regard to any applicable conflicts of laws.

(j) *Participant's Acknowledgments.* The Participant acknowledges that he or she: (i) has read this Agreement; (ii) understands the terms and consequences of this Agreement; and (iii) is fully aware of the legal and binding effect of this Agreement.

(k) *Unfunded Rights.* The right of the Participant to receive Common Stock pursuant to this Agreement is an unfunded and unsecured obligation of the Company. The Participant shall have no rights under this Agreement other than those of an unsecured general creditor of the Company.

(l) *Section 409A.* Payments under this Agreement are intended to be exempt from, or comply with, the provisions of Section 409A of the Internal Revenue Code of 1986 ("Section 409A") and this Agreement shall be administered and construed accordingly. If any payment, compensation or other benefit provided to the Executive in connection with his employment termination is determined, in whole or in part, to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Executive is a specified employee as defined in Section 409A(2)(B)(i), no part of such payments shall be paid before the day that is six (6) months plus one (1) day after the date of termination (the "New Payment Date"). The aggregate of any payments that otherwise would have been paid to the Executive during the period between the date of termination and the New Payment Date shall be paid to the Executive in a lump sum on such New Payment Date.

By accepting this grant online, I hereby acknowledge receipt and agree to the terms of this Restricted Stock Unit issued to me under the 2005 Stock Incentive Plan.

ASPEN TECHNOLOGY, INC.

By: _____

Title:

Exhibit 10.11

EXPLANATORY NOTE

On September 26, 2006, Aspen Technology, Inc. entered into executive retention agreements with the following executive officers.

Frederic G. Hammond
Manolis E. Kotzabasakis
Bradley T. Miller
C. Steven Pringle
Blair F. Wheeler

Each of the several executive retention agreements is identical to the form provided below, except that each executed agreement includes the name and address of the executive officer party thereto.

CONFIDENTIAL

ASPEN TECHNOLOGY, INC.

Executive Retention Agreement

THIS EXECUTIVE RETENTION AGREEMENT by and between Aspen Technology, Inc., a Delaware corporation (the "Company"), and (the "Executive") is made as of September 26, 2006 (the "Effective Date").

WHEREAS, the Company considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Company and its stockholders;

WHEREAS, the Company recognizes that, as is the case with many publicly-held corporations, the possibility of a change in control of the Company exists and that such possibility, and the uncertainty and questions which it may raise among key personnel, may result in the departure or distraction of key personnel to the detriment of the Company and its stockholders, and

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company that appropriate steps should be taken to reinforce and encourage the continued employment and dedication of the Company's key personnel without distraction, including distraction from the possibility of a change in control of the Company and related events and circumstances.

NOW, THEREFORE, as an inducement for and in consideration of the Executive remaining in its employ, the Company agrees that the Executive shall receive the severance benefits set forth in this Agreement in the event the Executive's employment with the Company is terminated under the circumstances described below.

1. Key Definitions.

As used herein, the following terms shall have the following respective meanings:

1.1 "Change in Control" means an event or occurrence set forth in any one or more of subsections (a) through (d) below (including an event or occurrence that constitutes a Change in Control under one of such subsections but is specifically exempted from another such subsection):

(a) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) 50% or more of either (x) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided that for purposes of this subsection (1), the following acquisitions shall not constitute a Change in Control Event: (I) any acquisition

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directly from the Company (excluding an acquisition pursuant to the exercise, conversion or exchange of any security exercisable for, convertible into or exchangeable for common stock or voting securities of the Company, unless the Person exercising, converting or exchanging such security acquired such security directly from the Company or an underwriter or agent of the Company), (II) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (III) any acquisition by any corporation pursuant to a Business Combination (as defined below) that complies with clauses (x) and (y) of Section 9(b)(i)(B)(3); or

(b) such time as the Continuing Directors (as defined below) do not constitute a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term "Continuing Director" means at any date a member of the Board (x) who was a member of the Board on the date of the initial adoption of this Plan by the Board or (y) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election, provided that there shall be excluded from this clause (y) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(c) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (x) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include a corporation that as a result of such transaction owns the Company or substantially all of the Company's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the "Acquiring Corporation") in substantially the same proportions as their ownership of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively, immediately prior to such Business Combination, excluding for all purposes of this clause (x) any shares of common stock or other securities of the Acquiring Corporation attributable to any such individual's or entity's ownership of securities other than Outstanding Company Common Stock or Outstanding Company Voting Securities immediately prior to the Business Combination); and (y) no Person (excluding the Acquiring Corporation or any employee benefit plan (or related trust) maintained or sponsored by the Company or by the Acquiring Corporation) beneficially owns, directly or indirectly, 50% or more of the then-outstanding shares of common stock of the Acquiring Corporation, or of the combined voting power of the then-outstanding securities of such corporation entitled to vote generally in the election of directors (except to the extent that such ownership existed prior to the Business Combination); or

(d) the liquidation or dissolution of the Company.

1.2 "Change in Control Date" means the first date during the Term (as defined in Section 2) on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if (a) a Change in Control occurs, or shall have been announced or agreed to, (b) the Executive's employment with the Company is subsequently terminated, and (c) if the date of termination is prior to the date of the actual or scheduled Change of Control, it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably designed to effect a Change in Control or (ii) otherwise arose in connection with or in anticipation of a Change in Control, such as, for example, as a condition thereto or in connection with cost reduction or elimination of duplicate positions, then for all purposes of this Agreement the "Change in Control Date" shall mean the date immediately prior to the date of such termination of employment.

1.3 "Cause" means:

(a) the Executive's willful and continued failure to substantially perform the Executive's reasonable assigned duties (other than any such failure resulting from incapacity due to physical or mental illness or any failure after the Executive gives notice of termination for Good Reason), which failure is not cured within 30 days after a written notice and demand for substantial performance is received by the Executive from the Board of Directors of the Company which specifically identifies the manner in which the Board of Directors believes the Executive has not substantially performed the Executive's duties; or

(b) the Executive's willful engagement in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this Section 1.3, no act or failure to act by the Executive shall be considered "willful" unless it is done, or omitted to be done, in bad faith and without reasonable belief that the Executive's action or omission was in the best interests of the Company.

1.4 "Good Reason" means the occurrence, without the Executive's prior written consent, of any of the events or circumstances set forth in clauses (a) through (g) below. Notwithstanding the occurrence of any such event or circumstance, such occurrence shall not be deemed to constitute Good Reason if, prior to the Date of Termination specified in the Notice of Termination (each as defined in Section 3) given by the Executive in respect thereof, such event or circumstance has been fully corrected and the Executive has been reasonably compensated for any losses or damages resulting therefrom (provided that such right of correction by the Company shall apply only with respect to the first Notice of Termination for Good Reason given by the Executive).

(a) the assignment to the Executive of duties inconsistent in any material respect with the Executive's position (including status, offices, titles and reporting requirements), authority or responsibilities in effect immediately prior to the earliest to occur of (i) the Change in Control Date, (ii) the date of the execution by the Company of the initial written agreement or instrument providing for the Change in Control or (iii) the date of the adoption by the Board of Directors of a resolution providing for the Change in Control (with the

earliest to occur of such dates referred to herein as the "Measurement Date"), or any other action or omission by the Company which results in a material diminution in such position, authority or responsibilities;

(b) a reduction in the Executive's annual base salary as in effect on the Measurement Date or as the same was or may be increased thereafter from time to time;

(c) the failure by the Company to (i) continue in effect any material compensation or benefit plan or program (including without limitation any life insurance, medical, health and accident or disability plan and any vacation program or policy) (a "Benefit Plan") in which the Executive participates or which is applicable to the Executive immediately prior to the Measurement Date, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan or program, (ii) continue the Executive's participation therein (or in such substitute or alternative plan) 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, than the basis existing immediately prior to the Measurement Date or (iii) award cash bonuses to the Executive in amounts and in a manner substantially consistent with past practice in light of the Company's financial performance;

(d) a change by the Company in the location at which the Executive performs the Executive's principal duties for the Company to a new location that is both (i) outside a radius of 40 miles from the Executive's principal residence immediately prior to the Measurement Date and (ii) more than 30 miles from the location at which the Executive performed the Executive's principal duties for the Company immediately prior to the Measurement Date; or a requirement by the Company that the Executive travel on Company business to a substantially greater extent than required immediately prior to the Measurement Date;

(e) the failure of the Company to obtain the agreement from any successor to the Company to assume and agree to perform this Agreement, as required by Section 6.1;

(f) a purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 3; or

(g) any failure of the Company to pay or provide to the Executive any portion of the Executive's compensation or benefits due under any Benefit Plan within seven days of the date such compensation or benefits are due, or any material breach by the Company of this Agreement or any employment agreement with the Executive.

For purposes of this Agreement, any claim of "Good Reason" made by the Executive shall be presumed to be correct unless the Company establishes by clear and convincing evidence that Good Reason does not exist. The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness.

1.5 "Disability" means the Executive's absence from the full-time performance of the Executive's duties with the Company for 180 consecutive calendar days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

2. Term of Agreement. This Agreement shall take effect upon the Effective Date and shall expire upon the first to occur of (a) the expiration of the Term (as defined below) if a Change in Control has not occurred during the Term, (b) the date 12 months after the Change in Control Date, if the Executive is still employed by the Company as of such later date, or (c) the fulfillment by the Company of all of its obligations under Sections 4 and 5.2 and 5.3 if the Executive's employment with the Company terminates during the term or within 12 months following the Change in Control Date. "Term" shall mean the period commencing as of the Effective Date and continuing in effect through July 31, 2007; provided, however, that commencing on August 1**,** 2007 and each August 1 thereafter, the Term shall be automatically extended for one additional year unless, not later than seven days prior to the scheduled expiration of the Term (or any extension thereof), the Company shall have given the Executive written notice that the Term will not be extended.

3. Termination.

3.1 Any termination of the Executive's employment by the Company or by the Executive (other than due to the death of the Executive) shall be communicated by a written notice to the other party hereto (the "Notice of Termination"), given in accordance with Section 7. Any Notice of Termination shall: (i) indicate the specific termination provision (if any) of this Agreement relied upon by the party giving such notice, (ii) to the extent applicable, set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) specify the Date of Termination (as defined below). The effective date of an employment termination (the "Date of Termination") shall be the close of business on the date specified in the Notice of Termination (which date may not be less than 30 days or more than 120 days after the date of delivery of such Notice of Termination), in the case of a termination other than one due to the Executive's death, or the date of the Executive's death, as the case may be. In the event the Company fails to satisfy the requirements of Section 3 regarding a Notice of Termination, the purported termination of the Executive's employment pursuant to such Notice of Termination shall not be effective for purposes of this Agreement.

3.2 The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting any such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

3.3 Any Notice of Termination for Cause given by the Company must be given within 30 days of the occurrence of the event(s) or circumstance(s) which constitute(s) Cause. Prior to any Notice of Termination for Cause being given (and prior to any termination for Cause being effective), the Executive shall be entitled to a hearing before the Board of

Directors of the Company at which **[**he/she**]** may, at the Executive's election, be represented by counsel and at which **[**he/she**]** shall have a reasonable opportunity to be heard. Such hearing shall be held on not less than 15 days prior written notice to the Executive stating the Board of Directors' intention to terminate the Executive for Cause and stating in detail the particular event(s) or circumstance(s) which the Board of Directors believes constitutes Cause for termination. Any such Notice of Termination for Cause must be approved by an affirmative vote of at least two-thirds of the members of the Board of Directors.

4. Benefits to Executive. If no Change in Control Date shall have occurred and Executive's employment hereunder is terminated by the Company without Cause, Executive shall be entitled to (i) severance pay for a period beginning on the Date of Termination (as defined above) and ending 12 months from such date (the "Severance Period") equal to Executive's then current base salary, to be paid on the Company's normal payroll cycle during the Severance Period; provided that if any payments would otherwise be due on or after March 15 of the calendar year next succeeding the year in which termination occurs,

then all payments that would otherwise be due after March 15 shall be paid to the Executive on or before March 15 of such next succeeding year; (ii) a pro rata portion of the Executive's target bonus for the then-current fiscal year, payable in a lump sum within 16 days of termination of employment; (iii) the benefits set forth in Section 4.2 (a)(i)(3), and 4.2(a) (ii),(iii) and (iv) below; and (iv) the amount of any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not previously paid. For all purposes of this Agreement, the Executive's unused vacation time accrual shall carry over from year to year.

4.1 Change in Control: If a Change in Control Date occurs, Executive shall be entitled to the benefits set forth below:

4.2 Compensation and Benefits. If a Change in Control Date occurs and the Executive's employment with the Company terminates within 12 months following the Change in Control Date, the Executive shall be entitled to the following benefits:

(a) Termination Without Cause or for Good Reason. If the Executive's employment with the Company is terminated by the Company (other than for Cause, Disability or death) or by the Executive for Good Reason within 12 months following the Change in Control Date, then the Executive shall be entitled to the following benefits:

(i) the Company shall pay to the Executive in a lump sum in cash within 16 days after the Date of Termination the aggregate of the following amounts:

(1) the sum of (A) the Executive's base salary through the Date of Termination, and (B) the amount of any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not previously paid (the sum of the amounts described in clauses (A), and (B) shall be hereinafter referred to as the "Accrued Obligations"); and

(2) the sum of (A) one multiplied by the Executive's annual base salary and (B) the Executive's target bonus for the then-current fiscal year.

(3) In lieu of any further life, disability, and accident insurance benefits, the Company shall pay to the Executive a lump sum amount, in cash, equal to the cost to the Executive 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 12 months commencing on the Date of Termination, and shall cause the Executive to be able to enroll in the plans or to be continued to be enrolled to the same extent as immediately prior to the Notice of Termination, for such period.

(ii) for 12 months after the Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue to pay or provide benefits to the Executive and the Executive's family at least equal to those which would have been provided to them if the Executive's employment had not been terminated, in accordance with the applicable medical, dental and vision plans ("Benefit Plans") in effect on the Measurement Date or, if more favorable to the Executive and the Executive's family, in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies;

(iii) to the extent not previously paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive following the Executive's termination of employment under any plan, program, policy, practice, contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(iv) for purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for defined benefit pension/retiree benefits, if any, to which the Executive is entitled, the Executive shall be considered to have remained employed by the Company until 12 months after the Date of Termination. For the avoidance of doubt, the foregoing shall not be deemed to include a 401(k) Plan or similar benefit.

(v) (A) all of the then-unvested options to purchase shares of stock of the Company held by the Executive shall become fully vested and immediately exercisable in full, and shares of the Company received upon exercise of any options will no longer be subject to a right of repurchase by the Company, (b) all of the restricted stock then otherwise subject to repurchase by the Company shall be deemed to be fully vested (i.e. no longer subject to a right of repurchase or restriction by the Company), (c) all of the shares underlying restricted stock units then otherwise subject to future grant or award shall be fully granted, vested and distributed and no longer subject to a right of repurchase by the Company or to any other performance conditions, and (c) all then-vested and exercisable options (including for the avoidance of doubt the options becoming exercisable pursuant to this paragraph) shall continue to be exercisable by the Executive for a period of 12 months following the Date of Termination.

(b) Resignation without Good Reason; Termination for Death or Disability. If the Executive voluntarily terminates the Executive's employment with the Company within 12 months following the Change in Control Date, excluding a termination for Good Reason, or if the Executive's employment with the Company is terminated by reason of

the Executive's death or Disability within 12 months following the Change in Control Date, then the Company shall (i) pay the Executive (or the Executive's estate, if applicable), in a lump sum in cash within 30 days after the Date of Termination, the Accrued Obligations and (ii) timely pay or provide to the Executive the Other Benefits.

(c) Termination for Cause. If the Company terminates the Executive's employment with the Company for Cause within 12 months following the Change in Control Date, then the Company shall (i) pay the Executive, in a lump sum in cash within 30 days after the Date of

Termination, the sum of (A) the Executive's annual base salary through the Date of Termination and (B) the amount of any compensation previously deferred by the Executive, in each case to the extent not previously paid, and (ii) timely pay or provide to the Executive the Other Benefits.

4.3 Taxes.

(a) Notwithstanding any other provision of this Agreement, except as set forth in Section 4.3(b), in the event that the Company undergoes a "Change in Ownership or Control" (as defined below), the Company shall not be obligated to provide to the Executive a portion of any "Contingent Compensation Payments" (as defined below) that the Executive would otherwise be entitled to receive to the extent necessary to eliminate any "excess parachute payments" (as defined in Section 280G(b)(1) of the Internal Revenue Code of 1986, as amended (the "Code")) for the Executive. For purposes of this Section 4.3, the Contingent Compensation Payments so eliminated shall be referred to as the "Eliminated Payments" and the aggregate amount determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-30 or any successor provision) of the Contingent Compensation Payments so eliminated shall be referred to as the "Eliminated Amount."

(b) Notwithstanding the provisions of Section 4.3(a), no such reduction in Contingent Compensation Payments shall be made if (i) the Eliminated Amount (computed without regard to this sentence) exceeds (ii) 110% of the aggregate present value (determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-31 and Q/A-32 or any successor provisions) of the amount of any additional taxes that would be incurred by the Executive if the Eliminated Payments (determined without regard to this sentence) were paid to **[**him/her**]** (including, state and federal income taxes on the Eliminated Payments, the excise tax imposed by Section 4999 of the Code payable with respect to all of the Contingent Compensation Payments in excess of the Executive's "base amount" (as defined in Section 280G(b)(3) of the Code), and any withholding taxes). The override of such reduction in Contingent Compensation Payments pursuant to this Section 4.3(b) shall be referred to as a "Section 4.3(b) Override." For purpose of this paragraph, if any federal or state income taxes would be attributable to the receipt of any Eliminated Payment, the amount of such taxes shall be computed by multiplying the amount of the Eliminated Payment by the maximum combined federal and state income tax rate provided by law.

(c) For purposes of this Section 4.3 the following terms shall have the following respective meanings:

(i) "Change in Ownership or Control" shall mean a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company determined in accordance with Section 280G(b)(2) of the Code.

(ii) "Contingent Compensation Payment" shall mean any payment (or benefit) in the nature of compensation that is made or made available (under this Agreement or otherwise) to a "disqualified individual" (as defined in Section 280G(c) of the Code) and that is contingent (within the meaning of Section 280G(b)(2)(A)(i) of the Code) on a Change in Ownership or Control of the Company.

(d) Any payments or other benefits otherwise due to the Executive following a Change in Ownership or Control that could reasonably be characterized (as determined by the Company) as Contingent Compensation Payments (the "Potential Payments") shall not be made until the dates provided for in this Section 4.3(d). Within 10 days after each date on which the Executive first becomes entitled to receive (whether or not then due) a Contingent Compensation Payment relating to such Change in Ownership or Control, the Company shall determine and notify the Executive (with reasonable detail regarding the basis for its determinations) (i) which Potential Payments constitute Contingent Compensation Payments, (ii) the Eliminated Amount and (iii) whether the Section 4.3(b) Override is applicable. Within 30 days after delivery of such notice to the Executive, the Executive shall deliver a response to the Company (the "Executive Response") stating either (A) that **[**he/she**]** agrees with the Company's determination pursuant to the preceding sentence, in which case **[**he/she**]** shall indicate, if applicable, which Contingent Compensation Payments, or portions thereof (the aggregate amount of which, determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-30 or any successor provision, shall be equal to the Eliminated Amount), shall be treated as Eliminated Payments or (B) that **[**he/she**]** disagrees with such determination, in which case **[**he/she**]** shall set forth (i) which Potential Payments should be characterized as Contingent Compensation Payments, (ii) the Eliminated Amount, (iii) whether the Section 4.3(b) Override is applicable, and (iv) which (if any) Contingent Compensation Payments, or portions thereof (the aggregate amount of which, determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-30 or any successor provision, shall be equal to the Eliminated Amount, if any), shall be treated as Eliminated Payments. If the Executive states in the Executive Response that **[**he/she**]** agrees with the Company's determination, the Company shall make the Potential Payments to the Executive within three business days following delivery to the Company of the Executive Response (except for any Potential Payments which are not due to be made until after such date, which Potential Payments shall be made on the date on which they are due). If the Executive states in the Executive Response that **[**he/she**]** disagrees with the Company's determination, then, for a period of 10 days following delivery of the Executive Response, the Executive and the Company shall use good faith efforts to resolve such dispute. If such dispute is not resolved within such 10-day period, such dispute 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 Company shall, within three business days following delivery to the Company of the Executive Response, make to the Executive those Potential Payments as to which there is no dispute between the Company and the Executive regarding whether they should be made (except for any such Potential Payments which are not due to be made until after such date, which Potential Payments shall be made on the date on which they are due). The balance of the Potential

Payments shall be made within three business days following the resolution of such dispute. Subject to the limitations contained in Sections 4.3(a) and (b) hereof, the amount of any payments to be made to the Executive following the resolution of such dispute shall be increased by amount of the accrued interest thereon computed as set forth below.

(e) The provisions of this Section 4.3 are intended to apply to any and all payments or benefits available to the Executive under this Agreement or any other agreement or plan of the Company under which the Executive receives Contingent Compensation Payments.

4.4 Mitigation. For the avoidance of doubt, the Executive shall not be required to mitigate the amount of any payment or benefits provided for in this Section 4 by seeking other employment or otherwise. Further, except as provided in Section 4.2(a)(ii), the amount of any payment or

benefits provided for in this Section 4 shall not be reduced by any compensation earned by the Executive as a result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company or otherwise.

4.5 Outplacement Services. In the event the Executive is terminated by the Company (other than for Cause, Disability or death), or the Executive terminates employment for Good Reason, within 12 months following the Change in Control Date, the Company shall provide outplacement services through one or more outside firms of the Executive's choosing and reasonably acceptable to the Company up to an aggregate of $45,000, with such services to extend until the earlier of (i) 12 months following the termination of Executive's employment or (ii) the date the Executive secures full time employment.

5. Disputes; Expenses.

5.1 Disputes. All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board of Directors of the Company and shall be in writing. Any rejection by the Board of Directors 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 rejection and the specific provisions of this Agreement relied upon.

5.2 Expenses. The Company agrees to pay as incurred, the expenses of one law firm to review and negotiate this Agreement, and, to the fullest extent permitted by law, all legal, accounting and other fees and expenses which the Executive may reasonably incur as a result of any claim or contest (regardless of the outcome thereof) by the Company, the Executive or others regarding the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive regarding the amount of any payment or benefits pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable rate for prejudgment interest then in effect in The Commonwealth of Massachusetts.

5.3 Compensation During a Dispute. If right of the Executive to receive benefits under Section 4 (or the amount or nature of the benefits to which [he/she] is entitled to receive) are the subject of a dispute between the Company and the Executive, the Company shall

continue (a) to pay to the Executive the Executive's base salary in effect as of the Measurement Date and (b) to provide benefits to the Executive and the Executive's family at least equal to those which would have been provided to them, if the Executive's employment had not been terminated, in accordance with the applicable Benefit Plans in effect on the Measurement Date, until such dispute is resolved. Following the resolution of such dispute, the sum of the payments made to the Executive under clause (a) of this Section 5.3 shall be deducted from any cash payment which the Executive is entitled to receive pursuant to Section 4; and if such sum exceeds the amount of the cash payment which the Executive is entitled to receive pursuant to Section 4, the excess of such sum over the amount of such payment shall be repaid (without interest) by the Executive to the Company within 120 days of the resolution of such dispute.

6. Successors.

6.1 Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a breach of this Agreement and shall constitute Good Reason if the Executive elects to terminate employment, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as defined above and any successor to its business or assets as aforesaid which assumes and agrees to perform this Agreement, by operation of law or otherwise.

6.2 Successor to Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable to the Executive or the Executive's family hereunder 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 executors, personal representatives or administrators of the Executive's estate.

7. Notice. All notices, instructions and other communications given hereunder or in connection herewith shall be in writing. Any such notice, instruction or communication shall be sent either (i) by registered or certified mail, return receipt requested, postage prepaid, or (ii) prepaid via a reputable nationwide overnight courier service, in each case addressed to the Company, at Aspen Technology, Inc.; ATTN: General Counsel; Ten Canal Park; Cambridge MA 02141, and to the Executive at the Executive's address indicated on the signature page of this Agreement (or to such other address as either the Company or the Executive may have furnished to the other in writing in accordance herewith). Any such notice, instruction or communication shall be deemed to have been delivered five business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent via a reputable nationwide overnight courier service. Either party may give any notice, instruction or other communication hereunder using any other means, but no such notice, instruction or other communication shall be deemed to have been duly delivered unless and until it actually is received by the party for whom it is intended.

8. Miscellaneous.

8.1 Section 409A of the Code. If (a) any payment, compensation or other benefit provided to the Executive in connection with his employment termination would constitute, in whole or in part, "nonqualified deferred compensation" within the meaning of Section 409A and (b) the Executive is a "specified employee"as defined in Section 409A(2)(B)(i), the Company and the Executive shall use their best efforts to the extent commercially reasonable to make an equitable arrangement so as to carry out the intent of this Agreement to the fullest extent possible such that such

payment, etc. would not constitute "nonqualified deferred compensation" and such that the Executive will receive equivalent after tax economic benefits as are intended hereby; however, if, despite such efforts, it would be impracticable or impossible to make such an arrangement, then no part of such payments shall be paid before the day that is six (6) months plus one (1) day after the date of termination (the "New Payment Date"). The aggregate of any payments that otherwise would have been paid to the Executive during the period between the date of termination and the New Payment Date shall be paid to the Executive in a lump sum on such New Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

8.2 Employment by Subsidiary. For purposes of this Agreement, the Executive's employment with the Company shall not be deemed to have terminated solely as a result of the Executive continuing to be employed by a wholly-owned subsidiary of the Company.

8.3 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

8.4 Injunctive Relief. The Company and the Executive agree that any breach of this Agreement by the Company is likely to cause the Executive substantial and irrevocable damage and therefore, in the event of any such breach, in addition to such other remedies which may be available, the Executive shall have the right to specific performance and injunctive relief.

8.5 Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the internal laws of the Commonwealth of Massachusetts, without regard to conflicts of law principles.

8.6 Waivers. No waiver by the Executive at any time of any breach of, or compliance with, any provision of this Agreement to be performed by the Company shall be deemed a waiver of that or any other provision at any subsequent time.

8.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but both of which together shall constitute one and the same instrument.

8.8 Tax Withholding. Any payments provided for hereunder shall be paid net of any applicable tax withholding required under federal, state or local law.

8.9 Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto in respect of the subject matter contained herein; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

8.10 Amendments. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Executive.

8.11 Executive's Acknowledgements. The Executive acknowledges that the Executive: (a) has read this Agreement; (b) has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of the Executive's own choice or has voluntarily declined to seek such counsel; (c) understands the terms and consequences of this Agreement; and (d) understands that the law firm of WilmerHale is acting as counsel to the Company in connection with the transactions contemplated by this Agreement, and is not acting as counsel for the Executive.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

ASPEN TECHNOLOGY, INC.

By: /s/ Mark E. Fusco
Title: President and Chief Executive Officer

[NAME OF EXECUTIVE]

Address:

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark E. Fusco, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 controls over financial reporting.

/s/ MARK E. FUSCO
Mark E. Fusco
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 14, 2006

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bradley T. Miller, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 controls over financial reporting

/s/ BRADLEY T. MILLER
Bradley T. Miller
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: November 14, 2006

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 Quarterly Report on Form 10-Q of Aspen Technology, Inc. (the "Company") for the period ended September 30, 2006 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: November 14, 2006

/s/ MARK E. FUSCO
Mark E. Fusco
President and Chief Executive Officer

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 Quarterly Report on Form 10-Q of Aspen Technology, Inc. (the "Company") for the period ended September 30, 2006 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: November 14, 2006

/s/ BRADLEY T. MILLER
Bradley T. Miller
Senior Vice President and Chief Financial Officer